




| DCUSA Consultation | | At what stage is this document in the process? |
|--|---|--|
| <h2>DCP 420</h2> <h3>Provide targeted relief from residual charges for electric vehicle charging sites</h3> <p>Date Raised: 29/03/2022</p> <p>Proposer Name: Dave Wornell</p> <p>Company Name: National Grid Electricity Distribution</p> <p>Party Category: DNO</p> <p>Governance: Part 1 Matter</p> | | 01 – Change Proposal |
| | | 02 – Consultation |
| | | 03 – Change Report |
| | | 04 – Change Declaration |
| <p>Purpose of Change Proposal (“CP”)</p> <p>The intent of this CP is to provide targeted relief from residual charges to publicly accessible electric vehicle (“EV”) charging sites. This may be a temporary fix to be put in place until the charging stations included are commercially viable.</p> | | |
|  | <p>This document is <u>the first of two Consultations</u> to be issued to DCUSA Parties and any other interested Parties in accordance with Clause 11.14 of the DCUSA seeking industry views on this CP. This consultation seeks views on the principle and high-level options for residual charging at EV charging hubs. The second consultation will outline the short-listed options in more detail.</p> | |
| | <p>The Working Group recommends that this CP should proceed to Consultation.</p> | |
| | <p>Parties are invited to consider the questions set in section 10 and submit comments using the form attached as Attachment 1 to dcusa@electralink.co.uk by 29 October 2024.</p> | |
| | <p>The Working Group will consider the consultation responses and determine the appropriate next steps for the progression of the CP.</p> | |
|  | <p>Impacted Parties</p> <p>Suppliers, DNOs and IDNOs are impacted, however we invite NGESO, EV charge point operators (“CPOs”) and ChargeUK to respond.</p> | |
|  | <p>Impacted Clauses</p> <p>Amendments to Schedule 32 Definitions and/or Schedule 16</p> | |

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Timetable

| Activity | Date |
|--|-----------------|
| Initial Assessment Report Approved by Panel | 19 April 2023 |
| 1 st Consultation issued to Parties | 08 October 2024 |
| 2 nd Consultation issued to Parties | December 2024 |
| Change Report issued to Panel | 12 March 2025 |
| Change Report issued for Voting | 20 March 2025 |
| Party Voting Ends | 10 April 2025 |
| Change Declaration Issued to Parties | 14 April 2025 |
| Change Declaration issued to Authority | 14 April 2025 |



Any questions?

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1 Summary

What?

- 1.1 National Grid Electricity Distribution has received an example from a council that is rolling out EV charging stations to support Welsh and UK Government targets to decarbonise the transport system. However, a number of these charging stations have attracted standing charges rates that are so high that the EV charging stations are unsustainable. It is argued that this is a consequence of the Targeted Charging Review (“TCR”) that decarbonisation initiatives such as the provision of EV charging points have such high standing charges that the charging points are either unviable or too expensive for users to access (as they pass costs on the end user – the EV car driver). These impacts are not limited to council owned EV chargers.

Why?

- 1.2 The chargers are used infrequently at present, particularly in more rural locations, and the revenue from the charging sites does not always cover the standing charge costs for the provision of the electrical supply and metering.

How?

- 1.3 The original proposal was to change the definition of Non-Final Demand to include non-domestic sites connected solely for the use of selling electric vehicle charging to drivers of electric vehicles. However, the Working Group has developed further options for addressing this and these are detailed in section 4 (Working Group Assessment).

Who is in Scope?

- 1.4 EV charging stations that are classed as Non-Domestic Premises which are Final Demand Sites are in scope of this CP. For the avoidance of doubt, the sole use of the Final Demand Site should be EV charging stations (with the exception of appropriate ancillary demand – see paragraphs 4.44 to 4.45 and question 6). These sites are divided into a number of groups, within Schedule 32 of the DCUSA, as follows:
- (a) Designated EHV Properties;
 - (b) Designated Properties connected at HV;
 - (c) Designated Properties connected at LV, with a Maximum Import Capacity as the basis for their current Use of System Charge; and
 - (d) Designated Properties connected at LV, without a Maximum Import Capacity as the basis for their current Use of System Charges.
- 1.5 The scope of each solution is defined under section 4, paragraphs 4.20 to 4.36, and details which customers are in scope of each potential solution and the rationale for this.

How are these sites currently charged residual?

- 1.6 For those Final Demand Sites that fall under (a) to (c) above, with (a) pertaining to sites connected at EHV, (b) pertaining to sites connected at HV and (c) pertaining to sites connected at LV and all of which have a capacity charge as part of their DUoS charges, they are banded based on an average of their Maximum Import Capacity over a 24 month period, or an average over a lesser period if 24 months of data doesn't exist for a given site.
- 1.7 For those Final Demand Sites that fall under paragraph 1.4(d) above, pertaining to sites connected at LV, but do not have a capacity charge as part of their DUoS charges, they are banded based on consumption but there is a difference for those that are settled half hourly as compared to those that are settled non-half hourly.
- 1.8 For a Final Demand Site that is half hourly settled, they are banded based on the average annual import consumption based on metered data over the 24 months; or an average over a lesser period if between 12 to 23 months of data is available for a given site.
- 1.9 For a Final Demand Site that is non-half hourly settled, they are banded based on the most recent Estimated Annual Consumption for that Final Demand Site.
- 1.10 The main principle of the TCR decision was to introduce fixed network charges (i.e. standing charges that apply by reference to the agreed capacity of the connection), rather than network charges linked to usage. As stated above, a consequence of this is the revenue from some charging sites does not always cover the standing charge costs for the provision of the electrical supply and metering, if the current demand for EV charging sites is not sufficient.

2 Governance

- 2.1 This is a part 1 matter.
- 2.2 Following a review of the consultation responses, the Working Group will work to agree the detail of the solution.

3 Why Change?

- 3.1 Some EV chargers are used infrequently at present as the number of electric cars are still low and the revenue from the charging sites does not always cover the standing charge costs for the provision of the electrical supply and metering.

Question 1 – Do you understand the intent of this CP?

Question 2 – Are you supportive of the principles of this CP?

Question 3 – Do you agree with the scope of the CP?

4 Working Group Assessment

- 4.1 The DCUSA Panel established a Working Group to assess this CP. This Working Group consists of DNO, Supplier, IDNO, generator, ESO, EV charging companies and EV charging trade association ([ChargeUK](#)) representatives. Meetings were held in open session and the minutes and papers of each meeting are available on the DCUSA website – www.dcusa.co.uk.
- 4.2 The Working Group considered that there was only a single example provided, which would not necessarily present a compelling reason to implement the proposal. The Working Group issued a Request for Information (RFI) to industry to ascertain whether industry participants were aware of any other examples of EV charging sites becoming unviable. Three respondents provided examples of EV charging sites that were experience the same issue, or which had requested assistance in mitigating the impact temporarily.
- 4.3 The Working Group agreed that, to understand the full scale of the issue, it would be beneficial to engage with the EV Charging trade association, ChargeUK, which subsequently provided three case studies and subject matter expertise. Whilst the case studies have been reviewed and considered by the Working Group, they are commercially sensitive in nature and cannot therefore be included with this consultation document.
- 4.4 The results of the RFI and the engagement with ChargeUK demonstrated that there is an issue of EV Charging Sites being charged high standing charges, leading to sites becoming unviable, as a result of the implementation of the TCR.
- 4.5 The Working Group have developed this consultation document to gather information and feedback from market participants and EV charging companies.

Should EV Charging Sites Receive Financial Relief Through the DCUSA

Appropriateness of Providing Relief Through the DCUSA vs Government Policy

- 4.6 The Working Group discussed whether it was appropriate for relief from TCR charges for EV charging sites to be provided through the DCUSA or whether it would be more appropriate for the support to come from a government initiative. The Working Group sought feedback on whether it was appropriate to progress this CP. The Panel gave the steer that the purpose of the Working Group is to define a solution, even if it is not an optimal solution, which would then be sent to Parties for voting and to the Authority for a decision.
- 4.7 The Working Group had additionally asked Ofgem for any guidance it could provide in relation to this CP or a government initiative for these sites. Ofgem's position was:

"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"

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

DCP 420 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 [Working Group] 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;*
- unmetered sites which do not pay standing or capacity charges and are only billed in volumetric terms.”*

- 4.8 The Working Group considered whether it was appropriate for a CP to provide the relief from TCR charges, however no consensus could be reached on this point and the Proposer remains of the view that this CP should progress.

Government Calls for Investment in EV Charging Infrastructure

- 4.9 ChargeUK explained that EV CPOs are being encouraged by government to invest in EV charging infrastructure ahead of the infrastructure being required, and that standing charges, as a result of the TCR, make these sites non-viable due to the existing low demand (i.e., due to the lack of EVs on UK roads at present) and these sites therefore require financial support to accomplish this. It was noted by the representative that the larger EV charging sites suffer more detriment than the smaller ones.
- 4.10 The Working Group considered that there is support in various forms (e.g., subsidies, grants, etc.) for other industries, or businesses within industries. At any point, related industries and business which do not receive such support could consider this to be unfair. However, this does not prevent such support being provided. As such, it may be presumed that support for EV charging sites, such as that proposed by this CP, could be acceptable and that, despite other green industries considering this to be unfair, such support is approved by the Authority.

Scope of the Relief (who is in and for how long will relief be provided)

Distorting Competition/Unfair Treatment/Supporting Some or All EV Charging Sites

- 4.11 The Working Group considered whether the support should be targeted at only non-viable EV charging sites, and what the mechanism for performing this assessment of viability would be, or whether the support should be provided to all EV charging sites. Having considered discussions that had taken place under the DCP 412 Change Proposal around assessing the viability of

business, it was deemed too complex by the DCP 412 Working Group for DNOs to perform that assessment.

4.12 The Working Group members from DNO Parties took an action to assess whether it would be possible to perform an assessment of the viability of EV charging sites as part of the eligibility criteria for gaining support. In completion of this action:

- two DNO members stated they can identify EV sites, though it was noted this may not be inclusive of everything;
- one of the DNO 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; and
- 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.

4.13 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:

- whether all DNOs would be willing to perform this activity; and
- whether the DNOs would be in a position to be able to validate or challenge the data provided.

4.14 After consideration, the Working Group concluded that, in the interests of fairness and not distorting competition between EV charging sites, it may (dependent on solution – further details provided below) be more appropriate for the support to be provided to all EV charging sites, that come under the definition of Paragraph 1.5 of Schedule 32 (Residual Charging Bands) within DCUSA. All five potential options are detailed further below.

Sunset Clause/Removal of Relief

4.15 The Working Group considered that none of the options specified a time limit or trigger after which the support would be reviewed.

4.16 The Working Group discussed whether the support should be enduring or whether there should be a cut-off date.

4.17 The Working Group discussed that the zero-emission vehicle (“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 had amended to 2035, however the current government has pledged to amend this back to 2030 in its manifesto, subject to consultation.

4.18 The Working Group discussed 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 sometime after this date that the volume of EVs results in the viability of EV charging sites.

- 4.19 The Working Group discussed that whilst it may be difficult to specify a date for the support to be removed, it may be necessary to specify a future date at which the support would need to be reviewed to determine whether the appropriate conditions exist for the support to be removed.

Question 4 – Do you consider that the support for EV charging sites should be temporary and subject to removal in the future? Please provide your rationale.

Question 5 – Do you consider that the support should be reviewed at a future date, or can you think of specific criteria that could be used to define a specific end date for support? Please provide your rationale.

How Should Relief be Provided?

The Original Proposal (Option 1)

- 4.20 The Working Group discussed the original Proposal, Whereby EV charging sites would be included in the definition of Non-Final Demand by amending the definition of Non-Final Demand sites in the DCUSA to add eligible EV charging sites to it, resulting in no residual charges being paid by eligible sites.
- 4.21 A number of Working Group members were concerned that this may not be the correct approach in relation to aligning with the principles of the TCR and redefining non-final demand. Whilst the Working Group noted the impacts of the TCR on these sites, the Working Group expressed concerns over whether it was appropriate that these sites pay no residual charges as a result of being classed as non-final demand.

Alternative Options

- 4.22 The Working Group considered whether there were any alternative solutions that could be taken to consultation alongside the original proposal. These alternatives are set out below. The additional options are numbered 2 to 5, in line with the pros and cons table later in this document. The original proposal is option 1. Note that options 3 and 4 do not include sites at EHV level.

Option 2 - Create an exemption from residual charges for EV charging sites

- 4.23 Create an exemption for eligible EV charging sites from residual charges, similar to the existing exemption for Back-up Connections.
- 4.24 An existing exemption for Back-up Connections, as per [Paragraph 1.2A of Schedule 32](#) of the DCUSA, could be used as the basis for an exemption for eligible EV charging sites. This would recognise that eligible EV charging sites are in fact Final Demand sites, but that they are specifically granted relief from residual charges, resulting in no residual charges being paid by these sites.

Option 3 - Separate EV charging sites into a new group in which residual charges are based on forecast

- 4.25 Separate residual banding groups for HV and LV MIC sites would be created in which eligible EV charging sites would be placed. The Working Group discussed that this option would not include EDCM customers, and it would not be possible to include EDCM customers without

significant changes to the methodology due to, among other things, the cost reflectivity and locational elements of the charges, which would be outside the scope of this CP.

- 4.26 The residual charges, allocated to this group, would be based on the forecast volumes for the EV sites included in this group, as per Schedule 16. The Working Group noted that this option would create a number of new tariffs across the charging methodology schedules.
- 4.27 These sites would have a lower usage forecast compared to other sites in their existing bands. Therefore, they would have a lower share of costs resulting in lower residual charges than other sites with equivalent MIC.
- 4.28 These EV sites will still be charged their residual as a fixed charge. As the forecast volumes increase over time, so too would their contribution to residual charges.
- 4.29 A spreadsheet containing a model can be found in Attachment 7, where each line with the current tariffs and banding has an additional "EV" version. This spreadsheet works as follows:
 - In columns L and P are the current number of MPANs (sites) and kWh used by that band.
 - In columns U and V there is a forecast new version, where this is split out between EV charging sites and non-EV charging sites.
 - In each case, for the purpose of providing an example, it has been assumed that the EV charging sites will use only 20% of the average consumption of other sites in the same band and that there are 3 EV charging sites in each band (so the "non-EV charging site" band has been reduced by 3). This percentage input and number of sites input is used to calculate the volume which will move from the non EV charging site group into the new EV charging site group. Respondents can utilise this model to input their own assumptions for percentage average consumption for EV charging sites and the number of EV charging sites.
 - Column W shows the current residual the customers pay today, while column X shows what they will pay in the new system.
 - Non-EV charging site customers will pay marginally more as the 3 sites are removed but 80% of their currently assumed (and known to be too high) consumption remains. The EV bands are then priced on the 80% lower than average volume.
 - Columns AA and AB show that in the current scenario and future scenario the revenues are equal.

Option 4 - Set up EV charging sites in a separate group of tariffs where they are charged residual on their unit charges on a fixed pence per kWh

- 4.30 The CDCM, under Schedule 16 Paragraphs 89 to 95 ("STEP 3: MATCH REVENUES"), proportions the residual across existing tariffs based on the forecast for each tariff. The process of doing this enables a fixed pence per kWh adder to be created, as it is the revenue divided by the discounted unit forecast and is the same for all tariffs.

- 4.31 A separate group of tariffs would be created for HV, LV and LV Sub bands which eligible EV charging sites would be charged against. The Working Group discussed that this option would not include EDCM customers, and it would not be possible to include EDCM customers without significant changes to the methodology due to, among other things, the cost reflectivity and locational elements of the charges, which would be outside the scope of this CP.
- 4.32 These will be charged residual on a fixed pence per kWh similar to UMS sites and all sites pre-TCR. The residual charges would be calculated as follows:

$$\frac{\text{Residual Charges}}{\text{Total Forecasted Volumes}} = \text{Pence per kWh adder}$$

- 4.33 This results in a pence per kWh adder that will be added to the charge for each kWh consumed by an EV charging site. Therefore, if a site uses more than it was forecasted to use, it will pay more towards residual charges than it otherwise would have done. A site that uses less than it was forecasted to use would instead pay less towards residual charges (as it is using less kWh).

Option 5 - Move EV charging sites to the next lowest band, reducing their residual charges by one band

- 4.34 Eligible EV charging sites, in bands 2, 3 or 4, would have their existing band reduced by one level (i.e., an eligible EV charging site in band 2 would be reduced to band 1).
- 4.35 This solution is similar to that proposed for [DCP 412 'Allocation of banding for TCR Charges for 'Peak' Final Demand Customers'](#), however that CP is still under development and has not yet been approved.
- 4.36 Eligible EV charging sites, in bands 2, 3 or 4, would therefore pay a reduced share of the residual charge, however no relief would be made available to those sites in band 1.

Pros and Cons (all options)

- 4.37 The Working Group discussed the pros and cons of each approach, which is summarised in the below table.

| Option | Pros | Cons | In scope |
|---|---|--|--|
| 1. Include EV charging sites in the definition of non-final demand. | Quick to implement Eligible sites pay no residual charges No CUSC modification required | As eligible sites pay no residual charges, residual charges are spread across all other network users Would be out of line with the principles of the TCR | EV Charging Stations falling under the definition of 1.5(a to d), under Schedule 32 of DCUSA, as all such sites are paying a residual charge and to provide relief to only some of these sites, in the form of no residual charges, would distort competition. |

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| <p>2. Create an exemption from residual charges for EV charging sites, similar to the existing Back-up Connection exemption.</p> | <p>Quick to implement</p> <p>Eligible sites pay no residual charges</p> <p>Does not amend the definition of non-final demand to include these sites</p> | <p>As eligible sites pay no residual charges, residual charges are spread across all other network users</p> <p>Would be out of line with the principles of the TCR</p> <p>May require a CUSC modification</p> | <p>EV Charging Stations falling under the definition of 1.5(a to d), under Schedule 32 of DCUSA, as all such sites are paying a residual charge and to provide relief to only some of these sites, in the form of no residual charges, would distort competition.</p> |
| <p>3. Separate EV charging sites into a new group in which residual charges are based on forecast, which would result in smaller standing charges at present.</p> | <p>More in line with the principles of the TCR</p> <p>Eligible sites pay a fair residual charge based on forecasts</p> | <p>Slower to implement due to the need to create multiple new tariffs</p> <p>Could require an Authority direction/derogation to implement earlier</p> <p>As eligible sites pay less for their residual charges, the remaining residual charges are spread across those network users remaining in that band.</p> <p>Forecasting would be more difficult as not all customers are known to the DNOs</p> <p>Forecasting is also more difficult due to the smaller number of customers, as changes in behaviour in a small group have a greater impact on the group</p> <p>May require a CUSC modification</p> <p>Would need modelling</p> | <p>EV Charging Stations falling under the definition of 1.5(b to c), under Schedule 32 of DCUSA. Those falling under the definition of 1.5(d) are already paying a residual based on their forecast.</p> <p>Designated Properties connected at LV, without a Maximum Import Capacity as the basis for their current Use of System Charges, would not fall into the scope of this solution as they are already charged residual based on consumption.</p> <p>As stated above, EHV sites will not be captured within this solution. This is because the charges within the EDCM are set differently.</p> |

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| <p>4. Set up EV charging sites in a separate group of tariffs where they are charged residual on their unit charges on a fixed pence per kWh.</p> | <p>Reverts to a previous but familiar method of charging residual charges</p> <p>Sites initially pay a lower share of residual charges, increasing as usage increases.</p> | <p>Slower to implement due to the need to create new tariffs</p> <p>Would be out of line with the principles of the TCR</p> <p>Could require an Authority direction/derogation to implement earlier</p> <p>As eligible sites will initially pay less for their residual charges, the remaining residual charges are spread across all other network users</p> <p>Forecasting would be more difficult as not all customers are known to the DNOs</p> <p>Forecasting is also more difficult due to the smaller number of customers, as changes in behaviour in a small group have a greater impact on the group</p> <p>May require a CUSC modification</p> <p>Would need modelling</p> | <p>EV Charging Stations falling under the definition of 1.5(a to c), under Schedule 32 of DCUSA. Those falling under the definition of 1.5(d) are already paying a residual based on their forecast.</p> <p>Designated Properties connected at LV, without a Maximum Import Capacity as the basis for their current Use of System Charges, would not fall into the scope of this solution as they are already charged residual based on consumption.</p> <p>As stated above, EHV sites will not be captured within this solution. This is because the charges within the EDCM are set differently.</p> |
| <p>5. Move EV charging sites to the next lowest band, reducing their residual. charges by one band (similar to the DCP 412 proposed solution).</p> | <p>Quick to implement</p> <p>Sites pay a lower share of residual charges</p> <p>No CUSC modification required</p> | <p>Remaining residual charges in the previous band are spread across other network users within the band</p> | <p>EV Charging Stations falling under the definition of 1.5(a to c), under Schedule 32 of DCUSA. Those falling under the definition of 1.5(d) are already paying a residual based on their forecast, rather</p> |

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| | | | than their MIC (the MIC being the cause of the issue faced by those sites). |
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Table 1 – Original and Alternative Solutions

4.38 As stated, within the cons column of the table above, all of the options will impact upon other customers, resulting in either:

- an increase in residual charges to the customers remaining in the band; or
- in the case of an under-recovery of revenue, an increase in charges for all network users in the following year.

4.39 The Working Group will assess the impacts on other customers once the preferred solution has been identified.

Brook Green Supply Paper

4.40 Brook Green Supply created a paper, attached to this consultation as Attachment 5, which outlined an additional proposal to provide a relief from standing charges, relating to the assessment of eligibility and a consideration around time-limiting the support provided. This paper was the basis of a conversation around eligibility, identifying the sites, and time-limiting the relief. These points are considered below and whilst the Brook Green Supply proposal is not included as an option in its own right, all of the points raised in the paper are considered.

EV Charging Site Register (central hub)

4.41 In relation to the eligibility criteria, Brook Green Supply proposed that a central database/register could be created and maintained, on which the details of EV charging sites would be recorded and to which DNOs would have access in order to identify eligible sites. The Authority provided to the Secretariat details of [new legislation](#) that requires EV charging companies to provide, on request and in an electronic format, the details of all the EV charging stations on the DNO's network (please see Attachment 6 - Open Charge Point Interface 2.2.1, paragraphs 8.3.1, 8.3.2 and 8.3.3.)

4.42 The Working Group discussed that the data from the register would not be sufficient to identify the sites on its network, given that the data lacked the MPAN, and a post-code search would inevitably lead to difficulties identifying specific sites. The Working Group agreed that EV CPOs would need to provide the MPAN in addition to confirming that they are on the register of public EV charging sites.

4.43 The Working Group considered that any solution has the potential to create incentives for other network users to try to gain access to the support by meeting the eligibility criteria defined. For example, a non-EV charging site could install EV chargers and register its site under the new regulation, in order to receive relief from its own high standing charges. The Working Group noted that the eligibility criteria defined in the regulation did not exclude charging points that were

installed on the same connection as another business activity (e.g., a café with a charger).

- 4.44 The Working Group also discussed that EV charging sites are likely to have some ancillary energy use, such as to power lighting, CCTV, vending machines, etc., through to a full café/restaurant, and that it would be necessary to agree what ancillary/other uses are acceptable on the same MPAN as the EV charging stations, given that the intention under paragraph 1.4 in section 1 of this document is to target the relief to sites that are for the sole use of charging EVs.
- 4.45 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.
- 4.46 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.

Question 6 – What ancillary/other use would you consider to be acceptable on an EV charging site whilst still being eligible for relief from TCR charges under this CP? Please provide your rationale.

Question 7 – Do you think it is possible/can you think of a way to monitor the usage using an API to determine how much use on an MPAN is used for EV charging? Please provide your rationale.

- 4.47 In addition to the above assessments of the pros and cons, the Working Group identified a number of additional concerns that are applicable to all the above solutions:
- whether it was appropriate for relief to be provided through the DCUSA or whether this should be provided through a government initiative;
 - whether the overall economic impact of the support required can be fully assessed;
 - whether the consequences of the solution on investments can be anticipated;
 - whether competition could be unintentionally distorted and create an unlevel playing field;
 - between EV charging sites and other sites;
 - between EV charging sites;
 - whether unintentional incentives would be created; and
 - whether the solutions are fair and do not support unrelated policies (as per (EU) 2019/943).

Assessing the Economic Impact of the Change Proposal

- 4.48 The Working Group considered, following advice from the Authority on legislation coming into force in November 2024 that requires EV charging site data to be made available to DNOs, that it would be possible once that data was available, and assuming the MPAN was included, to assess the impacts of removing these sites from their existing bands and spreading the cost of the unpaid residual across the other customers in those bands.

Consequences on Investments

4.49 The Working Group concluded that within the capabilities of the Working Group, assessing the potential impacts on investments would not be possible, however the case studies provided showed that non-viable EV charging sites would benefit from lower standing charges, presumably improving investment appetite for new and existing EV charging sites.

Question 8 – Considering the five proposed solutions presented by the Working Group, what is your preferred solution? Please provide your rationale. Note: If you would like the Working Group to consider more than one option, please provide your rationale for each.

Question 9 – Do you believe any of the above solutions would increase the volatility of charges for EV CPOs from year to year? Please explain your rationale.

Question 10 – Within the scope of this CP (i.e., excluding any solutions outside the remit of the DCUSA), can you think of any other ways of providing support to EV charging sites, either for all or just non-viable sites? Please provide your rationale.

Question 11 – To DNOs: Do you think that using the data referenced in the legislation under paragraph 4.41 will allow you to identify EV charging sites if the MPAN was provided? How would this information best be collated?

Supporting Unrelated Policies

4.50 The Working Group discussed that at present, the TCR arrangements may not fully align with the decarbonisation intent that drives EV rollout and electric vehicle charging, as originally highlighted by the Proposer.

4.51 The Working Group considered whether the solution would be in compliance with EU2019/943 relating to discriminatory pricing and including unrelated costs supporting policy objectives.

4.52 The Working Group identified article 18 of the [regulation \(EU\) 2019/943](#) as a potential cause for concern in relation to:

- non-discriminatory charging of network users; and
- introducing unrelated costs to support unrelated policy objectives.

SECTION 2

Network charges and congestion income

Article 18

Charges for access to networks, use of networks and reinforcement

1. Charges applied by network operators for access to networks, including charges for connection to the networks, charges for use of networks, and, where applicable, charges for related network reinforcements, shall be cost-reflective, transparent, take into account the need for network security and flexibility and reflect actual costs incurred insofar as they correspond to those of an efficient and structurally comparable network operator and are applied in a non-discriminatory manner. Those charges shall not include unrelated costs supporting unrelated policy objectives.

- 4.53 The DCUSA Secretariat sought guidance from its legal advisors on compliance with the above EU legislation, the output of which can be seen in Attachment 3.
- 4.54 The legal advice stated that the Working Group correctly identified the need to comply with the legislation and that the Working Group would need to consider this in the development of the final solution. However, to provide a full legal assessment of the compliance of any proposed solution would require significant additional work and therefore result in additional costs to industry. It is therefore proposed that Parties consider any compliance issues relating to the options above and the EU legislation with their own legal advisors and provide feedback as part of their consultation responses. These will be collated in the change report for consideration by Parties during voting and in the change declaration for consideration by the Authority.
- 4.55 The Working Group agreed that it would like to seek a firmer view from DCUSA's legal advisors. However, having requested the Panel to approve this additional work, via the Secretariat, the Panel did not approve this and as such, no further legal advice was sought by DCUSA. The rationale for the Panel decision can be found in Attachment 4. In summary, the Panel did not believe that it would add additional value, that the Working Group had obtained sufficient legal guidance to allow it to identify key considerations for consultation, and that any legal views obtained would only be a legal opinion, not a firm legal conclusion, which would be open to challenge by any other Party and/or the Authority.
- 4.56 The Working Group discussed the Panel decision and, in considering the points raised by the Panel, concluded that it had exhausted this avenue of activity.

Question 12 – Do you believe any of the options presented above are not compliant with Regulation (EU) 2019/943? Please provide your rationale.

Customer Opt-out

- 4.57 The Working Group discussed whether, having successfully applied for the relief and been granted the relief, the customer should be able to opt in or out of being included in the EV charging site solution.
- 4.58 The Working Group discussed concerns that allowing these customers to effectively choose their charges, based on what was most cost-effective for them, was not something within the ability of any other customers that are subject to residual charges.
- 4.59 The Working Group also noted that to allow sites to move in and out of the relief (whichever solution is adopted) would likely result in an increased volatility of charges for other EV charging site customers as a result of the movement.
- 4.60 The Working Group concluded, therefore, that customers should not be able to opt in and out subject to eligibility.

Question 13 – Do you think that customers should or should not be able to opt in and out of the solution? Please provide your rationale.

DCP 412 Potential Interaction (or unintended consequence)

- 4.61 The Working Group noted that customers in scope of DCP 420 could also be in scope of DCP 412, as EV charging sites have the potential to be “peaky” in nature, which are in scope of that CP. DCP 412 will be issued to Parties for voting and be issued to the Authority for a decision before this CP. The Working Group agreed that EV charging sites should not be eligible for residual charging relief under both CPs. The Working Group will ensure this potential interaction is addressed prior to issuing the second consultation.

5 Relevant Objectives

Assessment Against the DCUSA Objectives

- 5.1 For a DCUSA Change Proposal to be approved it must be demonstrated that it better facilitates the DCUSA Objectives. There are five General Objectives and six Charging Objectives.
- 5.2 The Working Group is keen to understand your views on which of the above solutions from table one, if approved, better facilitate the DCUSA Charging Objectives detailed below. The Working Group will provide its views on the DCUSA Charging Objectives within the second consultation once the solutions have been shortlisted.

DCUSA Charging Objectives

1. That compliance by each DNO Party with the Charging Methodologies facilitates the discharge by the DNO Party of the obligations imposed on it under the Act and by its Distribution Licence
2. That compliance by each DNO Party with the Charging Methodologies facilitates competition in the generation and supply of electricity and will not restrict, distort, or prevent competition in the transmission or distribution of electricity or in participation in the operation of an Interconnector (as defined in the Distribution Licences)
3. That compliance by each DNO Party with the Charging Methodologies results in charges which, so far as is reasonably practicable after taking account of implementation costs, reflect the costs incurred, or reasonably expected to be incurred, by the DNO Party in its Distribution Business
4. That, so far as is consistent with Clauses 3.2.1 to 3.2.3, the Charging Methodologies, so far as is reasonably practicable, properly take account of developments in each DNO Party's Distribution Business
5. That compliance by each DNO Party with the Charging Methodologies facilitates compliance with the EU Internal Market Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators; and
6. That compliance with the Charging Methodologies promotes efficiency in its own implementation and administration.

Question 14 – Which of the above solutions from table 1, if approved, would you consider to better facilitate the DCUSA charging objectives?

6 Impacts & Other Considerations

Does this Change Proposal impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

6.1 No.

Does this Change Proposal Impact Other Codes?

| | | | |
|-------------------|--------------------------|-------------------|-------------------------------------|
| BSC | <input type="checkbox"/> | SEC | <input type="checkbox"/> |
| CUSC | <input type="checkbox"/> | SEC | <input type="checkbox"/> |
| Grid Code | <input type="checkbox"/> | None at this time | <input checked="" type="checkbox"/> |
| Distribution Code | <input type="checkbox"/> | | |

6.2 Depending on which solution is taken forward and whether it is decided that the relief from DUoS charges, provided via the DCUSA, should be extended to TNUoS, a CUSC modification may be required.

Other Wider Industry Impacts

6.3 No wider industry impacts have been identified.

Question 15 – Are you aware of any wider industry developments that may impact upon or be impacted by this CP?

Engagement with the Authority

6.4 This is a Part 1 matter and will be sent to the Authority for determination. The Authority has been highly engaged with the Working Group, as an observer and a contributor to the discussions, throughout the development of the proposed solutions.

7 Implementation

7.1 The Working Group considered that the implementation date may not result in immediate support for EV charging sites. For options 1, 2 and 5, the proposed implementation date is the next DCUSA release after Authority approval. Those solutions that require the creation of new tariffs (options 3 and 4) would require at least 15 months' notice and would not impact customers until 1 April 2027, at the earliest.

Question 16 – Are you supportive of the proposal to implement this CP by the next DCUSA release following Authority approval?

8 Legal Text

- 8.1 The legal text for this CP will be developed and issued for consultation once the Working Group has assessed the feedback from industry on the options presented and has determined which solution is to be taken forward.

9 Consultation Questions

- 9.1 The Working Group is seeking industry views on the following consultation questions:

| No. | Questions |
|-----|---|
| 1 | Do you understand the intent of this CP? |
| 2 | Are you supportive of the principles of this CP? |
| 3 | Do you agree with the scope of the CP? |
| 4 | Do you consider that the support for EV charging sites should be temporary and subject to removal in the future? Please provide your rationale. |
| 5 | Do you consider that the support should be reviewed at a future date, or can you think of specific criteria that could be used to define a specific end date for support? Please provide your rationale. |
| 6 | What ancillary/other use would you consider to be acceptable on an EV charging site whilst still being eligible for relief from TCR charges under this CP? Please provide your rationale. |
| 7 | Do you think it is possible/can you think of a way to monitor the usage using an API to determine how much use on an MPAN is used for EV charging? Please provide your rationale. |
| 8 | Considering the five proposed solutions presented by the Working Group, what is your preferred solution? Please provide your rationale. Note: If you would like the Working Group to consider more than one option, please provide your rationale for each. |
| 9 | Do you believe any of the above solutions would increase the volatility of charges for EV CPOs from year to year? Please explain your rationale. |
| 10 | Within the scope of this CP (i.e., excluding any solutions outside the remit of the DCUSA), can you think of any other ways of providing support to EV charging sites, either for all or just non-viable sites? Please provide your rationale. |
| 11 | To DNOs: Do you think that using the data referenced in the legislation under paragraph 4.41 will allow you to identify EV charging sites if the MPAN was provided? How would this information best be collated? |
| 12 | Do you believe any of the options presented above are not compliant with Regulation (EU) 2019/943? Please provide your rationale. |

| | |
|-----------|--|
| 13 | Do you think that customers should or should not be able to opt in and out of the solution? Please provide your rationale. |
| 14 | Which of the above solutions from table 1, if approved, would you consider to better facilitate the DCUSA charging objectives? |
| 15 | Are you aware of any wider industry developments that may impact upon or be impacted by this CP? |
| 16 | Are you supportive of the proposal to implement this CP by the next DCUSA release following Authority approval? |

9.2 Responses should be submitted using Attachment 1 to dcusa@electralink.co.uk by no later than 29 October 2024.

9.3 Responses, or any part thereof, can be provided in confidence. Parties are asked to clearly indicate any parts of a response that are to be treated confidentially.

10 Attachments

- Attachment 1 – DCP 420 Consultation Response Form
- Attachment 2 – DCP 420 Change Proposal Form
- Attachment 3 – Regulation (EU) 2019/943 Legal Advice
- Attachment 4 – Panel Decision Regarding Additional Legal Advice
- Attachment 5 – Brook Green Supply Proposal
- Attachment 6 – Open Charge Point Interface 2.2.1
- Attachment 7 – Option 3 Example Spreadsheet