

DCP 420 Working Group Meeting 16

19 November 2024 at 10:00 - Web-Conference

| Attendee | Company |
|------------------------------|--------------------|
| Working Group Members | |
| Andrew Nosworthy | Osprey Charging |
| Ed Grimsey | BUUK |
| Harry Hailwood | Brook Green Supply |
| Iain McKie | Ofgem |
| Louise Robinson | ESPUG |
| Tamara Satmaraan | OZEV |
| Thomas Holderness | Ofgem |
| Ryan Farrell | NPg |
| Edda Dirks | SSE Generation |
| Sally Musaka | SSE Enterprise |
| David Wornell | National Grid |
| Mark Bellman | ENWL |
| James Jones | SSE |
| Monique Pereira | Indigo |
| Kavya Kavya | Brook Green Supply |
| Chris Ong | UKPN |
| Victoria Burkett | SSE |
| Dan Simpson | ChargeUK |
| Donna Jamieson | IDCSL |
| John Harmer | WatersWye |
| Code Administrator | |
| Richard Colwill | Chair |
| Hannah Proffitt | Secretariat |
| Apologies | |
| Rustam Ellis-Majainah | OVO |
| Paul Mott | NESO |

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 once approved.

Apologies

- 1.2 Apologies are noted in the table above.

Competition Law Guidance and Terms of Reference

- 1.3 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.

Action Log & Review of Minutes

- 1.4 The Chair advised that there are no open actions. The Working Group approved the minutes as an accurate record of events.

2. Purpose of the Meeting

- 2.1 The Chair set out that the purpose of the meeting was to review the responses to the consultation.

3. Review Consultation Responses

- 3.1 The Chair presented a set of slides to the group which provided a summary of the responses to each question.
- 3.2 The Working Group raised concerns that the slides focused on the responses from DCUSA and did not highlight the responses from customers. The Chair confirmed that they would update the slides to ensure DCUSA Party responses and customer responses are included, add detail to the summaries and to colour code responses by Party type.
- 3.3 One member noted that even by Party type, views of respondents differ, and therefore care needs to be taken when summarising.
- 3.4 The Chair highlighted that two letters had been circulated to members ahead of the meeting from REA and BEAMA and presented these to the group. The Working Group noted that the letter from BEAMA referenced ‘private fleet depots’ and clarified that these are not in scope of the change. The Chair agreed to add this clarification to the response that will be provided.
- 3.5 The Chair suggested that the Working Group review the collated comments, focusing on the customer responses first. Following this the group can review the DCUSA Party responses summarised in the slides. The group agreed. The key discussions are summarised below.

Customer Responses to the Consultation

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

- 3.6 The Working Group noted that all customer responses indicated that they did understand the intent of the change.
- 3.7 The Working Group clarified that the change only effects the residual charges on the standing charge, not the capacity charge.

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

- 3.8 The Working Group noted that the customer responses indicated support of the principles of the change.
- 3.9 One member suggested that there is some misunderstanding about what is in scope of this change.
- 3.10 The Working Group discussed the Transmission Network Use of System (TNUoS) residual, noting that it is different for distribution connected and transmission connected users. One member clarified that solution options one, two and five would affect the TNUoS residual for the distribution connected customers as well as the DUoS, however options three and four will not affect the TNUoS.

Question 3 - Do you agree with the scope of the CP

- 3.11 The Working Group noted that customer responses indicated agreement with the scope. Some responses referred to the ancillary services which are addressed under question 6.
- 3.12 The Working Group confirmed that capacity charges are not in scope of this change. Members noted that a separate change would need to be raised regarding this.

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.

- 3.13 The Working Group noted that customer responses indicated support for the change being permanent.
- 3.14 One member noted that the Working Group cannot guarantee permanence as further changes can be raised to amend. The Chair clarified that the question is whether an end date should be given in the change, and that responses were varied.
- 3.15 Another member suggested that the change is put in without an end date, and that a further change can be raised in future once these sites become more viable. The group reiterated previous concerns regarding how viability would be assessed.
- 3.16 One member noted that the change was raised to help parties during this period, and implied it would be temporary. Members considered whether it would be possible to include a date for review. The Chair noted that without an actual date it would be difficult to add to the DCUSA.

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.

- 3.17 The Working Group noted that customer responses indicated they did not support an end date being included.

Question 6 - What ancillary 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.

- 3.18 The Working Group noted the customer responses and agreed further consideration was needed once all responses have been fully reviewed.

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.

- 3.19 The Working Group noted the customer responses. It was noted that this could be quite a difficult technical solution.

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.

- 3.20 The Working Group noted the customer responses and their preferences and will consider this further when reviewing which solution/s to consult on further.

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.

- 3.21 The Working Group noted the customer responses.

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.

- 3.22 The Working Group noted the customer responses.

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?

- 3.23 As this question is targeted towards DNOs, this will be addressed later in the review.

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

- 3.24 The Working Group noted the customer responses.

- 3.25 The Chair noted that this matter has been discussed extensively by the Working Group previously and that legal advice was obtained. The Chair noted that there are varying views which will all be articulated in the Change Report.
- 3.26 One member noted that this topic needs further discussion, but it may be difficult to resolve in a Working Group setting. The member noted that they have spoken to some regulators in Europe who are also bound by this and that there are different understandings and interpretations.

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.

- 3.27 The Working Group noted mixed customer responses. Members noted the view that customers should be able to opt out as in some circumstances it could be more advantageous to opt out. Members also noted the view that customers should not be able to opt out as all parties should have the same rules.

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

- 3.28 The Working Group noted the customer responses.

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

- 3.29 The Working Group noted the customer responses.

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

- 3.30 The Working Group noted that customer responses indicated support for the change being implemented as soon as possible.

DCUSA Party Responses to the Consultation

- 3.31 The Working Group went on to review the slides, which include a summary of responses provided by DCUSA parties. The key discussions are summarised below.
- 3.32 Regarding the question of whether an end date should be included in the CP, one member argued that adding an end date could add a level of stability and certainty. The member noted that they should not be taking into account the business plans of companies in their decision making process. The member noted that there is instability in these charges anyway.
- 3.33 Another member agreed that including a date could provide companies with more guidance than an open ended temporary change.
- 3.34 The Chair noted that the group could return to this decision once the solutions have been considered.

- 3.35 Regarding the question of what ancillary use would be acceptable on site, one member highlighted that most responses supported minimal use, only for essential services. The member agreed with the response that ancillary use should be on a separate connection.
- 3.36 Members discussed one response that indicated there are certain regulations regarding essential services that are required alongside the chargers. One member highlighted that regulations in this area are still patchy, with some being treated as best practise guidance. The member noted that some may become compulsory in future. The member highlighted the importance of lighting etc. for customer safety and confidence using the site.
- 3.37 Another member noted that it would not be expensive to have a small separate connection to deal with any services other than the charging. Members considered the possibility that not allowing ancillary use could increase the number of connection applications.
- 3.38 Members discussed concerns that if things such as convenience shops are permitted, this could lead to users installing chargers simply to benefit from the reduction in charges.
- 3.39 The Chair noted that this decision can also be revisited after the solutions are considered.

4. Agree Next Steps

- 4.1 The Working Group agreed for another meeting to be scheduled to continue the review of responses. The Chair agreed to issue a doodle poll following the meeting to establish a date.

5. Review the Work Plan

- 5.1 The Chair noted that this could be reviewed at the next meeting.

6. Any Other Business

- 6.1 No other business was raised.

New and Open Actions

| Action Ref. | Action | Owner | Update |
|-------------|--------|-------|--------|
| | | | |

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 | 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 | Ofgem | Closed |

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.

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

| | | | |
|-------|--|----------------|--|
| | <p>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 | <p>Closed</p> <p>The paragraphs were added to the consultation document.</p> |

| | | | |
|-------|--|--------------|--|
| 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 | <p>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.</p> <p>This action was closed.</p> |
| 13/02 | Chair to ensure the formula for option 4 is articulated in the draft consultation. | Chair | <p>The formula was added.</p> <p>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.</p> <p>This action was closed.</p> |

| | | | |
|-------|---|-------------|--|
| 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. |
| 14/01 | Update the objectives text. | Chair | The consultation document was updated. This action was closed. |
| 11/01 | Check cross-references in the updated draft consultation document. | Secretariat | The cross references were checked before the consultation was issued. This action was closed. |