

Nuclear Regulated Asset Base (RAB) Charges- Upcoming change in Energy Market

The UK Government has announced its Nuclear Regulated Asset Base (RAB) charges, which will soon affect electricity bills across the country. Energy suppliers are now confirming how these charges will be included within fixed non-commodity costs for customers.

What is the Nuclear Regulated Asset Base (RAB) charge?

The Regulated Asset Base (RAB) model is a government-backed financing model designed to attract private investment into large-scale infrastructure projects, such as new nuclear power stations.

Traditionally, investors in nuclear plants wait until the site is operational to see returns. The RAB model changes this by providing investors with a reliable income stream during the construction phase. This funding is supported through a levy on consumers, meaning an additional charge will appear on electricity invoices.

Key details of the new RAB charges

The Government has confirmed that the following Nuclear RAB charges will apply to all UK electricity bills:

- **Nuclear RAB Supplier Obligation Levy:** £3.455/MWh (0.3455p/kWh) from 1st November 2025
- **Nuclear RAB Operational Levy:** £0.0028/MWh from 1st October

While these initial costs have been confirmed for the first few months, they are forecast beyond this and could be reconciled at a later date. This means that charges are likely to vary over time.

How will suppliers apply the RAB charge?

Suppliers will add the new charge to customer pricing. For existing customers in “fully fixed” contracts, suppliers may issue updates on how these costs will be managed.

For those on contracts with pass-through non-commodity costs, the Nuclear RAB charge will automatically be added to bills for consumption from November onwards.

It's important to note that while some suppliers may initially absorb the cost for existing fixed contracts until renewals, most have terms and conditions allowing them to amend charges in line with changes to laws or industry rules.

There is positive news for businesses qualifying for the Energy Intensive Industries (EII) exemption scheme; these companies will not be required to pay the Nuclear RAB charges.

Do businesses need to take action?

For most customers, no action is required. However:

- Customers with pass-through contracts will see charges applied automatically from November.
- Customers with fixed contracts should check with their supplier for updates.

Next Steps:

The introduction of the Nuclear RAB funding model is a significant development in the UK energy market, with direct cost implications for businesses. Understanding your exposure and whether exemptions apply is essential to effective cost management.

Envantage can help businesses review their eligibility for RAB exemptions, as well as other schemes that reduce energy costs. If you'd like to explore how this applies to your organisation, our expert consultants are here to support you.

Contact us:

(e) hello@envantage.co.uk

(m) 0161 448 7722

