What you need to know about the electricity price cap now!



The German government wants to provide relief to private households and companies to help with rising energy prices. As a result, the unit price for 80% of your estimated annual consumption is capped at 40 cents per kilowatthour. This will start making a difference to your bank account from March 2023 onwards via your advance payments, with the relief for January and February taken into account retroactively.

Price caps, consumption forecast, billing period...? We want to explain some of these terms to you by way of a few specific examples. Let's consider a family of four with an annual consumption of 4,500 kWh, comparing the advance payment **with** and **without** the electricity price cap.



When the electricity price cap comes into effect in March 2023, the family will in future pay an advance payment of **€158**, which is **€30** less than would be the case without the price cap. The amounts are calculated on the basis of their consumption during the previous billing period. 80% of the consumption is calculated at 40 cents and the remaining 20% is billed at 50 cents. The family in this sample will experience the relief in the form of a reduced advance payment.

Important information: You don't need to do anything yourself. The advance payment will be adjusted by us automatically and you will be informed in writing.

The advance payment is always calculated on the basis of forecast consumption. What does that mean? The advance payment always looks back and assumes that the amount of electricity you will need will remain roughly the same in the year to come. You pay 12 advance payments and are then unlikely to have to make any back payments the following year – if the forecast is accurate. However, the truth – your actual consumption – will only be revealed with your meter reading. Were you perhaps able to lower your consumption by 20%? Then you will pay the capped price for the entire year.

In brief

- For 80% of your forecast annual consumption, you pay 40 ct/kWh (gross).
- For each additional kilowatt-hour, you pay the unit price of your current electricity tariff.
- The amount of your advance payment is adjusted automatically.

Why only for 80%?

It's simple: The aim is still to create incentives to save electricity. If you manage to reduce your gas consumption by 20%, you only have to pay the capped price for all of your gas consumption. We would be happy to help you save energy with tips and energy-related solutions. All you have to do is get in touch with us about it. We are happy to help.



An important note: Is the unit price in your current electricity tariff already less than 40 cents? Great. Then you already have a tariff where the gas price cap doesn't need to be applied. You will still benefit because in this case your entire annual consumption – and not just 80% – will be billed at the lower price.

Want to find out more about the price cap? We have provided the key information about the various relief measures online. Just visit **www.ewe.de/energiemarkt-aktuell**