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## Ensuring the solution creates the right economic impact

1. The Working Group has considered how it would select the most appropriate mechanism for providing support, within the remits of the DCUSA, such as reducing the residual charges to a pre-TCR level, providing a total relief from residual charges, and re-banding sites (e.g., reducing the band to the lowest band, reducing by one band or reducing based on a yet to be defined methodology).
2. The Working Group has considered when support would need to be withdrawn, whether the support would be withdrawn based on individual assessments of commercial viability or withdrawn for the EV charging market as a whole, how the commercial viability of EV charging sites would be assessed, and the manner in which the support would be withdrawn and whether this would be a phased withdrawal of support or a total removal of support.
3. The Working Group has considered whether it can accurately predict the level of support required and, depending on the solution, how the costs associated with this are recovered.
4. The Working Group discussed the feasibility of assessing the full scale of the issue and of any potential solution it develops. The Working Group considered whether ChargeUK, as the trade association, would be able to facilitate information gathering to allow this, however ChargeUK advised that this would be an incomplete picture due to:
   1. limitations of its membership coverage (as it does not cover all EV charging companies);
   2. limitations of the information that some of its members are permitted to share with the trade association; and
   3. differences between companies in terms of structure, technology and distribution of sites.
5. In considering the above, the Working Group has expressed concerns around:
   1. whether it is able to determine the most appropriate mechanism for providing support;
   2. whether it can adequately assess the overall economic impact of the support required;
   3. whether it can anticipate the consequences of the solution on investments;
   4. whether it could unintentionally distort competition by creating an unlevel playing field;
   5. whether it could unintentionally create perverse incentives; and, ultimately,
   6. whether a solution within the DCUSA is the appropriate mechanism for providing this support.

## Defining who is in scope of the Change Proposal

1. The Working Group has spent considerable time trying to define the scope of the Change Proposal, in terms of the EV charging sites that would qualify for support.
2. The Working Group considered the following scenarios where support may or may not be appropriate (within the current scope of the intent):
   1. public EV charging sites where the sole use of energy is for selling EV charging to private users;
   2. public EV charging sites where the sole use of energy is not for selling EV charging to private users, which could include (but is not necessarily limited to):
      1. EV chargers installed by an existing business to provide EV charging to its customers, on its existing connection;
      2. EV chargers installed by an existing business to provide EV charging to its customers, on a new connection (the new connection may therefore match the criteria for sole use); and
      3. EV chargers installed where some of the energy will be used for amenities (e.g., on site toilets, CCTV, lighting, café, vending machines, etc.).
3. The Working Group further noted, in the above scenarios, that the definition of ‘sole use of energy’ may not be clear cut, as some energy will invariably be used for other on-site equipment, such as CCTV, barriers, etc. The Working Group therefore concluded that it may be necessary to set a threshold of energy use (e.g., that 95% of the energy used needs to be for the purpose of charging EVs) and considered that this would add additional complexity, as different charging sites could have vastly different splits depending on the capacity of the chargers and the number of chargers. This would add an additional administrative burden in making such assessments.
4. The Working Group also considered that depending on the definition of in-scope sites arrived at for the solution, this could inadvertently incentivise other businesses to install an EV charger in order to gain the support. The Working Group noted that those sites in scope of the DCP 412 Change Proposal, which itself does not yet have a defined solution, could be incentivised to get support through the installation of an EV charger.
5. The Working Group considered whether, in defining the scope, any solution arrived at would meet the basic principles of fairness and not result in undue discrimination between network users.
6. In considering the above, the Working Group has expressed concerns around whether it will be possible to define the scope of customers in a way that is:
   1. fair;
   2. manageable;
   3. not unduly discriminatory;
   4. does not expose the solution to gaming;
   5. caters for EV charging sites of varying configurations;
   6. provides support to all EV charging sites that genuinely require it; and
   7. does not create unintended consequences.

## Funding the support

1. The Working Group considered how the support of any solution it arrives at would be funded, and arrived at two options:
   1. the company receives total support, and the costs of this support are recovered from other users; or
   2. the company receives a more limited support, and the costs of this support are recovered from other users.
2. The Working Group considered who, if other users of the network are to cover these costs, should pay for this, and arrived at the following options:
   1. all users, whether domestic or non-domestic, would cover the costs;
   2. all non-domestic users would cover the costs; or
   3. all non-domestic users in the same TCR band would cover the costs.
3. The Working Group considered that it was not able to define other cost recovery mechanisms (e.g., through a levy, government funded scheme, etc.) as this would be outside the remit of the DCUSA and outside the remit of a DCUSA Working Group.
4. The Working Group considered the fairness aspect of subsidising one group of users by charging some or all other users, and the impacts on the perception of the energy industry as a result of increasing other users’ standing charges to do so, particularly at a time when the cost of standing charges are in focus more publicly.
5. The Working Group noted that Ofgem has been conducting a standing charge review, to which it received media attention and a large number of responses illustrating the attention this topic is receiving, and considered that Ofgem could include EV charging sites in the scope of its standing charge review.
6. In considering the above, the Working Group has expressed concerns around whether:
   1. it is appropriate for a DCUSA Working Group to define solutions that arbitrarily pass costs between network users; and
   2. whether, in defining a solution that arbitrarily passes costs between network users, it exposes the energy industry to negative public scrutiny.
7. The Working Group also expressed interest in understanding whether, in considering the above, the support needed for EV charging sites would be better considered as part of an Ofgem or Government led initiative (such as the standing charge review), however this is outside the scope of a DCUSA Working Group.

## Lead time for support

1. The Working Group discussed whether the support that could be provided through the DCUSA would provide the support needed by EV charging sites in time for it to be meaningful.
2. The Working Group noted that, assuming a Change Declaration being issued towards the end of the year, taking into consideration the lead time for a decision from Ofgem, and depending on the solution the Working Group develops, the support may not be available until the 2027/2028 charging year at the earliest.
3. The Working Group considered that financial support provided through another means could result in quicker support being made available to EV charging sites.
4. In considering the above, the Working Group has expressed concerns around whether it will be possible to provide the necessary support in a timescale required to have a positive effect.

## Additional new processes and/or manual processes

1. The Working Group discussed that any solution arising from this Change Proposal will inevitably lead to additional administrative burdens, and new processes which, depending on the solution, may be manual in nature. The Working Group noted that this could be costly to administer, and these costs would need to be recovered.
2. The Working Group noted, through one of the alternative proposals (brought forward by Brook Green) that a database solution had been proposed, based on an existing database developed by GreenSync and used by Ofgem for recording domestic EV charging installations. The Working Group discussed that whilst a database may be one possible solution, this did not resolve the issue of defining the scope of the support, would still require administration in some form, and would need to be the subject of a competitive tender process.
3. In considering the above, the Working Group has expressed concerns around whether:
   1. it is in the spirit of the DCUSA, and DCUSA General Objective 6, to introduce costly administrative processes to support another sector or an unrelated Government target; and
   2. how the costs for implementing and administering such a scheme would be recovered.

## Potential CUSC impacts

1. The Working Group discussed whether a CUSC modification may be necessary as some EV charging sites may be connected at the transmission level.
2. The Working Group considered that if DUoS charges were an issue for distribution connected sites, then TNUoS charges could be an issue for both distribution and transmission connected sites, and that to not consider transmission connected sites may distort competition or create an unlevel playing field, leaving some EV charging sites without access to support that others are receiving.
3. The Working Group noted that to raise a consequential change for the CUSC to address TNUoS charges would add further complexity and likely result in increased timescales for the definition of a solution for Ofgem’s consideration.
4. In considering the above the Working Group has expressed concerns around whether it would be possible to provide the necessary support in a timescale required to have a positive effect, if a CUSC modification needs to be raised.