

## DCP 420 Working Group Meeting 11

17 September 2024 at 10:00 - Web-Conference

Attendee	Company
<b>Working Group Members</b>	
Simon Vicary	EDF
Ryan Farrell	NPg
Sally Musaka	SSE
Dan Simpson	ChargeUK
David Wornell	National Grid
Mark Bellman	ENWL
Morven Hunter	Last Mile
Tony Collings	Ecotricity
John Harmer	WatersWye
Rustam Ellis-Majainah	Ovo
Niall Coyle	ESO
Joe Boyle	SPEN
Anne-Claire Leydier	Matrix Group
Monique Pereira	Indigo
Chris Ong	UKPN
Harry Hailwood	Brook Green Supply
Louise Robinson	ESPUG
Victoria Burkett	SSE
<b>Observers</b>	
Tamara Satmarean	OZEV
<b>Apologies</b>	
Edda Dirks	SSE Generation
Thomas Holderness	Ofgem
<b>Code Administrator</b>	
Richard Colwill	Chair
Craig Booth	Secretariat

## 1. Administration

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### 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.

## 2. Actions Review

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- 2.1 The Chair reviewed the actions.
- 2.2 The Chair confirmed all actions (actions 10/01, 10/02, 10/05, 10/06, 10/07 and 10/08) requiring updates to the consultation had been completed.
- 2.3 The Secretariat confirmed it had received the review of the new example model spreadsheet in completion of actions in conclusion of actions 10/03 and 10/04.

## 3. Purpose of the Meeting

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- 3.1 The Chair set out that the purpose of the meeting was to review to review the draft consultation.

## 4. Potential CUSC Impacts

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- 4.1 The Chair explained that potential CUSC impacts had been highlighted by National Grid ESO (“NGESO”).
- 4.2 The NGESO representative explained that depending on the solution taken forward, it may be necessary to raise a CUSC modification. It was noted that if the solution was to move the customer into the definition of non-final demand or to re-band the customer, this would feed through into CUSC, but the other solutions would likely need a CUSC modification.
- 4.3 A Working Group member asked whether option 2 would require a CUSC modification as this was similar to back-up connections.
- 4.4 The NGESO representative confirmed that DCP 403 implemented the backup connection exemption by amending the definition of a single site, which the CUSC uses. This meant that, for backup connections, no CUSC modification was required.
- 4.5 The Working Group noted that a CUSC modification would be required for option 2 as that option is not amending the definition of a single site.

## 5. Draft Consultation

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### Consultation Approach

- 5.1 The Chair explained that the proposed approach to the consultation will be to issue this to industry on a principles basis, without legal text being developed, as there are five options currently being consulted on and to develop legal text for each option, including modelling, would require additional time and cost.
- 5.2 A Working Group member agreed that consulting on a principles basis was sensible given that the work to develop the legal text for options not taken forward to vote would be a waste of effort, but that it would be important that the reader has sufficient information to understand all of the options.
- 5.3 A Working Group member asked if this meant that Parties would not be consulted on the legal text. The Chair explained that if the preferred solution was simple, it may not be necessary to consult on the legal text, however if the preferred solution was complex in nature and required modelling, the Working Group may then wish to consult on the legal text.
- 5.4 A Working Group member aired concerns that the solution for all options are likely to have a lot of complexity, such as carving out eligibility, the timing, etc., and that Parties need enough information to know how the solution will work. The member suggested that consulting on the final legal text would be preferred, so that Parties can fully understand the solution being taken forwards. Another Working Group member agreed that consulting on a principles basis was sensible given there were five options, but that a consultation on the developed solution with legal text and, if necessary, modelling would be needed.
- 5.5 The Chair agreed that if the Working Group believes it necessary to consult on the legal text, regardless of the solution taken forward, that the Secretariat would facilitate this.

### Temporary/Enduring Solution

- 5.6 A Working Group member noted that the proposal purpose stated it may be a temporary solution. The Chair explained that there are paragraphs in the draft consultation (paragraphs 4.17 to 4.18 of version 0.8 of the draft consultation) and that guidance had previously been obtained on not making the title and purpose too prescriptive, to avoid having to take Change Proposals back to the Panel for amendment.
- 5.7 A Working Group member stated that his preference would be to have a time limitation on the proposal, so that the support to EVs is not enduring. A Working Group member noted that the Brook Green Supply proposal had suggested removal of the support tied to the current government zero-emission vehicles (“ZEV”) mandate timelines.
- 5.8 The Chair suggested that a question be added to the consultation around the support being temporary. A Working Group member agreed that a question should be asked, both whether it should be temporary and how this would be codified.
- 5.9 A Working Group member noted that the issue being addressed was around the installation of EV charging sites being impacted by the residual charges, and not an enduring relief that may be much

broader, noting that this could become as broad and enduring as DCP 412, which aims to provide ongoing relief to customers with peak capacity usage.

## **DCP 412 Interaction/Overlap**

- 5.10 A Working Group member noted that he had raised concerns in DCP 412 that EV charging sites could benefit from both proposals and that a carve out may be needed.
- 5.11 A Working Group member noted that DCP 412 may only interact with DCP 420 under certain options and that under options 1, 2, 3 and 4, it would be unlikely to interact with DCP 412 as customers would no longer be in a band, which DCP 412 relies upon to provide relief.
- 5.12 The Chair noted that regardless of the solution, it should be ensured, if needed, that any potential overlap should be addressed.

## **Scope of the Change Proposal**

- 5.13 The Working Group discussed the scope of the Change Proposal and that the premise of it was to support the rollout of EV charging sites for a period where there are a lack of EVs on the road. It was discussed that at some point in time there should be sufficient EVs on the road to make these sites commercially viable and that removing relief at that point would be appropriate.
- 5.14 A Working Group member stated that the consultation lacked a quantitative element in the form of how much support is needed and questioned whether this could amount to a blank cheque. The member noted that any under-recovery of charges would be spread over other customers.
- 5.15 The Chair noted there had been some analysis, but this was confirmed to be lacking an impact assessment on other customers as the number of eligible EV charging sites was currently unknown.
- 5.16 A Working Group member noted that depending on the solution taken forwards, it would impact other customers in different ways, noting as examples that moving EV charging sites to non-final demand would result in the charges being spread over all customers whereas changing the band impacts the customers left in the band.
- 5.17 The Chair suggested that once a preferred solution is identified, it may require analysis, modelling and assumptions to be made, to assess the impact as far as reasonably practicable.
- 5.18 The ChargeUK representative shared that the public charge point regulations, which came into force in November 2023, will require publicly accessible charge point data to be made available as of November 2024 and that this could form the basis of a dataset for analysis.
- 5.19 The ChargeUK representative noted that different charge point types are impacted differently by residual charges, and that lower speed chargers are impacted to a lesser extent than faster chargers. It was also noted that an option that links the residual in some way to the consumption at site could be preferred, as they were not necessarily looking for EV charging sites to pay no residual charges, and it was appropriate that EV charging sites did pay towards their residual charges.
- 5.20 The Proposer confirmed that the original intent was to include all public EV charging sites in scope of this Change Proposal.

## Consultation Document Review

- 5.21 The Working Group reviewed the draft consultation document.
- 5.22 The Chair noted that the draft consultation structure had been amended as per suggestions from two Working Group members.
- 5.23 The Secretariat noted that the cross-references between paragraphs needed to be updated following the change of structure.

Action 11/01	Secretariat to check cross-references in the updated draft consultation document.
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## Public Charge Point Regulations

- 5.24 The Working Group discussed whether the public charge point regulations require charge point operators (“CPOs”) to provide the data or whether it required an intervention from the Secretary of State.
- 5.25 The Secretariat referenced Part 4 Paragraph 10 of the regulation, included below for reference, and noted that it required CPOs to provide the data to certain parties on request.

<p>PART 4</p> <p>Open public charge point data</p> <p><b>Data</b></p> <p><b>10.</b>—(1) A charge point operator must, within one year from the date on which these Regulations come into force, hold the data set out in paragraphs 8.3.1, 8.3.2 and 8.3.3 of the data requirement for each of its public charge points.</p> <p>(2) A charge point operator must ensure that data held in accordance with paragraph (1) is —</p> <p>(a) accurate; and</p> <p>(b) provided on request in electronic format to the Secretary of State and to any Distribution Network Operator, Transmission Owner or Electricity Systems Operator that supplies energy to its public charge points.</p>
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## Sunset Clause/Removal of Relief

- 5.26 The Working Group discussed when it may be appropriate to remove support.
- 5.27 The ChargeUK representative explained that the ZEV mandate date was subject to change and is currently under consultation. It was discussed that this had originally been 2030, which the previous government then amended to 2035, however the current government has pledged to amend this back to 2030 in its manifesto subject to consultation.
- 5.28 The Proposer reiterated his point of view that this support should be temporary in nature.

- 5.29 The ChargeUK representative highlighted that there is a degree of uncertainty around the rollout and that internal combustion engine (“ICE”) cars will be on the road in volume after the proposed 2030 date, and that it may not be until some time after this date that the volume of EVs results in the increased viability of EV charging sites.
- 5.30 The Chair agreed to update the draft consultation document to articulate the above discussions and add consultation questions around the review/removal of the support.

### Clarity/Explanations for Options

- 5.31 The Working Group noted that the explanations of options 3 and 4 may not be sufficient for the reader to understand. The Chair agreed to update these and that he would reach out to some Working Group members for help expanding these.

Action 11/02	Chair to reach out to Working Group members for help expanding the options explanations.
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## 6. Next Steps and Work Plan

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- 6.1 The next Working Group meeting will be on 23 September 2024 at 11:00 to 13:00.
- 6.2 The agenda will be to finalise the consultation for issue to industry.

## 7. Any Other Business

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- 7.1 No other business was raised.

## New and Open Actions

Action Ref.	Action	Owner	Update
11/01	Check cross-references in the updated draft consultation document.	Secretariat	New action
11/02	Reach out to Working Group members for help expanding the options explanations.	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
05/02	Reach out to DESNZ to discuss the points raised by the Working Group.	Wesley Scott	Closed
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	Closed
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.  DESNZ facilitated the OZEV view on DCP420 summarised within the email below. DESNZ are open to targeted discussions with Code Admin.	Secretariat	Closed
03/02	Ofgem to review whether this issue goes against the original intent TCR and whether it is now unintendedly setting price signals.  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.	Ofgem	Closed

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.

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 (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:-

- volumetric based reductions;

	<ul style="list-style-type: none"> <li>unmetered sites which do not pay standing or capacity charges and are only billed in volumetric terms</li> </ul>		
05/01	Reach out to GreenSync to understand how it validates EV chargers.	Harry Hailwood	Closed
08/01	Secretariat to review the Distribution License for net zero obligations.	Secretariat	Closed
08/02	Flesh out the additional option.	Dave Wornell	Closed
08/03	Draft the consultation and circulate to the Working Group.	Chair	Closed
09/01	Reach out to Gowlings for a cost and time estimate, to be taken to the Panel for approval.	Chair	New Action
09/02	Reach out to the Panel with Gowlings' cost estimate and the updated title and intent and confirm the outcome to the Working Group.	Chair	New Action
10/01	The Chair to add additional paragraphs around the need to limit eligibility to connections that are solely for the purpose of supplying EV charge points.	Chair	Closed The paragraphs were added to the consultation document.
10/02	The Chair to add some paragraphs explaining the debate around the appropriateness of the CP versus other government support, including the Ofgem feedback.	Chair	Closed The paragraphs were added to the consultation document.

10/03	The Secretariat to send the Proposer's new spreadsheet to Ryan Farrell.	Secretariat	Closed The Proposer sent the spreadsheet to Ryan.
10/04	Ryan Farrell to check the spreadsheet against NPg's area.	Ryan Farrell	Closed Ryan reviewed the spreadsheet and sent this to the Proposer and Secretariat.
10/05	The Chair to amend the original option in line with the suggestion in the above paragraph.	Chair	Closed The paragraphs were amended.
10/06	The Chair to add additional explanations for each solution, based on the legal text and including the analysis (as an attachment).	Chair	Closed The explanations were expanded upon.
10/07	The Secretariat to arrange for time with the Proposer to work on the legal text for the solutions.	Secretariat	Closed The approach to the consultation was amended.
10/08	The Chair to add a question to the consultation around whether the solution could be susceptible to gaming if customers were able to opt in and out of being in the new EV charging tariff group.	Chair	Closed These paragraphs were added.

# DCUSA