



Supplierswitch strongly believes in a straight-forward approach to business.

We work to avoid bizarre acronyms and unintelligible jargon, but some industry terms are essential. Here is a glossary of the commonest industry terms...

'At the beach'	When gas has been brought ashore to a terminus by producers but is not yet in the National Transmission system, it is called 'at the beach'.
Backwardation	A term used to describe an energy market in which the anticipated value of the spot price in the future is lower than the current spot price . When a market is in backwardation, market participants expect the spot price to go down. The reverse situation is described as 'contango'.
Balancing Mechanism	Provides the system operator (NGT) with the means to match system-wide imbalances in the supply and demand of electricity and to adjust local and bulk power flows to ensure the security of the power network. The operation of the balancing mechanism begins after gate closure.
Baseload	The minimum expected customer power requirements at a given time. Baseload power is generally supplied from larger plants, which cannot be ramped up and down quickly, as demand is generally predictable and steady. It is less expensive than 'peak' power.
BETTA	The minimum expected customer power requirements at a given time. Baseload power is generally supplied from larger plants, which cannot be ramped up and down quickly, as demand is generally predictable and steady. It is less expensive than 'peak' power.
Exclusivity	<p>For the duration of this Agreement, you agree that we will be your exclusive provider of the Services.</p> <p>You agree that where you enter into a Supply Contract during the term of this Agreement (or within 30 days after termination or expiry of this Agreement, we shall be entitled to the Fees.</p>
CV	'Calorific Value' - a measure of the energy released as heat when a fuel is burned. It may be measured 'wet' (with water vapour) or 'dry' (after the water vapour has been removed). It may also be measured 'gross' or 'net' - gross includes the heat produced when the after- vapour is condensed into a liquid, and net does not. Generally, CV is measured gross and dry.
Carbon Trust	The Carbon Trust is an independent company funded by the Government. Its role is to help the UK move into a low carbon economy by assisting business and the public sector to reduce carbon emissions now and capture the commercial opportunities of low carbon technologies.



CCL	<p>'Climate Change Levy' - this is a charge introduced by the Government on UK non-domestic fuel to encourage businesses to use less energy and contribute to the reduction of carbon dioxide emissions.</p> <p>The levy is applied as a specific rate per nominal unit of energy. There is a separate rate for each category of taxable commodity. The rates are based on the energy content of each commodity and are expressed in kWh for gas and electricity, and in kgs for liquid petroleum gas.</p> <p>It is a single stage tax imposed at the time of supply, rather than at the time of use, to industrial and commercial consumers.</p>
Chargeable Supply Capacity (aka 'Service Capacity', 'Authorised Capacity and Availability')	<p>The maximum capacity agreed with the distributor or the highest maximum demand (usually, but not necessarily, over the previous 12 months – this depends on the rules of the relevant distribution company). Expressed in kVA.</p>
Contango	<p>Term used to describe an energy market in which the anticipated value of the spot price in the future is higher than the current spot price. When a market is in contango, market participants expect the spot price to go up. The reverse situation is described as 'backwardation'.</p>
Data Aggregator (DA)	<p>The Data Aggregator is the organisation appointed to aggregate the meter-reading data received from data collectors. This is then forwarded to the suppliers.</p>
Data Collector (DC)	<p>The Data Collector is the organisation responsible for collecting, processing and validating the meter reading data, which is then passed to the Data Aggregator.</p>
Distribution network	<p>Network for electricity distribution at voltages below that of the transmission network.</p>
Excess Availability	<p>The calculated kVA monthly demand in excess of the agreed site capacity, which is charged at a higher rate per kVA.</p>
EU ETS	<p>EU Emissions Trading Scheme (abbreviated as "EU ETS") - introduced across Europe to tackle emissions of carbon dioxide and other greenhouse gases and combat the serious threat of climate change.</p>
Grid	<p>The electricity transmission system.</p>
kW	<p>Kilowatts – one thousand watts.</p>
kVA	<p>Kilo Volt Ampere – the unit of measure used to express a meter's available capacity.</p>
Kilowatt Hour (KWh)	<p>Unit of electricity equivalent to the power of one kilowatt operating for one hour. For example, ten 100-watts light bulbs burning for one hour would consume one kilowatt hour of electricity.</p>



Load Factor	The ratio between average and peak usage for electricity or gas customers. The higher the load factor, the smaller the difference between average and peak demand.
Meter Point Administration Number (MPAN)	Unique number associated with a metering point. This identifies the distribution company, and also provides such additional data as metering information, profile class, time-switch code and line loss factor.
Meter Point Reference (MPR)	Unique number given by Transco to the point where the pipe meets the meter. If the meter is exchanged, the MPR stays the same.
MW	Megawatts – a million watts.
MWh	Megawatt hour.
NDM Supply Meter Point	Any gas Supply Meter Point which is not a DM Supply Meter Point. The volume of gas consumed at that supply point is recorded at monthly, quarterly or longer intervals by traditional meter reading.
NETA	The 'New Electricity Trading Arrangement' introduced in March 2001 for England and Wales. NETA is a system of bilateral trading between generators, suppliers and consumers on the UK market, with the aim of reducing wholesale electricity prices.
NGT	National Grid Transco – the company that runs the English and Welsh electricity and gas transmission networks.
Ofgem	Office of Gas and Electricity Markets, the energy regulator.
Renewable Energy/ Renewables	Any form of energy that is replaced by nature, with or without human assistance, including wind, solar, geothermal and tidal energy.
Renewables Obligation	An obligation on all electricity suppliers to buy a certain amount of their power from renewable sources
Shipper	<p>A company that transports gas along a pipeline system. Shippers need to be registered with the local regulatory body.</p> <p>In the UK gas market, a shipper is a company that buys gas 'at the beach' and pays Transco to transport the gas along the pipeline system.</p>
Spot Price	The price of a security or commodity in the cash market.
Therm	The imperial unit of measurement for a quantity of gas, equivalent to 100,000 British thermal units. (1 Therm = 29.3071KWh)
TW	Terawatt – one million megawatts.
TWh	Terawatt hours.