

OPEN LETTER RESPONSE: CHARGEUK

Ofgem open letter on future reform to the electricity connections process

Summary

ChargeUK is the trade association representing companies that install and operate electric vehicle charge points. Our 22 members are deeply committed to boosting the availability of high quality charging infrastructure, evidenced by over £6bn committed investment through 2030 and the ambition to double the EV charging network this year.

One of the priority areas of work for our members over the next year is reducing barriers to installation. We are working closely with the Office for Zero Emission Vehicles to identify key barriers at each stage across the different categories of installation. One of these barriers to the acceleration of charge point installation and operability is access to grid connections.

We welcome Ofgem's objective to see electricity connection offers with shorter average connection dates which better meet customers' needs and enable a timely transition to net zero.

ChargeUK would be delighted to meet with Ofgem officials to best understand how we can work collaboratively to improve grid connections.

The nature and priority of connections issues

Our members are commissioning new sites for electric vehicle charge points at an accelerating pace in order to facilitate the decarbonisation of road transport. We are in agreement with Ofgem's initial assessment of the challenge of the increasing volumes of connections, in particular of the "interactivity and attrition in a first-come-first-served queue" and "long connection times". This affects many of our members seeking to make new sites operational after they have obtained permissions and even completed installation.

We would be happy to canvas our members for case studies where helpful.

Priority areas of focus for Ofgem

ChargeUK is supportive of Ofgem's proposed areas of focus. We look forward to working closely with the ESO and SCG, providing in-depth knowledge and insight to help inform future reform.

Ofgem's proposed objectives, outcomes and guiding principles

We are supportive of the proposed objectives, outcomes and guiding principles, in particular the objective to "*ensure well-developed connection projects...can deliver when ready and are not unduly delayed by projects which are not ready to proceed*" as well as reforms to enable shorter average connection dates.

The illustrative reform stages and options for consideration

ChargeUK welcomes initiatives under near term improvements for queue management and promotion of mature projects closer to delivery above those that could be 'blocking' the queue.

We are consulting with our members in order to provide detailed case studies and positions in response to the ESO's upcoming connections reform consultation later this month.

Timeliness of connections

Distribution network operators already have a number of projects classed as 'shovel ready' and waiting to connect. Distribution customers have unanimously expressed a desire to connect early even if subjected to curtailment over time. NGESO and DNOs are working towards this direction which is positive. However, shovel ready projects are projects that the overall development of the project is in a stage that can enable construction to start within a short space of time (land rights, planning, funding, engineering readiness and design). In many cases there are significant restrictions/delays (e.g. connection dates of 2037) which will not allow a customer progress / invest on a project until these constraints are resolved or connection dates brought earlier. As a result, these projects cannot be classed as shovel ready and thus cannot benefit from the approach above. Therefore, ChargeUK hopes to see initiatives to provide reassurances to customers that earlier connection dates can be achieved (including ANM solutions) even for non shovel ready projects but which have the intention to be come once these reassurances are given to them.

Our members hope to see improved communication paths with the network operators, such as through centralised communication points within each network operator to address issues/ enquiries. The current bottom-up approach in which the enquiry starts from the planner and escalates to the decision maker results in a significant loss of time.

ChargeUK members see significant delays from the network operators in delivering the projects due to lack of resources. Network operators will need additional resources that will enable them to subcontract more. This is a key step in delivering projects on time as at the moment, a lack of resources contributes to significant delays from network operators.

ChargeUK members also recognise the good industry standard/guideline on timescales for all types of connections during application stages. However, members are concerned that there is a lack of consistency on timescales requested by each DNO at post acceptance stage. Members have reported experiencing issues with DNOs on post acceptance timescales, particularly on ICP design submissions, which sometimes results in cancelling and re-applying connections when timescales are too tight. ChargeUK hopes to see reasonable timescales for post acceptance, particularly with regard to ICP design and planning permissions.

Meter generation and battery storage

There is not a consistent approach from the network operators on behind the meter generation/battery storage devices. Many customers will tend to install behind the meter generation /storage devices not to export to the network or participate in markets but to cover their on site demand. ChargeUK would encourage Ofgem to make provision for a consistent approach from the network operators on how these are treated as well as on how these projects can be connected to the network without the need to wait for the transmission reinforcement works to be completed (as these projects will not export they will not impact the national grid system).

Funding and securitisation

ChargeUK would also call for a review of how national grid connection assets are funded and securitised by the DNOs and customers. At the moment customers need to cover costs of the national grid connection works (e.g. new Supergrid transformers) and securitise against them, and this is split amongst the customers participating in the specific contract. If a customer cancels, then the cost/securities will need to be covered by the remaining customers (which means the cost /securities will be increased). This can lead to a domino effect of customers cancelling their projects as the capital contributions/securities became very high due to other customers cancelling. The proposal is that DNOs will cover these securities and they can retrieve the cost via the DUOS instead of individual customers having to cover that element.