



 GM UK & Ireland

Consultation on the application of the Maximum Resale Price to the resale of electricity for use by electric vehicles

Response on behalf of General Motors UK Limited

This response represents the views of General Motors UK Limited incorporating the Vauxhall and Chevrolet brands in the UK.

General Motors directly employs over 4,000 people across 5 sites in the UK with a further 22,500 indirect employees. Our car assembly plant at Ellesmere Port produces the Astra and, in 2012, achieved annual production of over 100,000 units. Our commercial vehicle assembly plant at Luton, produces the Vivaro mid-size panel van under Vauxhall and Opel brands, in both goods and passenger variants. In 2012, the plant produced over 55,000 units, making it the UK's largest commercial vehicle manufacturing facility.

In 2012 we launched our first ever Extended Range Electric Vehicle (E-REV), the Vauxhall Ampera and Chevrolet Volt. The ground-breaking E-REV technology provides consumers with uncompromised electric driving. The Ampera/Volt's revolutionary system allows 25 to 50 miles using purely its lithium-ion battery pack. After this the car's 'range-extending' engine sustains the battery. The range extender, can create electricity to power the car-freeing Ampera/Volt from the range limitations of pure-electric cars.

General Motors UK Ltd welcomes this opportunity to respond to Ofgem's consultation regarding Maximum Resale Price (MRP) of electricity for use by electric vehicles. We appreciate that Ofgem are intending to act in the interest of consumers as well as the electric vehicle market and its infrastructure.

Question 1: Do stakeholders consider that uncertainty over the current MRP provisions is a barrier to the commercial growth of charge point infrastructure?

Eliminating any uncertainty is vital for the electric vehicle market and its infrastructure's uptake. We consider any ambiguous regulation as a barrier to this segment as the EV market is still in the early stages of development. It is essential that consumer confidence is high in order for the public to feel comfortable in making the investment into the Electric Vehicle market and to move away from the conventional and more established alternatives. We therefore support Ofgem clarifying whether Electric Vehicles are in scope for the MRP.

Question 2: Do stakeholders agree that charge point providers should be free to set prices for the electricity resold from charge points?

We support Ofgem's proposal for charge point providers to be able to set their own prices for the electricity resold from their charge points. This is because the original rationale behind the MRP is not applicable to this market, as although the electricity is for domestic use, it is expected that with more established charging infrastructure the consumer will have the option to use other charge point providers if they do not consider the price to be fair. Contrary to this the MRP was established to protect those who did not have the option from paying an unfair price.

However, the main reason we support Ofgem's proposal to allow charge point providers to set their own prices is because if MRP is applied to charge points then this will stifle competition. Restricting how much providers can charge could reduce the incentive for suppliers to increase public charging points in the UK, minimising the profitability that suppliers could receive.

Although we do believe that market forces will prevent the price of electricity sold to consumers rising above its value we do encourage and support Ofgem's view of continuing to monitor the market in the consumer's best interests.

Question 3: Do stakeholders consider that the proposed amendment to the MRP direction would provide sufficient clarity?

We do consider Ofgem's proposal as offering satisfactory transparency regarding MRP and how it would not apply to electricity for use by electric vehicles. We are in support of Ofgem's decision to clarify their position to ensure that they act in the market's best interest whilst it is still in its early stages.

Question 4: Could there be any unintended consequences to the above proposal, or proposed drafting?

Although we do not foresee any unintended consequences concerning Ofgem's proposal we do urge Ofgem to monitor the market on a regular basis to ensure the charging of electric vehicles continues to be accessible and affordable for consumers as it is crucial we reduce any barriers to entry for this market segment. Should any unfavourable concerns arise Ofgem have a duty to ensure they take action to prevent any issues becoming a significant barrier for consumers.

Question 5: Do stakeholders agree that the current MRP provisions should continue to apply to marine craft, including electric marine craft?

No comment.