



Low Carbon Technology Guide

Time of use tariffs

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1. What is it?

Time of use tariffs (or TOUs) are special electricity tariffs that charge customers different amounts at different times. These tariffs offer cheaper electricity prices when the demand is lower and higher prices at more popular times. This is beneficial to both consumers, who can save money by using electricity when demand is lower, and energy companies, who can relieve pressure on the grid by balancing demand.

2. What should be considered before switching?

2.1 SMART METER

Time of use tariffs are only available to households that have a smart meter installed. A smart meter provides near-real-time information on how much energy you are using and automatically shares it with your energy supplier. Without this information, your supplier would not know when you are using electricity and how much you should be charged for it.

2.2 CHANGING THE WAY YOU USE ELECTRICITY

Time of use tariffs would not be suitable for every household as switching to one would likely require a change in when the electricity is used. Not doing so could potentially lead to higher electricity bills when compared to a fixed-price tariff.

Overall, time of use tariffs would be most beneficial to the households that are relatively flexible in their energy use, for example, can use washing machines and dishwashers at night when electricity is likely to be cheaper.

2.3 USING TIME OF USE TARIFFS WITH OTHER TECHNOLOGIES

Time of use tariffs are likely to be most beneficial to owners of electric vehicles who charge them at home. Owners could charge their electric vehicles when electricity demand is lowest, potentially saving them money, and could even sell electricity back into the grid. This process could also be almost fully automated if you decide to install a smart charger for your electric vehicle. Alternatively, home battery storage could be installed and charged when electricity is cheap, to be used later when it becomes more expensive.

3. How can I get it?

At the moment, few suppliers offer time of use tariffs, but this will likely change in the future. You should contact your electricity supplier to check if they offer these tariffs.

4. Useful websites

For more information on the time of use tariffs, please visit the following websites:

[Energy Saving Trust](#)

[TheGreenAge](#)

[Citizens Advice](#)