



Jonathon Lines  
Retail Markets and Research  
Ofgem  
9 Millbank  
London  
SW1P 3GE

Head Office  
Inveralmond House  
200 Dunkeld Road  
Perth  
PH1 3AQ

lois.wares@sse.com  
01738 456410

28 February 2013

Dear Jonathon

**Consultation on the application of the Maximum Resale Price to the resale of electricity for use by electric vehicles – request for views and evidence**

Thank you for giving SSE the opportunity to provide comment on this proposal. SSE supports the principle that reselling electricity for charging electric vehicles should be excluded from the Maximum Resale Price (MRP) provisions.

The development of recharging infrastructure for electric vehicles is expensive and we believe these costs should be reflected in the price paid for the use of the recharging facility. We agree with Ofgem's argument that, to provide this investment whilst still allowing customer choice and preventing excessive profits, competition and the concept of MRP could have a positive role to play.

We are, however, concerned that the proposed amendment might imply that in order to charge for electricity, the kWh consumed will have to be metered at the charging point. From our experience, there are many business models where metering is avoided to reduce costs and often the charge for electricity is 'bundled' with another service such as parking. We would therefore recommend a broader exclusion so that different business models can be explored, which will help facilitate the emerging market for electric vehicles.

Please find our detailed comments to Ofgem's specific questions below.

If you have any questions please feel free to contact me.

Yours sincerely

Lois Wares  
**Regulation**

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

We are aware that to date, uncertainty regarding MRP has been a concern when considering the introduction of publicly accessible electric vehicle charging infrastructure. Therefore, we believe that clarity from Ofgem on this matter would be a welcome step towards tackling this potential barrier.

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

We support the principle that charge point providers should be free to set the charges for use of electric vehicle charging points. We note Ofgem's concern that some schemes require membership and that this could restrict competition, however we would like to highlight that the Office of Low Emission Vehicles (OLEV) are encouraging a movement to "pay as you go" charging to allow consumers to easily move to an alternative provider.

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

Ofgem has correctly identified that there are a number of different charging models where the electricity is not "re-sold" in the sense that the cost to the consumer is directly linked to the electricity consumed. For example, some providers may include a flat fee for the use of the facility or sometimes the electricity is 'bundled' with other services such as parking.

Although the proposed amendment excludes electricity re-sold from charge points for use in an electric vehicle, it still implies that the electricity is re-sold and therefore the quantity of electricity would have to be measured. This could potentially restrict the business models as it would mean that all recharging points would have to be metered.

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

As noted above, there may be an unintended consequence that all charge points will need to be metered so the price per kWh consumed can be calculated. This would be a problem for DC rapid chargers as there are no MID (Metering Instruments Directive) approved DC meters at present. This would also mean additional costs to other recharging facilities which in many cases may be nothing more than external sockets.

We would urge Ofgem to consider the drafting and whether it rules out the types of market models described above and also whether it will be a requirement to meter each charge point.

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

We are unaware of any recent changes in marine craft technology which would warrant amendments to the current MPR provisions.