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28<sup>th</sup> February 2013

Dear Jonathon

**Response to consultation the application of the Maximum Resale Price to the resale of electricity for use by electric vehicles**

Energy Networks Association (ENA) is the industry body for UK electricity and gas distribution and transmission companies.

This response to Ofgem's consultation on the application of the Maximum Resale Price (MRP) to the resale of electricity for use by electric vehicles is submitted by ENA on behalf of its electricity distribution and transmission operator member companies.

Whilst the resale of electricity is not an activity carried out by our members they are nevertheless actively engaged in supporting the Government's aim to move the UK to a 'low carbon' economy. An important step in this transition will be the shift of some proportion of the UK vehicle fleet to alternative fuel sources, the most popular of which will almost certainly be electricity. We are therefore supportive of the minded to position taken by Ofgem in this consultation document – that MRP should not apply to the resale of electricity from charge points used exclusively for the propulsion of EVs – and believe that this will bring useful clarity on this subject to those who currently, and in future will, operate publicly accessible electric vehicle charging infrastructure. Our responses to the individual questions within your consultation document are attached as Appendix 1 to this letter.

If you have any follow up queries please get in touch with Richard Le Gros,  
Secretary to the Electric Vehicles Working Group at ENA, on 0207 706 5132  
or [richard.legros@energynetworks.org](mailto:richard.legros@energynetworks.org).

Yours sincerely

A handwritten signature in black ink that reads "David Smith". The signature is written in a cursive style with a horizontal line above the name.

David Smith  
**Chief Executive**

## **Appendix 1 – ENA response to consultation the application of the Maximum Resale Price to the resale of electricity for use by electric vehicles**

### **Q1: Do stakeholders consider that uncertainty over the current MRP provisions is a barrier to the commercial growth of charge point infrastructure?**

ENA member companies are not involved with the resale of electricity and are not directly involved with the commercial growth of charge points. Uptake of the infrastructure to date has been predominately limited to those points subsidised through the PiP schemes, be those funded by local government or installed due to an existing commercial need, i.e. Office charging points, Car dealerships etc.

Whilst we are not aware that uncertainty regarding MRP has to date been a barrier to the introduction of publicly accessible EV charging infrastructure we are anecdotally aware of some anxiety regarding this issue from some parts of the EV charging infrastructure operator community. Therefore clarity from Ofgem on this matter - putting these discussions 'to bed' for good - would seem to be a welcome step.

### **Q2: Do stakeholders agree that charge point providers should be free to set prices for the electricity resold from charge points?**

ENA and its members support the proposed changes allowing the price of energy supplied from electric vehicle charging points to be set at a market level and provide the opportunity for increased variety in the pricing and business models used by electricity vehicle charging infrastructure operators.

However, we would like to draw to Ofgem's attention to the potential for abusive or 'unfair' pricing practices from public charging point providers who might have a near monopoly in certain areas whilst the market is in its current fledgling state and suggest that the operation of the market is kept under review.

It is also worth pointing out that the resale of electricity by charging point providers implies a requirement for suitable metering of electricity delivered (and potentially exported – see vehicle to grid comments below) with the costs and complexity that would accompany this.

### **Q3: Do stakeholders consider that the proposed amendment to the MRP direction would provide sufficient clarity?**

The proposed amendment correctly limits the exclusion to energy used solely for electrically propelled motor vehicles.

### **Q4: Could there be any unintended consequences to the above proposal, or proposed drafting?**

It is important that the drafting used does not inadvertently preclude future vehicle to grid applications – e.g. power stored within an electrical vehicles' battery that is then reused/resold to the grid without being used for a motive purpose. While this technology is in early research stages it may be necessary to revisit the drafting as business models develop.

### **Q5: Do stakeholders agree that the current MRP provisions should continue to apply to marine craft, including electric marine craft?**

ENA and its members are unaware of any recent changes in marine craft technology that would warrant amendments to the current MPR provisions.