







| DCUSA Change Proposal (DCP) | | At what stage is this document in the process? |
|---|--|--|
| <h1>DCP 454</h1> <h2>Provide enduring targeted relief from residual charges for electric vehicle charging sites</h2> <p>Date Raised: 06/05/2025</p> <p>Proposer Name: DCUSA Secretariat</p> <p>Company Name: ElectraLink</p> | 01 – Change Proposal | |
| | 02 – Consultation | |
| | 03 – Change Report | |
| | 04 – Change Declaration | |
| <p>Purpose of Change Proposal</p> <p>The intent of this CP is to provide enduring targeted relief from residual charges to publicly accessible electric vehicle (“EV”) charging sites.</p> | | |
|  | <p>Governance</p> <p>The original issue was presented to the DCMDG in meetings 85 and 86, during which, after a vote of members, it was approved for the DCUSA Secretariat to progress the issue to a CP.</p> <p>The Proposer recommends that this Change Proposal should be:</p> <ul style="list-style-type: none"> • Treated as a Part 1 Matter • Treated as a Standard Change • Progressed to the Working Group phase <p>The Panel will consider the proposer’s recommendation and determine the appropriate route.</p> | |
|  | <p>Impacted Parties:</p> <p>Suppliers, DNOs and IDNOs</p> | |
|  | <p>Impacted Clauses:</p> <p>Schedule 16 – Clauses 92(a), 92(b), 92(c), 92A, 92D</p> <p>Schedule 32 – Clauses 1.2, 1.3,</p> <p>Schedule 32 – Clauses introduced by DCP 420 (if approved)</p> | |

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1 Summary

What?

- 1.1 National Grid Electricity Distribution (“NGED”) received examples from a council that is rolling out electric vehicle (“EV”) charging sites, a number of which are attracting standing charges rates that are sufficiently high that the EV charging stations are unsustainable. NGED raised a CP to provide targeted relief from residual charges for these sites, DCP 420, and noted that these impacts would not be limited to council run charging stations. The high engagement with EV charge point operators (“CPOs”) and the EV trade association, ChargeUK, during the development of the solution under DCP 420 produced evidence that the impacts were across a large number of EV charging sites and affected multiple EV CPOs.
- 1.2 The DCP 420 Working Group, following consultation with industry colleagues in both the energy sector and EV charging sector, noted that whilst colleagues within the energy industry favoured a solution that could not be implemented before the 2027/2028 charging year, EV CPOs had indicated that the relief was needed urgently and that a solution that could be implemented sooner would be required. The DCP 420 Working Group therefore agreed to focus its efforts on developing a solution that could be implemented sooner, but which would need to be replaced by an enduring solution, taking into account the feedback received from energy industry colleagues in the consultation (i.e., on their preferred approach.)

Why?

- 1.3 The EV chargers are used at a frequency which, at present, and particularly in more rural locations, does not always cover the standing charge costs for the provision of the electrical supply and metering.

How?

- 1.4 It is proposed to replace the solution developed by the DCP 420 Working Group, if approved, which at the time of writing would be to either exempt EV charging sites from residual charges or to reduce the residual band of eligible EV charging sites to the next lowest band. The proposed enduring solution would charge EV charging sites their residual charges using a p/kWh adder, resulting in EV charging sites paying residual charges based on their consumption. As the consumption of these sites increases, so too would their residual charges.
- 1.5 It is proposed that while this is the “enduring” solution, it would still be subject to some form of sunset clause, either based on a fixed future date or an assessment of the economic conditions in the future (which could be performed periodically, to ensure the relief is removed when it is no longer needed, subject to criteria being defined for this assessment.)

2 Governance

Justification for Part 1 and Part 2 Matter

Requested Next Steps

2.1 This Change Proposal should:

- be treated as a Part 1 Matter;
- be treated as a Standard Change; and
- proceed to the Working Group phase.

2.2 This CP satisfies the requirements of a Part 1 Matter as it is likely to have a significant impact on the interests of electricity consumers.

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.

4 Solution and Legal Text

- 4.1 It is proposed to charge eligible EV charging site customers using a pence per kilowatt hour adder (p/kWh), therefore charging these customers their residual charge as part of their unit rate instead of via the residual charging bands.
- 4.2 It is also proposed that a sunset clause should be included, which will require the support to be removed at a future date, the criteria for which will be defined by the Working Group.
- 4.3 Whilst the legal text for the enduring solution will be developed by the Working Group for this CP, there are some elements of the DCP 420 solution that will be utilised by this CP, such as the identification of EV charging sites and the eligibility criteria. Should that CP not be progressed or approved, those elements will be incorporated into the legal text of this CP.

5 Code Specific Matters

Reference Documents

5.1 Not applicable.

6 Relevant Objectives

| | DCUSA Charging Objectives | Identified impact |
|-------------------------------------|--|-------------------|
| <input checked="" type="checkbox"/> | 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 | Positive |
| <input type="checkbox"/> | 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) | None |
| <input type="checkbox"/> | 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 | None |
| <input checked="" type="checkbox"/> | 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 | Positive |
| <input type="checkbox"/> | 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 | None |
| <input type="checkbox"/> | 6. That compliance with the Charging Methodologies promotes efficiency in its own implementation and administration. | None |

6.1 The assessment of the impacts against the DCUSA objectives above are aligned with the initial assessment provided by the proposer of DCP 420. For convenience, the Proposer's view for DCP 420 was as follows:

The proposer believes that this CP will better facilitate DCUSA General Objectives 1 and 3 and DCUSA Charging Objectives 1 and 4. The rationale for this is that by expanding the definition of Non Final Demand to include Non Domestic sites which are solely for the use of charging vehicles where electricity is sold with a commercial transaction to a private user, will be more cost reflective as at present this is acting as a barrier to net zero.

6.2 The Working Group will assess the impact on the DCUSA objectives during the development of the solution, and present this in the change report.

7 Impacts & Other Considerations

Consumer Impacts

- 7.1 This CP is likely to have an impact on other consumers due to changes in the way residual charges will be applied to specific consumers, which may have knock-on effects in charges for other consumers in future charging years. An impact assessment will be performed to understand the magnitude of the impact to other consumers, which should be produced in collaboration with the DCP 420 Working Group, to improve efficiency and consistency.

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

- 7.2 This CP may impact upon Ofgem's DUoS SCR, however Ofgem has been heavily engaged in the development of DCP 420 and will be invited to attend and participate in the Working Groups for this CP as well.

Does this Change Proposal Impact Other Codes?

| | | | |
|---------------------|-------------------------------------|-----------|--------------------------|
| BSC..... | <input type="checkbox"/> | MRA..... | <input type="checkbox"/> |
| CUSC..... | <input checked="" type="checkbox"/> | SEC..... | <input type="checkbox"/> |
| Grid Code..... | <input type="checkbox"/> | REC..... | <input type="checkbox"/> |
| Distribution Code.. | <input type="checkbox"/> | None..... | <input type="checkbox"/> |

- 7.3 In response to the DCP 420 consultation, NESO identified the potential need for a CUSC modification in relation to the solution being taken forward under this CP. If it is the intention that EV charging sites that are charged both their Distribution Demand Residual ("DDR") and Transmission Demand Residual ("TDR") via the unit rate, this will require a CUSC modification. In the event that no CUSC modification was raised and approved, eligible EV charging sites would still need to be allocated to a charging band so that TDR charges can be set.

Consideration of Wider Industry Impacts

- 7.4 No wider industry impacts have been identified.

Confidentiality

- 7.5 This CP is not confidential, however data used in the development of the solution (i.e., during an impact assessment) will be commercially sensitive and confidential and not published on the DCUSA website.

8 Implementation

Proposed Implementation Date

- 8.1 To allow DNOs to set the charges for 1 April 2028, it is proposed that this CP be approved as soon as reasonably practicable, for implementation by no later than 1 September 2026, to allow DNOs sufficient time to identify eligible customers in their portfolios and set prices.
- 8.2 Should an implementation date of 1 September 2026 not be achievable, this may delay the setting of charges for eligible customers under the new solution until at least 1 April 2029.

9 Attachments

- 9.1 Attachment 1 – DCMDG Issue 85 Form
- 9.2 Attachment 2 – DCMDG Meeting 86 Minutes (containing the outcome of the vote)