



RAC Foundation response to Ofgem's consultation letter on the MRP and electric vehicles

The RAC Foundation (Royal Automobile Club Foundation for Motoring) is a transport policy and research organisation which explores the economic, mobility, safety and environmental issues relating to roads and their users. The Foundation publishes independent and authoritative research with which it promotes informed debate and advocates policy in the interest of the responsible motorist.

We question the underlying assumption “that consumers...have sufficient choice to maintain competitive pressure on [charge point] providers” for two reasons:

1. In many areas of the country, there is only a single provider of charging points. In London, for example, while there may be a limited number of private operators, most of the charging points are owned and operated by the Boroughs (as was intended by the government's Plugged-in Places scheme).
2. There is currently, and is likely to be for the foreseeable future, insufficient density of charging points to allow for competition – by a long way in fact. Thus, while in theory users may be able choose different providers, in reality most people will be bound to using one provider for practical reasons: having to park at or near their homes, at or near work, etc.

Therefore, we do not believe that there is sufficient choice to guarantee competition. Current providers are likely to be in a dominant position in the 'relevant market', and could exploit this position if the maximum retail price (MRP) provision were removed.

Removal of the MRP may be required at some point in the future if and when the electric vehicle market grows to the point where there are numerous charge point providers. However, having commissioned research into the future market potential of low-carbon vehicles, we believe that this is unlikely to occur in at least the next five years.

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