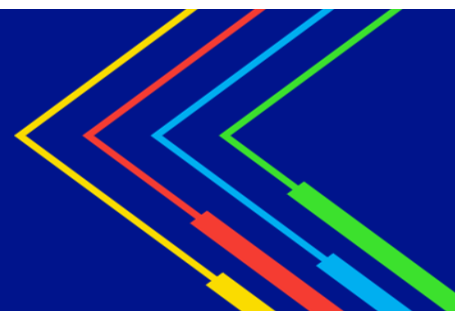


# National Grid's response to DfT's consultation on Future of transport regulatory review: zero emission vehicles

22<sup>nd</sup> November 2021



National Grid sits at the heart of Britain's energy system, connecting millions of people and businesses to the energy they use every day. We understand our responsibilities to the environment and future generations, we are committed to developing innovative solutions to enable the transition to a clean environment and economy, in which nobody is left behind. Furthermore, as we look ahead toward recovering from the COVID-19 pandemic, it is important that we seize the opportunity to be world leading in decarbonising our economy as a driver for economic growth. We are committed to continuing to work closely with Government, regulators, and industry to bring energy, transport and digital together to deliver this ambition.

We are happy to respond to DfT's consultation on the future of transport regulatory review: zero emission vehicles and would welcome further engagement.

We have grouped some of our responses to several consultation questions to avoid repetition, as set out below:

## **Statutory obligation to plan for and deliver a charging infrastructure** *(related questions):*

*Do you agree or disagree that there should be a statutory duty to plan for sufficient charging provision of electric vehicle charge-points to meet the needs of residents, businesses and visitors in a given geographical area?*

*Who do you think should be legally responsible for planning for sufficient charging provision of electric vehicle charge-points to meet the needs of residents, businesses and visitors in a given geographical area?*

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*Who do you think should be legally responsible for delivery of sufficient charging provision of electric vehicle charge-points to meet the needs of residents, businesses and visitors in a given geographical area?*

## **Our response:**

National Grid supports the need for intervention in the form of a statutory duty, that requires regional transport bodies or local authorities to develop detailed plans that provide sufficient future-proofed grid capacity, where needed, to support different technologies, to power zero-emission vehicles for residents, visitors and businesses, ahead of need. A statutory duty will deliver continuity of outcomes, supporting the market not to have to deliver on its own.

## **Strategic Road Network (SRN):**

**Planning** – We recognise and are supportive of the need for a coordinating body to ensure the efficient and successful deployment of the rapid charge fund to deliver future-proofed grid capacity for all modes of road transport including HGVs, buses and coaches along the SRN, ahead of need. The mobilisation of a Delivery Body is critical in achieving this. The Delivery Body would ideally have a national reach, and once mobilised, will develop, schedule, coordinate, and oversee the delivery plan to provide the energy industry and consumers with further clarity on additional charge-point availability and their locations along the SRN. This will have a positive impact towards helping to remove range anxiety for future consumers.

**Delivery** – the Delivery Body in collaboration with network infrastructure providers should ensure sufficient future-proofed grid capacity is provided for all modes of road transport at these locations. The delivery and installation of charge-points should be the responsibility of the charge-point providers. Collaboration and coordination from the Delivery Body are critical to ensuring that physical delivery is both, efficient and in line with the defined strategy and plan.

## **Local Road Network:**

**Planning** – With regard to the local road network, we recognise the need and value in having a regional coordinating body or convener that will be responsible for developing regional strategies and plans that will provide the required amount and types of charge-points, where needed, ahead of need, and in line with the Governments milestones and targets outlined in the Transport Decarbonisation Plan (TDP). Regional strategies should take into consideration the different types of charging facilities needed to meet the needs and requirements of local residents and businesses, such as transport hubs for freight and logistic companies, smaller transport hubs (old petrol stations converted to supply EV charge-points) and on-street charging facilities for those unable to charge their EV at home.

**Delivery** – the government should act as or instruct a convener or coordinating body to work with local residents, businesses, and network infrastructure providers to plan and deliver future proofed capacity where it is needed. The delivery and installation of sufficient EV charge-points should be the responsibility of charge-point providers. Again, coordination and collaboration at a local level is key to ensuring that delivery is in line with defined strategies and plans.

## **Making the rapid charging fund (related questions):**

*Do you agree or disagree that we should have the power to mandate more competition between charge-point operators at: service areas and large fuel retailers?*

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*Do you agree or disagree that we should have the power to remove existing exclusivity clauses between charge-point operators at: service areas and large fuel retailers?*

### **Our response:**

To avoid any unintended consequences, government would need to consider if mandating more competition between charge-point operators, and, or having the powers to remove charge-point operator exclusivity at these locations would be conducive towards achieving the objective it is trying to achieve. Increasing competition and removing exclusivity clauses for charge-point operators could deliver advantages, such as helping to drive down the cost of charge unit installations and the potential to introduce more competitive charge tariffs to the market, however this could also present disadvantages, for example, increased costs to maintain multiple types of charging units. It is important to ensure that future-proofed grid capacity is provided for all modes of road transport, therefore, all advantages and disadvantages would need to be considered and assessed against the overall objective(s) of what is trying to be achieved through the introduction of competition and the removal of exclusivity clauses.

*How might restrictions on exclusivity at large fuel retailers and service areas affect: charge-point investment and the provision of charge-points at these locations?*

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*Do you agree or disagree that we should have the power to require charge-point operators to offer open access charging at: service areas and large fuel retailers?*

### **Our response:**

Removing existing and future exclusivity restrictions for charge-points at these locations has the potential to help stimulate competition across operators, which could help to reduce the installation costs of charging units and introduce more competitive and cheaper charging tariffs. The Competition Markets Authority (CMA) recently published its provisional view on Electric Highways commitments not to enforce exclusivity rights in their charge-point contracts with Extra, MOTO or Roadchef after 2026 for sites which will receive funding for additional charge-points through the

governments Rapid Charge Fund. We believe this is a step in the right direction, as retaining such provisions has the potential to drive adverse behaviour when it comes installation costs and the setting of charge tariffs. To avoid any unintended consequences, government should consider if removing exclusivity clauses for charge-point operators at these locations would have a positive impact towards the objective it is primarily trying to achieve.

We recognise and support the need for all EV charge-points at Motorway Service Areas (MSAs) to be open access. Accessibility to charge-points along the SRN (both technologically and physically) is a critical enabler to ensure EV drivers can use these facilities as and when needed, this has been identified as a significant barrier to EV adoption through our recent industry engagement. From a physical perspective, government must ensure that charging facilities are accessible, safe, and secure for everyone to use. From a technology perspective, the standardisation of access software and digital applications must also be considered to provide a positive user-experience and further encourage the transition to zero-emission vehicles. We recommend that these requirements are reflected in any future charge-point regulations and that a user-experience best practice standard is defined, in line with the British Standards Institute, to promote consistency for users across the road network.

*Do you agree or disagree that we should be able to act as the freeholder of an electricity connection for: service areas and large fuel retailers?*

*Do you agree that government should be able to appoint or create a body to administer, operate and own these connections?*

*Do you agree or disagree that we should have the power to require a progressive increase the number of charge-points provided at: service areas and large fuel retailers?*

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*What are the benefits expected as a result of getting powers to:*

- mandate more competition between charge-point operators at service areas/large fuel retailers?*
- remove existing exclusivity clauses between charge-point operators and service area operators/large fuel retailers?*
- require a progressive increase the number of charge-points provided at service areas and large fuel retailers?*
- require charge-point operators to offer open access charging at service areas/large fuel retailers?*

**Our response:**

National Grid supports the concept of government acting as the freeholder for electricity network connections at these locations. Having a consistent freeholder will support the Delivery Body in driving delivery against the plan, simplify co-ordination across key stakeholders involved in its delivery, while ensuring that the value of grid connection assets is maintained. With government acting as a consistent freeholder for grid connections, the decision making for how grid capacity is utilised can be easily aligned to Net-Zero objectives, for example, capacity could be allocated to supply other technology solutions to further support transport decarbonisation such as battery storage, local transport hubs, or be used for the production of hydrogen or electric road systems for the HGV sector.

It is important to build the right charging infrastructure, ahead of need, to accommodate full EV uptake and ensure that grid capacity is future-proofed. We recommend that government consider a full EV uptake scenario for all road transport modes, including HGVs, buses, and coaches, as part of its roll out and delivery of the rapid charge fund. Building future-proofed infrastructure once, as opposed to incrementally, will maximise cost efficiencies, make the best use of the funds available and enable the transition to zero-emission vehicles for multiple sectors.

In summary, the potential benefits of mandating more competition, removing charge-point operator exclusivity clauses and, requiring charge-point operators to offer open access charging at MSAs and large fuel retailers are:

- reduced installation costs for charge-point units
- the introduction of more competitive charging tariffs
- to provide safe and secure access to charging facilities along the SRN for all EV drivers, when needed
- to provide a positive and consistent charge-point user-experience
- the removal of some of the most significant barriers to the adoption of EVs (range anxiety through the provision of charge-point infrastructure along the SRN and accessibility for all).

This response represents the views of National Grid Electricity Transmission (NGET). NGET owns the high voltage electricity transmission network in England and Wales. We connect sources of electricity generation to the network and transport it onwards to the distribution system, so electricity can reach homes and businesses.

Following the legal separation of the Electricity System Operator (ESO), their views are not represented in this submission.

In responding to the consultation, we have only addressed questions that are relevant to NGET.