

DCP 420 Working Group Meeting 13

26 September 2024 at 13:00 - Web-Conference

Attendee	Company
Working Group Members	
Ryan Farrell	NPg
Edda Dirks	SSE Generation
Andrew Nosworthy	Osprey Charging
David Wornell	National Grid
Mark Bellman	ENWL
John Harmer	WatersWye
Monique Pereira	Indigo
Chris Ong	UKPN
Victoria Burkett	SSE
Dan Simpson	ChargeUK
Joe Boyle	SPEN
Apologies	
Sally Musaka	SSE
Rustam Ellis-Majainah	Ovo
Code Administrator	
Richard Colwill	Chair
Craig Booth	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.

2. Actions Review

- 2.1 The Chair reviewed the actions.
- 2.2 The Chair confirmed action 11/01 will be completed once the consultation is finalised. This action remains open.
- 2.3 The Chair confirmed that actions 12/01, 12/02, 12/04 and 12/05 had been completed and the draft consultation updated accordingly. These actions were closed.
- 2.4 The Chair explained that action 12/03 had not been completed as he believed this would benefit from development by the Working Group rather than by the Secretariat in isolation. This action was closed and would be discussed in the meeting.

3. Purpose of the Meeting

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

4. Draft Consultation

- 4.1 The Working Group reviewed the draft consultation.

Sites With Ancillary Usage

- 4.2 The Working Group discussed sites with ancillary usage, ranging from basic amenities such as lighting, CCTV, etc., through to an on-site café, and debated where the line on providing support should be drawn.
- 4.3 A Working Group member expressed concern at the prospects of a business installing an EV charger in order to gain access to the residual charge relief.
- 4.4 The Working Group discussed whether the example of a café with EV chargers was based in reality or was purely speculative, but considered that if the system can be gamed in such a way then it becomes feasible that such sites would start to emerge.

- 4.5 The Working Group agreed that it would be useful to list the types of sites for consideration (e.g., EV chargers only, EV chargers with lights and CCTV, EV chargers with self-serve amenities, EV chargers with an on-site café, etc.), and to include a consultation question on this.

Action 13/01	Chair to create a list of examples and include a consultation question.
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Examples

- 4.6 The Working Group discussed what examples would be useful to further illustrate how the options would work. The Working Group noted that in the case of options 1 and 2, these options would simply result in the customer paying no residual, and in the case of option 5, this would simply result in the customer being re-banded to a lower band.

- 4.7 The Working Group discussed that options 3 and 4 would benefit from a worked example and agreed that the model created for option 3 would suffice for that option and that the formula used for option 4 should be clearly articulated.

Action 13/02	Chair to ensure the formula for option 4 is articulated in the draft consultation.
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In Scope Sites

- 4.8 The Working Group discussed that it wasn't clear in the consultation document why customers under Schedule 32 Paragraph 1.5(d) were not in scope of some of the options. The Working Group agreed this should be clearer.

Action 13/03	Chair to expand the explanation as to why some options keep 1.5 (a) to (d) in scope and others do not.
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Objectives

- 4.9 A Working Group member queried whether including the DCUSA Objectives and the usual question around these in consultation one, given that the final solution is not known and that asking Parties to assess the objectives against all 5 options would be complicated, result in lengthy responses or potentially put Parties off responding.

- 4.10 The Working Group agreed that, unless the DCUSA requires it, it may be prudent to remove the question and to instead ask a question along the lines of "which of the above options do you consider best facilitates the DCUSA objectives?"

Action 13/04	Chair to remove the question around the objectives and tailor a different question around the options and the objectives.
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5. Next Steps and Work Plan

- 5.1 The next Working Group meeting will be on 3 October 2024 at 09:00 to 12:00.
- 5.2 The agenda will be to review and finalise the consultation.

6. Any Other Business

- 6.1 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	This action remains open The cross references will be checked once the consultation content is finalised.
13/01	Chair to create a list of examples and include a consultation question.	Chair	New action
13/02	Chair to ensure the formula for option 4 is articulated in the draft consultation.	Chair	New action
13/03	Chair to expand the explanation as to why some options keep 1.5 (a) to (d) in scope and others do not.	Chair	New action
13/04	Chair to remove the question around the objectives and tailor a different question around the options and the objectives.	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	<p>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.</p> <p>DESNZ facilitated the OZEV view on DCP420 summarised within the email below. DESNZ are open to targeted discussions with Code Admin.</p>	Secretariat	Closed
03/02	<p>Ofgem to review whether this issue goes against the original intent TCR and whether it is now unintendedly setting price signals.</p> <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>	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"> 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	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	Closed
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	Closed
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.

11/02	Reach out to Working Group members for help expanding the options explanations.	Chair	Closed The options were expanded with support from the Proposer.
12/01	Chair to add clarification of scope to section 1 of the draft consultation.	Chair	Action closed The draft consultation was updated.
12/02	Chair to add a section earlier in the document to explain why the problem arises and then relate all of the options to this.	Chair	Action closed The draft consultation was updated.
12/03	Chair to create examples for each of the options.	Chair	Action closed This was discussed in the Working Group.
12/04	Chair to include the TCR principle in the document and relate the pros and cons table to this.	Chair	Action closed The draft consultation was updated.
12/05	Chair to ensure the impacts on other customers are fully articulated, be that all customers or only those remaining in the band the EV site is moved out of.	Chair	Action closed The draft consultation was updated.