

General response\

Zest welcomes Ofgem's ED3 Sector Specific Methodology Consultation and strongly supports the intention to enable faster, fairer and more cost-effective deployment of low-carbon infrastructure. As a leading public EV charging operator with projects across the UK - many in rural, underserved or regeneration-priority locations - we see first-hand how regulatory and charging frameworks influence the pace and equity of EV rollout.

Current network charging approaches, particularly standing charges based on theoretical maximum load rather than realistic, diversified or managed load, make many socially valuable EV charging projects uneconomic. This directly undermines Ofgem's objectives on connections, fairness, decarbonisation, and consumer value.

Because EV charging demand is highly diversified and actively managed, the actual coincident load at a charging site is typically a fraction of the installed capacity. Yet DNOs frequently levy standing charges and network capacity assessments as if every charger operates at full power simultaneously. This leads to:

- **Inflated fixed costs**, especially damaging in rural or community sites
- **Delayed or cancelled projects**, even where connections are technically simple
- **Uneven regional rollout** and widening charging "cold spots"
- **Higher consumer prices**, slowing EV uptake
- **Market distortion**, where early-stage utilisation is penalised despite delivering public benefit

Ofgem's consultation themes: proactive LV network reinforcement, smarter and flexible networks, improved minor connection incentives, and cost-reflective charging - all point toward the need for a **new approach** to how EV charging load is assessed and charged.

We therefore urge Ofgem to:

1. **Require DNOs to recognise diversified and/or actively managed load when assessing capacity and calculating standing charges**
2. **Create a specific LCT (Low Carbon Technology) connections class for public EV charging with standardised assumptions and fairer charging models**
3. **Ensure LV reinforcement programmes proactively prepare networks for EV charging, rather than penalising first movers**
4. **Align price control incentives so DNOs benefit from enabling EV infrastructure, not from delaying or overcharging for it**
5. **Encourage smarter, flexible, and non-firm approaches as the default for EV charging, with charges reflecting real-world use**

Reforming these areas will accelerate investment, improve equity across regions, and ensure consumers get fair and affordable access to the EV charging network.

Zest is ready to work with Ofgem, DNOs, and NESO to share data, evidence, and operational insights on realistic EV charging load patterns and the economics of public charging deployment.

Responses to specific questions

Q5. What are your views on the guidelines for proactive investment decision-making across all DNOs?

Zest strongly supports the shift toward proactive and strategic investment. Public EV charging infrastructure, particularly in early-stage or rural markets, is often hindered by reactive DNO reinforcement processes that trigger large upfront or standing charges. We believe proactive LV reinforcement, combined with realistic load assumptions for EV charging, will:

- reduce connection delays
- lower costs to consumers
- enable fairer access to EV charging
- support regional development and net-zero goals

A proactive approach must also include updated capacity modelling that reflects diversified or smart-managed EV charging load rather than undiversified peak capacity.

Q6. Do you agree that LV network reinforcement and unlooping of legacy service connections are suitable for a programmatic, area-based approach?

Yes. Programmatic LV reinforcement is essential to EV rollout.

Today, many sites suffer from:

- high standing charges due to perceived local constraints
- slow or unpredictable upgrade processes
- strong geographic variation in treatment across DNOs

An area-based programme would:

- avoid repeated “street-by-street” digging
- dramatically reduce reinforcement costs
- enable local authorities and charge point operators to plan rollouts with confidence
- prevent early EV charging sites from being penalised with disproportionate fixed costs

Programmatic reinforcement also aligns with Ofgem’s desire for consistent national implementation of the energy transition.

Q7. What are your views on the need for national consistency in proactive unlooping and LV upgrading?

National consistency is essential.

Under the current system, two identical EV charging projects can face drastically different costs across DNO areas. This unpredictability:

- stalls investment
- undermines investor confidence

- creates regional inequality in EV access
- leads to higher consumer charging prices

Zest supports a national standard for:

- LV reinforcement triggers
- unlooping approaches
- smart-solution prioritisation
- treatment of diversified/managed EV load
- timelines and service guarantees

This would directly support Ofgem's fairness and consumer-value objectives.

Q11 (Connections – Incentives for smaller connections). Do you agree with strengthening incentives for smaller connections, including those installing LCTs such as EV chargers?

Yes. Public EV charging should be explicitly recognised as an LCT with appropriate incentives.

Current charging methodologies assume public EV chargers represent a worst-case, synchronous peak load. In reality, EV charging sites are:

- highly diversified in their load profiles
- increasingly managed through smart charging systems
- constrained by operator-set limits
- inherently predictable at scale

Strengthened incentives should therefore reward DNOs for:

- providing cost-reflective capacity offers
- recognising diversified or managed load
- reducing standing charges where reinforcement is not triggered
- offering non-firm and flexible options as standard
- reducing connection delays for public charging infrastructure

These changes will unlock projects currently stalled for economic reasons.

Q12 (LCT Connections). Should there be more targeted incentives to support customers installing EV charging infrastructure?

Yes. Public charging has unique characteristics:

- high social value, especially in rural and residential-street settings
- early-stage low utilisation
- revenue models sensitive to fixed charges
- strong dependence on accurate demand modelling

Ofgem should therefore create a **specific connections category** for public EV charging that includes:

- predictable diversity factors
- smart charging recognition
- standardised modelling assumptions
- fairer standing charge structures
- optional flexible/non-firm connections with appropriate pricing

This will accelerate rollout and reduce "charging deserts".

Q1 (Planning Principles). What are your views on the regulatory guiding principles?

Zest supports all principles and recommends strengthening the commitment to **cost-reflectivity**. This should explicitly include:

- recognising diversified demand
- enabling flexible and dynamic connections
- preventing cost over-recovery for unused capacity
- ensuring first-movers are not disproportionately penalised for wider public benefit

These principles are essential for fair and efficient EV charging deployment.

Q4. Do you agree with the use of tRESP outputs in DNO planning?

Yes. But Zest recommends tRESP explicitly factors in:

1. **diversified EV charging demand rather than nameplate capacity,**
2. **the need for early-stage overprovision** in rural or low-demand areas,
3. **a clear distinction between public rapid charging and domestic charging,**
4. **the declining cost of flexibility compared with traditional reinforcement.**

Using diversified EV load assumptions will make the tRESP substantially more accurate and aligned with real-world charging patterns.