The voice of the energy industry

Energy UK Explains: Typical Domestic Consumption Values

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Key points

- Ofgem is making changes to Typical Domestic Consumption Values (TDCVs), which are used to help customers easily compare energy tariff offers, and to calculate the unit rates for gas and electricity in the price cap.
- TDCVs are calculated using historical data across a range of meter types and aim to illustrate average consumption by a typical low, medium and high energy user.
- Ofgem are updating TDCVs from 1 July 2026 to reflect the decrease in annual energy consumption over the past few years across homes in the UK. The medium TDCV, used for the headline price cap, is expected to fall by 7% for electricity and 17% for gas.
- As some fixed costs, including a proportion of energy network charges and supplier operating costs, are charged on the unit rate, Ofgem is increasing the unit rates in the price cap so that these costs can be recovered across lower consumption levels. The electricity unit rate will increase by 0.8% and the gas unit rate will increase by 1.3%.
- The combination of these changes means the headline price cap will fall substantially. Under the proposals, the April – June 2026 price cap would be 9% lower at £1,490 compared to the actual figure of £1,641. However, for households consuming the same amount of energy, their energy bills will rise modestly due to the higher unit rates.
- These proposed changes also mean the July – September 2026 price cap figure will look lower than it would have done. The combination of the proposed TDCV changes and the increase in wholesale costs caused by the Middle East conflict would lead to the headline price cap rising by around £20 to £1,659, representing an increase of just 1%. However, the underlying increase in the price cap will be more than 10% (current TDCV: £1,641 to around £1,850; proposed new TDCV: £1,490 to around £1,660). Therefore, households on the price cap face higher prices from July.

What is a Typical Domestic Consumption Value (TDCV)?

TDCVs are set by the regulator Ofgem for the annual gas and electricity usage for a “typical” domestic household. The figures cover different meter types, and high, medium or low energy usage. TDCVs are needed to provide a common basis for comparing energy prices across suppliers, regions and over time. TDCVs are used in the quarterly publication of the price cap updates. They can also be used by suppliers and price comparison websites to estimate the cost of energy tariffs in the absence of individual customer data.

What is the price cap and what does the figure announced by Ofgem mean?

The price cap sets a maximum amount that suppliers can charge per unit of energy for customers on default tariffs, as well as a limit on the daily standing charge that customers must pay if they are connected to the grid.

For simplicity, and to give customers an idea of how much a yearly bill might be, the headline price cap announcement uses the TDCV for a medium usage dual fuel (gas and electricity) household paying by Direct Debit. This enables a yearly figure to be quoted, although people's bills will vary depending on where they live, how they pay and how much energy they use.

The April – June 2026 price cap of £1,641 represents the cost for a household whose energy usage is in line with the medium TDCVs of 11,500kWh of gas and 2,700kWh of electricity per year, assuming prices remained at the same level for the full year.

How will TDCVs change?

There has been an observed decrease in both mean and median annual consumption across typical households. There are several reasons for this, including warmer weather and energy efficiency improvements, as well as people using less energy as a response to higher energy bills. Ofgem has decided that, from 1 July 2026, TDCVs will be updated to reflect the reduction.

The headline price cap uses the medium TDCV; there are further TDCVs representing lower and higher typical usages. They are indicative figures and mostly used by price comparison websites when customers do not provide actual consumption values.

The electricity TDCVs will be reduced by 7-14%, and the gas TDCVs by 15-20%. Even though the proposed changes to TDCVs are different between low, medium and high, the change in price cap unit rates will be the same across all usages.

Medium TDCV (in kWh):

	Current	Proposed
Electricity	2,700	2,500
Gas	11,500	9,500

What does this mean for the headline price cap?

As a result of the TDCV changes, the headline price cap will only increase by around 1%. However, comparing like for like consumption, using the current or proposed new TDCV, the price cap will increase by more than 10%.

Price cap values:

	Current TDCV	Proposed new TDCV	Change
Annual dual Fuel April – June price cap	£1,641	£1,490	-9.2%
Annual dual Fuel July – September price cap estimates	£1,862	£1,663	-10.7%

What does this mean for energy bills?

The price cap will continue to set the maximum amount that suppliers can charge per unit of energy for customers on default tariffs. Fixed tariffs will not be impacted.

The reduction in TDCVs means that when comparing future price cap announcements with previous figures, it may appear that the cost of an average bill is lower than expected when in fact it is because the typical energy consumption on which the headline figure is based has been reduced.

Customers that are looking for a new energy tariff should consider the reduction in TDCVs when comparing or using this calculation to estimate cost. Where possible, customers should submit their own annual consumption figures, which can be found on energy bills, as well as using the actual unit rate cost, for the purposes of comparing tariffs or estimating bills.

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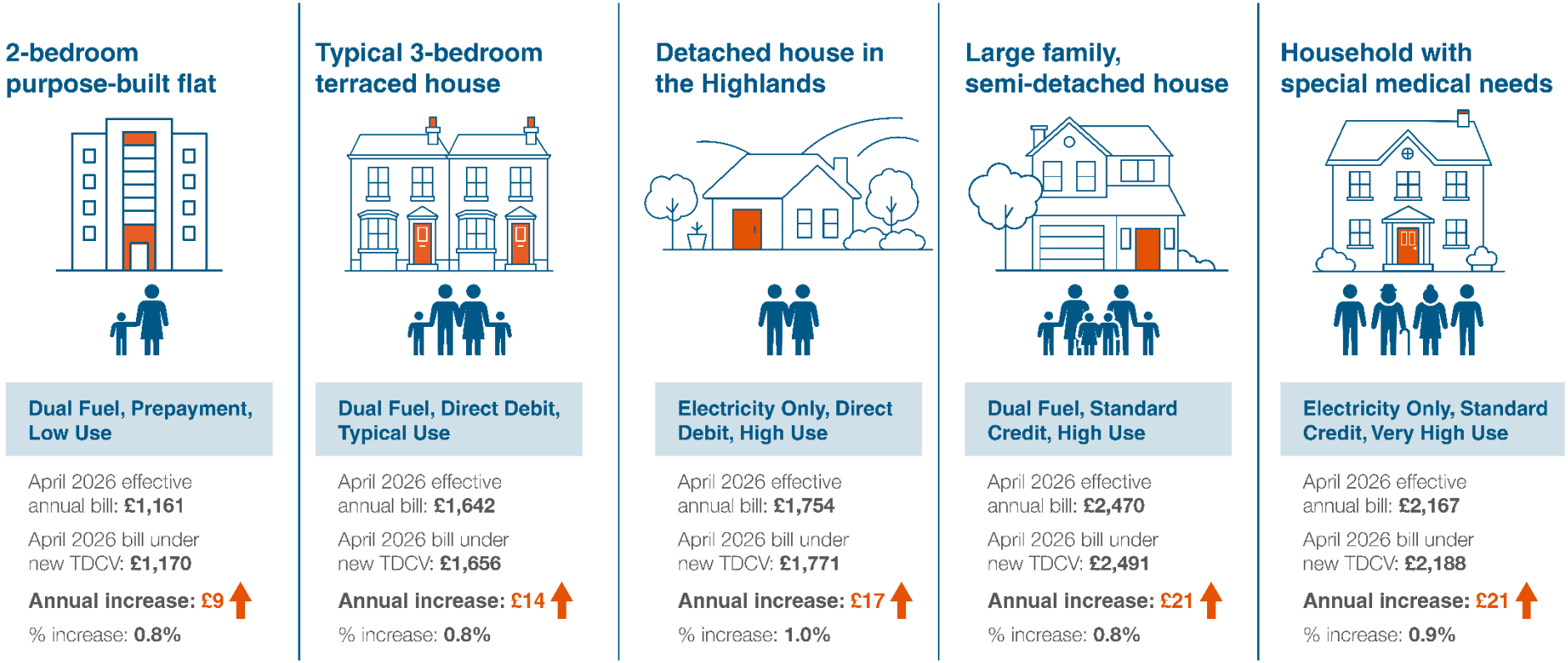
Figure 1: Bill changes for different levels of consumption:[1]



As a result of a unit rate increase, the higher the consumption in a household, the bigger the increase in annual bill. The above image shows the impact of TDCV changes across different households based on the April-June 2026 price cap. As the unit rate is expected to be higher for the next price cap period, the scale of impact will be amplified.

[1] Payment methods and fuel vary across profiles – the calculations account for those differences, using unit rate figures published by Ofgem in review TDCV consultation.

For more information on this explainer, please email press@energy-uk.org.uk.

About Energy UK

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From growing start-ups to major electricity generators, grid and infrastructure developers and energy suppliers, our members are driving change across power, heat, transport and flexibility.

We provide a collective voice for the sector working with governments, regulators, charities and other organisations to provide crucial insight that shapes policy, offers solutions and promotes best practice.

Our broad view across the whole system supports evidence-based positions which are not tied to particular technologies, and are focused on delivering strategic benefits for people, businesses and the economy.

We champion initiatives such as our Vulnerability Commitment, which pushes suppliers to go beyond regulation to support customers with additional needs, and TIDE, the industry's drive for greater inclusion and diversity. Through our Young Energy Professionals Forum, we support the development of future leaders.

We are equally committed to our team and are proud to be recognised as a 'Platinum' Investors in People employer.