

DCP 420 Working Group Meeting 05

7 February 2024 at 10:00 - Web-Conference

Attendee	Company
Working Group Members	
Eleanor Suter [ES]	BUUK
Morven Hunter [MH]	Lastmile UK
Sally Musaka [SM]	SSE
Brian Clark [BC]	SSE
Harry Hailwood [HH]	brook green supply
Wesley Scott [WS]	brook green supply
Donna Jamieson [DJ]	IDCSL
Edda Dirks [ED]	SSE Generation
David Wornell [DW]	National Grid
James Jones [JJ]	SSE
Ryan Farrell [RF]	NPg
Mark Bellman [MB]	ENWL
Paul Bedford [PB]	Drax
Victoria Burkett [VB]	SSE
Anne-Claire Leydier [ACL]	Matrix Group
Alexis Rigas [AR]	brook green supply
Joe Boyle [JB]	SPEN
Rustam Ellis-Majainah [REM]	OVO
John Harmer [JH]	WatersWye
Tony Collings [TC]	Ecotricity

Observers	
Thomas Holderness [TH]	Ofgem
Code Administrator	
Richard Colwill [RC]	Chair
Craig Booth [CB]	Secretariat

1. Administration

Recording

- 1.1 The Chair asked members if they were comfortable for this Working Group to be recorded. No members objected to this request. The purpose of this recording is purely to aid the Technical Secretariat in producing an accurate report of the meeting. The recording will be deleted after 15 Working Days.

Competition Law Guidance and Terms of Reference

- 1.2 The Working Group reviewed the “Competition Law Guidance” and “Terms of Reference”. All Working Group members agreed to be bound by the Competition Law Guidance for the duration of the meeting and agreed to the Terms of Reference.

2. Purpose of the Meeting

- 2.1 The Chair set out that the purpose of the meeting was to review and discuss the options put forward.

3. Actions Review

CUSC Modification

- 3.1 The Chair explained that, as per action 04/01, he had checked whether a CUSC modification would be required for the Proposer’s new proposal and confirmed that this was the case. The Chair explained that there was an interaction with TNUoS charges and, as such, a CUSC modification would be needed.

EV Site Viability

- 3.2 Two DNO members stated they can identify EV sites, though it was noted this may not be inclusive of everything.
- 3.3 One of the members stated that whilst the sites could be identified and the DNO would therefore know the costs of the site, it was not possible to assess viability as the DNO does not have a view of the revenue to do a cost benefit assessment. Another member further added that the other costs faced by EV charging sites are unknown, further adding to the difficulty in performing any viability assessment.
- 3.4 The Working Group discussed whether having customers submit the data would be sufficient for DNOs to assess the viability of the sites. The Working Group noted two potential issues with this:
 - 3.4.1 whether all DNOs would be willing to perform this activity (the Working Group further noted more DNO engagement would be beneficial); and
 - 3.4.2 whether the DNOs would be in a position to be able to validate or challenge the data provided.
- 3.5 It was also noted by the Working Group that in DCP 412, which is a similar Change Proposal, the Working Group had dismissed the option of the DNOs performing any assessment of commercial viability.

4. Options Discussion

Central Database and Discount

- 4.1 The Chair presented a potential option provided by **brook green supply**, which is attached to these minutes as Attachment 1.
- 4.2 HH explained that the proposal was to create a central database to which commercial EV charging sites would register and, once registered, would be subject to a discount from the TNUoS residual and DUoS fixed charges from 2026 to 2035, in line with the [Zero Emission Vehicles \(ZEV\) mandate](#).
- 4.3 HH stated that a database exists for domestic charge points and that the company behind this, GreenSync, believes its solution could cater for DCP 420.
- 4.4 The Working Group discussed how this would potentially work in practice. It was discussed that, as currently proposed, the EV charging site customer would apply to the central database, be provided some sort of certificate or validation of their eligibility, and present this to their Supplier who would amend their billing accordingly. It was noted by brook green supply that this would be similar to the way the [Energy and Trade Intensive Industries \(ETII\) process](#) works under the Energy Bills Discount Scheme (EBDS).
- 4.5 The Working Group discussed that, as currently proposed, the solution would apply to any commercial EV charging site regardless of size. It was noted by brook green supply that this creates a level playing field for all charging sites, regardless of site size or the type of chargers installed.
- 4.6 The Working Group discussed how this would be funded. It was noted by brook green supply that this would either have to come from government or would have to come from redistributed standing charges.
- 4.7 The Working Group discussed that it would be necessary to understand or define how an application would be validated and what the eligibility criteria would be. It was noted that the criteria would need to define whether it's a sole use site or whether it would include existing non-EV charging sites where an EV charge point is added. The Working Group also noted the potential for gaming, as a non-EV charging site could potentially install a single charging point to attempt to gain access to a subsidy.

Action 05/01	HH to reach out to GreenSync to understand how it validates EV chargers.
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- 4.8 The Working Group discussed that a significant amount of money was being discussed under the option brought forward by brook green supply and that it may not be appropriate for a DCUSA Working Group to make decisions on how to provide such a large scale subsidy as is being proposed. The Working Group noted it may be more prudent for the [Department for Energy Security & Net Zero \(DESNZ\)](#) or the [Department for Transport \(DfT\)](#) to make and implement such decisions.
- 4.9 The Working Group discussed whether the subsidy should come from an increase to all standing charges, as one member noted that increases to standing charges in the domestic market are not

popular and are a hot topic at the moment. It was suggested by Brook Green Supply, as the proposer of the option, that its view was that the impact should be limited to the non-domestic market.

- 4.10 The Working Group also noted that, should the proposal become one where the DNOs are responsible for validation EV charging sites, that DCP 412, as a similar Change Proposal, had moved away from making any form of rebates as it was decided the solution should be kept more inline with the TCR. As such, re-banding was selected as the treatment for eligible sites, rather than providing rebates.
- 4.11 The Working Group noted that the scope of the original Change Proposal may be broadened by this option, as the original proposal was targeted at rapid charging sites, whereas the conversation has turned to addressing all non-domestic EV charging sites. One DNO member noted that it is the rapid charging sites that need the high capacity and therefore face the highest charges.
- 4.12 The Working Group discussed that it was important that the support provided was correctly targeted and of the correct level to provide the necessary support, to ensure the support provided was not too much and not too little. It was noted that if this was policy then the government would ensure it has the correct financial models to determine the level of support offered.

Action 05/02	WS to reach out to DESNZ to discuss the points raised by the Working Group.
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- 4.13 The Working Group also noted the Environment and Climate Change Committee had [published a report on electric vehicles](#), which highlighted the need to support local authorities in their expansion of EV charging infrastructure and which placed the responsibility for this on government, not DNOs. The report is attached to these minutes as Attachment 2.
- 4.14 The Proposer for DCP 420, DW, noted that although this proposal originated from a contact by a local authority, other charging site operators had raised similar concerns, so it was not limited to only local authorities.

Charging Based on Maximum Demand

- 4.15 The working Group noted that maximum demand was not defined in the DCUSA. It was discussed that charging based on a customer's maximum demand would need to be defined in terms of a period of time – whether it means a customer's maximum demand within a day, a week, a month, a year, etc.
- 4.16 The Working Group noted that a customer would still need a high capacity that covers their maximum demand, as exceeding this results in excess capacity charges and places strain on the network.
- 4.17 The Working Group also noted that it was not clear how a customer would be charged based on their maximum demand. It was discussed that this could mean new tariffs would be required or that customers would need to be charged on bands they are not currently in.
- 4.18 This option was dismissed by the Working Group for further consideration, as it is believed to not be workable.

Non-Residual Charging

- 4.19 The Working Group discussed the principle of whether a customer should pay no residual charges and what the justification would be for some or all EV charging sites to be exempt from paying residual charges.
- 4.20 The Working Group noted that the proposal brought forward by the Proposer in the previous meeting, to add residual to the unit charges, does at least mean some contributions are paid by the customer.

Load Balancing

- 4.21 The Working Group discussed that load-balancing on site would be customer led and would not be in scope of a DCUSA Change Proposal to implement.

DCP 412 Model

- 4.22 The Working Group noted that DCP 412 would not capture these sites based on the current eligibility criteria set by that Working Group, as those customers are very peaky (with a high utilisation of their capacity, but with a low overall load factor).
- 4.23 It was noted that to use the DCP 412 solution would require the DCP 420 Working Group to come up with a set of eligibility criteria, which for the DCP 412 Working Group has required a lot of discussions and taken some time to arrive at, and there would need to be a mechanism to specifically identify EV charging sites.
- 4.24 The Working Group noted that the solution for DCP 412 is still in development and is not yet finalised.
- 4.25 It was also noted that the DCP 412 Working Group had dismissed assessing the commercial viability of a business.

Phasing of Capacity

- 4.26 The Working Group discussed whether these sites could make use of phased capacity. It was noted that depending on how it's implemented, it may cover the desired sites but would potentially leave the legacy sites unresolved.
- 4.27 The Working Group noted that in the known examples that have approached DNOs, phasing the capacity would not have worked as the chargers would be installed and the moment all the chargers were used then the full capacity would be used.

5. Scale

- 5.1 The Working Group discussed that it would be useful to understand the scale of the problem that is being discussed. It was also noted that getting views from the wider EV charging site population would be useful.

- 5.2 The Working Group discussed that it would be useful to get the EV charging trade body, Charge UK, included in the Working Group so that the challenges faced by EV charging sites can be better understood. It was suggested that Charge UK could poll their members to ask what challenges they face, whether this is due to a lack of knowledge about how charging works, whether it is seasonal, etc., and how the proposed solutions may impact them. The Chair took an action to reach out to Charge UK to invite them to the next meeting and to check if they have, or can gather, views on the issues being faced by their members.

Action 05/03	Chair to invite Charge UK to the next meeting and to check if they have, or can gather, views on the issues being faced by their members.
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6. Approach and Next Steps

- 6.1 The Chair will contact Charge UK to check their availability to attend a Working Group meeting and then issue a Doodle Poll.

7. Any Other Business

- 7.1 The Chair asked the group whether there were any other items of business to discuss. There were no other items raised.

New and Open Actions

Action Ref.	Action	Owner	Update
01/05	MM to reach out to DESNZ, providing an overview of the issue raised in DCP 420 and seeking initial views on how best to address.	Secretariat	Ongoing – See below update
	DESNZ facilitated the OZEV view on DCP420 summarised within the email below. DESNZ are open to targeted discussions with Code Admin.		
03/01	The Secretariat to reach out to the confidential respondent to seek what information (if any) can be published publicly in relation to their response.	Ofgem	Ongoing
03/02	Ofgem to review whether this issue goes against the original intent TCR and whether it is now unintendedly setting price signals.	Ofgem	Ongoing – See below update
	<p>The residual charges are not supposed to send signals for how the networks should be used and as a result in the TCR we concluded that residual charges will apply to Final Demand consumers only, and that they would take the form of fixed charges, levied on a per-site basis for all households and businesses.</p> <p>In our TCR Decision and throughout the industry engagement activities we acknowledged that although the modelling used to support our TCR decision was conducted across the widest possible user archetypes, this list was finite and therefore Ofgem would be and are open to considering evidence where the TCR Decision is having unintended consequences and have invited industry to consider such cases and propose solutions to rectify them via the code modification process.</p> <p>DCP420 is one such mod which whilst identifying a potential unintended consequence of the TCR on a user archetype not captured within the TCR modelling, it goes on to propose a solution of ‘a change to the definition for certain EV charging sites from final demand site to non-final demand’, which raises concerns regarding fairness. We would recommend the WG consider</p>		

	(i) whether a code mod is the appropriate platform to resolve this issue or whether it would be better served by government support initiatives for this user archetype. (ii) If a code mod is the preferred solution for this issue, maybe explore the pros/cons of alternative solutions such as:- <ul style="list-style-type: none">• volumetric based reductions;• unmetered sites which do not pay standing or capacity charges and are only billed in volumetric terms.		
05/01	Reach out to GreenSync to understand how it validates EV chargers.	Harry Hailwood	New Action
05/02	Reach out to DESNZ to discuss the points raised by the Working Group.	Wesley Scott	New Action
05/03	Invite Charge UK to the next meeting and to check if they have, or can gather, views on the issues being faced by their members.	Chair	New Action

Closed Actions

Action Ref.			Update
02/01	Chair to share the links to the research papers with the Working Group.	Chair	Closed
02/03	Chair to follow-up the email sent by Pembrokeshire Council to see if other councils had been contacted.	Chair	Closed
02/04	Chair to draft the RFI question(s) and circulate to the WG for review.	Chair	Closed
02/05	GM to flag this CP to the TNUoS task force.	GM	Closed
04/01	The Chair to determine if a CUSC modification would be required based on the proposed solution above.	Chair	Closed
01/03	The proposer (DW) to contact the local council to see if they have other examples of EV charging sites where the fixed charges are currently making the sites unviable.	Proposer (DW)	Closed – lack of responses
04/02	The DNOs to check whether identifying and assessing the viability of these sites is something they could do.	DNOs	Closed
03/03	The Chair to update the DCP 420 Work Plan once more information has been gathered.	Chair	Closed
02/02	Chair to review the research papers.	Chair	Closed