

DCP 420 Working Group Meeting 14

3 October 2024 at 09:00 - Web-Conference

Attendee	Company
Working Group Members	
Ryan Farrell	NPg
Edda Dirks	SSE Generation
Sally Musaka	SSE Enterprise
David Wornell	National Grid
Mark Bellman	ENWL
Mark Jones	SSE
James Jones	SSE
Donna Jamieson	IDCSL
John Harmer	WatersWye
Monique Pereira	Indigo
Kavya	Brook Green Supply
Chris Ong	UKPN
Victoria Burkett	SSE
David Fewings	Inenco
Dan Simpson	ChargeUK
Joe Boyle	SPEN
Tony Collings	EcoTricity
Observers	
Iain McKie	Ofgem
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.

Action 11/01

- 2.2 The Chair confirmed action 11/01 will be completed once the consultation is finalised. This action remains open.

Action 13/01

- 2.3 The Chair explained that the draft consultation had been updated to articulate the Working Group conversation around ancillary/mixed use of the MPAN for EV charging and other purposes and to include a question around this. This action was closed.

Action 13/02

- 2.4 The Chair explained that the formula was added, however whilst the premise of the option was understood, when it came to adding a formula, it became apparent that a reader may not understand what the formula is based on (e.g., where the residual figure comes from that will be divided by the forecasted volumes). The Chair asked whether this needed explaining. This action was closed.

Action 13/03

- 2.5 The Chair explained that the options table had been updated to state why 1.5 (a) to (d) were or were not in scope of each solution. This action was closed.

Action 13/04

- 2.6 The Chair explained that the objectives had been removed and a paragraph added to explain this, along with a question posed around which solution would best facilitate the DCUSA charging objectives. This action was closed.

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.
- 4.2 A Working Group member asked when the CP would likely have an effect on bills and whether a derogation would be needed. The Chair explained that a solution such as option 5, re-banding customers, could be implemented sooner than options 3 or 4, which would require more notice. The Working Group member noted that a 15-month timescale would be critical to the current rollout, which whilst not being the only consideration on which solution to take forward, would be worth noting.
- 4.3 A Working Group member suggested making it clear on the cover page that two consultations would be issued and to clarify what each consultation would seek to consult on. These amendments were made.
- 4.4 The Secretariat noted a contradiction in paragraph 4.14 where it stated that all EV charging sites would need to be in scope, but which was later contradicted by the options table that showed not all EV charging sites would be in scope of all solutions (e.g., where the solution is to charge these sites based on a consumption forecast, some EV charging sites may already be charged this way and would therefore be out of scope.) The Chair updated the paragraph accordingly.

Option 3

- 4.5 A Working Group member noted that the 'toy model' created by the Proposer was not referenced in the draft consultation and that this should be included. The Chair added text to the draft consultation that explains the toy model and how to use it.
- 4.6 The Working Group member also queried whether the specific DCUSA legal text could be highlighted. The Proposer noted that there would be a significant amount of legal text changes needed for some solutions. The Working Group discussed whether the amount of change to the DCUSA needed to be articulated. The Proposer was of the view that the amount of change of the legal text was not relevant and that it was the solution itself that should be assessed. Another Working Group member felt that to identify all the potential changes needed for one option would be required for all options, which would be contrary to the principles approach and not necessary for the reader at this stage.
- 4.7 The Proposer noted that the solution under option 3 would result in the creation of a significant number of new tariffs across DNOs and IDNOs, which was not articulated under the option heading but which was articulated as a 'con' in the pros and cons table, later in the document.
- 4.8 The Chair updated the option to state that a number of new tariffs would need to be created under this option.
- 4.9 The Working Group discussed that option 3 would not include EDCM and would not be possible to include EDCM without significant changes to the methodology, which would be outside the scope of this CP. The Chair updated the option and the pros and cons table accordingly.

Option 4

- 4.10 The Working Group discussed whether the formula was clear enough and the numerator in the formula (residual charges) was clear to the reader where the residual charges came from. The Proposer explained that the CDCM apportions the revenue to each group, so it would be in line with existing methodologies.
- 4.11 The Working Group discussed whether the method should be expanded upon under this option. The Proposer was of the view that to go into more detail at this stage would confuse the reader and potentially put Parties off from responding. Another Working Group member agreed with this view.
- 4.12 The Working Group discussed that option 4 would not include EDCM and would not be possible to include EDCM without significant changes to the methodology, which would be outside the scope of this CP. The Chair updated the option and the pros and cons table accordingly.

Pros and Cons

- 4.13 The Working Group noted that option 5 stated there was an impact to all network users, however this is an existing process whereby the DNO may under-recover charges and that all options presented would result in this. A Working Group member felt this did not add any value to the reader and could cause more confusion. The Chair removed the text.
- 4.14 The Working Group discussed why option 5 did not include customers under Schedule 32 Paragraph 1.5(d) whereas options 1 and 2 did. The Proposer explained that the Working Group had felt that it would be unfair to those customers to pay residual whilst other customers pay no residual, under options 1 and 2, but that for option 5 the customers were already charged based on their forecasted usage as they were already banded low based on their usage.
- 4.15 The Chair and Proposer noted that customers under Schedule 32 Paragraph 1.5(d) were included in options 1 and 2 out of fairness rather than necessity.

Ancillary/Other/Mixed Use

- 4.16 The Chair explained that the section on ancillary/other/mixed use had been updated to make it more principles based.
- 4.17 A Working Group member suggested that it may not be appropriate to disincentivise small ancillary use, such as lighting for a waiting area. The member also noted that the open data requirements require CPOs to show how much of the energy used is used for charging, which is made publicly accessible through an open API.
- 4.18 A Working Group member suggested that this may not be sufficient as the important element would be knowing what the maximum demand of the EV charging is.
- 4.19 A Working Group member suggested the simplest option would be to require other business use to be on a separate connection. The Working Group agreed to include a consultation question around this as CPOs will operate different models and it may suit some CPOs and not others.

4.20 The Working Group discussed whether there was any relevant insight from [DCP 388 'Amendments to Facilitate Appropriate Residual Charging for Sites with a Mix of Final and Non-Final Demand'](#). A Working Group member noted that the remit of that Working Group was to separate Final Demand and Non-Final Demand so that the residual charges can be correctly apportioned. It was noted that this CP is currently on hold pending the raising of a BSC modification by the Proposer of that CP, which has not yet been raised.

Assessment of Viability

4.21 The Working Group discussed whether question 8, around the assessment of the viability of an EV charging band, was necessary to ask, on the basis that the Working Group had concluded this was likely not possible and that another CP, [DCP 412 'Allocation of banding for TCR Charges for 'Peaky' Final Demand Customers'](#), had asked a similar question and industry responses confirmed this was not possible.

DCUSA Remit

4.22 The Working Group discussed whether a question in the consultation should be asked around whether support for EV charging sites should be delivered through another means. The Working Group discussed that if consultees were asked to suggest other solutions that were outside the remit of the DCUSA, it would not be possible for a DCUSA Working Group to do anything with this and it would therefore only be for the benefit of the Authority.

4.23 The Working Group discussed that consultees would have the opportunity to express their views on whether the DCUSA is appropriate for providing support in the 'any other comments' question.

DCUSA Objectives

4.24 The Working Group discussed whether it was necessary to consult on the objectives at present and whether the wording of the question should be "best facilitates" rather than the usual "better facilitates". The Secretariat explained that the intent of the proposed wording was to allow consultees to identify which option they consider "best" facilitates the DCUSA objectives compared to the other options without consultees being corralled into stating that it better facilitates the DCUSA objectives compared to the status quo. The Secretariat stated that the Panel had given guidance that the Working Group's purpose was to develop solutions, even if they are suboptimal.

4.25 The Working Group noted that it would need to select a solution to take forward, following consultees responses, and that the consultation questions should therefore capture consultees' views on the potential impacts on the DCUSA objectives.

4.26 The Working Group discussed that consultees should be able to articulate their views on all the solutions, if necessary, and that this could be included in section 5. The Chair agreed to update the objectives text offline.

Action 14/01	Chair to update the objectives text.
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5. Next Steps and Work Plan

- 5.1 The Secretariat will issue the consultation for review on 3 October 2024 for Working Group members to provide comment on by 4pm on 7 October 2024. The Secretariat will assess whether the meeting on 8 October 2024 will be required and will cancel the meeting if it is not needed.
- 5.2 The next Working Group meeting will be on 8 October 2024 at 10:00 to 11:00. The agenda will be to finalise the consultation with the intention to issue it the same day.
- 5.3 The Working Group will meet on 12 November 2024 at 10:00 to 13:00 to review the consultation responses and determine next steps.

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	The cross references will be checked once the consultation content is finalised. This action remains open.
14/01	Update the objectives text.	Chair	New action

Closed Actions

Action Ref.	Action	Owner	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	<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> <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</p>	Ofgem	Closed
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	<p>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:-</p> <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	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.
13/01	Chair to create a list of examples and include a consultation question.	Chair	The draft consultation had been updated to articulate the Working Group conversation around ancillary/mixed use of the MPAN for EV charging and other purposes and to include a question around this. This action was closed.
13/02	Chair to ensure the formula for option 4 is articulated in the draft consultation.	Chair	The formula was added. Whilst the premise of the option was understood, when it came to adding a formula, it became apparent that a reader may not understand what the formula is based on (e.g., where the residual figure comes from that will be divided by the forecasted

			volumes). The Chair asked whether this needed explaining. This action was closed.
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	The options table had been updated to state why 1.5 (a) to (d) were or were not in scope of each solution. This action was closed.
13/04	Chair to remove the question around the objectives and tailor a different question around the options and the objectives.	Chair	The Chair explained that the objectives had been removed and a paragraph added to explain this, along with a question posed around which solution would best facilitate the DCUSA charging objectives. This action was closed.