

Understanding Availability Charges

To understand Half Hourly Availability Charges (sometimes called Capacity Charges or kVa charges) you need to understand two main concepts: Agreed Capacity and Maximum Demand.

Agreed Capacity

- When commercial properties are first connected to the electricity distribution network, they are registered as using up to an agreed amount of electrical load.
- This will be stipulated in the Connection Agreement with the local Distribution Network Operator (DNO) who maintains the electricity network around the properties.
- This agreed amount of electrical load is known as the Agreed Capacity (measured in kVA). To make this capacity available to you, you pay the DNO a set charge to cover the associated investment and maintenance costs.
- This charge is known as the Availability Charge (measured in £ per kVA).

Maximum Demand

- The DNO needs to know if you stay within this agreed amount of electrical load.
- This is measured through your meter, which records your highest consumption in any half hour each month, and this is known as the Maximum Demand.
- This element is particularly important because if you exceed your Maximum Demand you will be charged at the higher kVA level, either monthly or annually, depending on how your DNO sets their charges.

Measuring Demand

- Many suppliers present your maximum monthly demand on the invoices; however this only shows the maximum throughout the entire month.
- We are able to provide daily analyse on your demand load, and this can potentially identify ways of reducing your available demand requirements.
- It is also possible with the right data to calculate your optimum requirement and if this is less than your charged demand, then this can be lowered, thus reducing your monthly fixed costs.