

# What is the best tariff for optimisation and savings?

There are a variety of tariffs on the market, which vary between suppliers, regions and smart meter connectivity. In general, if your import and export tariffs vary throughout the day(s), there is more pricing variation for optimisation to take advantage of. If you are on a fixed import and export tariff, you can't take advantage of cheaper electricity periods or good export prices, and Smug won't be able to save you a great deal. .

## Why are dynamic tariffs ideal for optimisation?

Dynamic tariffs, such as Agile Octopus and Flux, are ideal to maximise optimisation savings. These are tariffs that offer a different price per unit of energy depending on the time of day. This also means that times and rates typically change from day to day, based on wholesale electricity prices. There can also be negative pricing, where you are paid to use electricity, for example, paid to charge your battery. The Octopus Flux tariff for instance has cheap overnight electricity rates of just 15p / kWh - far less than the price cap standard variable tariff of around 27p /kWh\*. It also has a period in the late afternoon when you can sell electricity at 27p / kWh. That compares to typical rates from the Smart Export Guarantee of just 3p to 6p per kWh for exported electricity. With Flux, we can instruct your system to top-up when electricity is cheap overnight, and sell the surplus at the best possible price

Optimisation uses these changes in price to choose when to charge batteries, or control export to the grid. The more price changes and time windows available, the more optimisation can plan ahead and take actions to maximise your earnings. In fact, because with Octopus Flux you can buy electricity overnight at 15p, and sell it later at 27p per kWh, Smug can make you even more money by using spare battery capacity to 'trade' electricity! For every kWh you buy and sell you will make a profit of 12p.

We recommend the following two Octopus tariffs:

### **Flux:**

Flux has a standard rate of 26p import / 16p export \* most of the day. Overnight however, export drops to 5p while import is 15p. In the late afternoon prices are much higher - 36p for import, and 27p for export. Smug can take really good advantage of the price differences, buying at the low prices and selling at the higher prices.

### **Agile:**

Agile is a 'tracker' tariff - it follows wholesale prices, which can vary significantly. In the worst case you can be paying up to 100p for imported electricity. At other times however electricity prices on agile can actually go negative - you can be paid for using electricity! Price for export also varies

greatly.

Smug works really well with Agile - but there is some uncertainty, so it's not for everyone. If you like living on the edge, consider going for Agile. If you like a bit more certainty, you might like to go for Flux.

Octopus allow you to switch between tariffs. You need to sign up to their flexible tariff first, and then switch to Flux or Agile.

**If you'd like to switch to Octopus, you can use [this](#) link, and you'll earn £50 in credit\***

\*Prices vary slightly across the country, last checked March 2025.

\*\*Note, we also receive £50 on our account too

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