



ACS Submission: Vehicle Technology Aviation Bill

1. ACS (the Association of Convenience Stores) represents 50,000 local shops across the country including fuel retailers such as Motor Fuel Group, MRH, HKS Retail, Petrogas, Rontec and many independent fuel retailers. We welcome the opportunity to provide evidence to the Public Bill Committee's consideration of the Vehicle Technology Aviation Bill. Fuel retailers currently employ 117,000 people and in the past year fuel retailers have on average invested £16,603 per site.¹
2. While we acknowledge the intention of the Bill is to fulfil the Government's ambitious zero emissions target by 2050, we have serious concerns that Clause 10, which requires large fuel retailers and service area operators to provide public charging points and to ensure that public charging points are maintained and easily accessible to the public is not the right approach.
3. To achieve the zero emissions target, the Government must secure industry co-operation by making a business case for the extension of alternative fuel provision. The Government must be able to show how they will incentivise investment, that there is sufficient consumer demand for alternative fuel provision and that business investments will work to future proof businesses and support their current trading model.
4. ACS previously responded to the Department for Transport and Office for Low Emission Vehicles' consultation on proposed ultra-low emission vehicles measures for inclusion in the Modern Transport Bill, which can be found [here](#). In our submission, we raised concerns about mandating fuel retailers to provide a minimum provision of public charge points, we instead recommended that incentives should be made available for fuel retailers to invest in ULEV infrastructure.

ACS Recommendations:

- Meaningful incentives must be delivered to fuel retailers if the Government wishes to mandate the provision of EV charging points or hydrogen refuelling points at Motorway Service Areas and large fuel retailers.
- One sole threshold cannot determine whether a Motorway Service Area or large fuel service has the capacity to introduce EV charge points or hydrogen fuel refuelling. A number of factors must be considered when determining the definition of these sites.
- The Government needs to provide monetary incentives across the supply chain for ULEV manufacturers, owners, and fuel retailers in order to meet the zero-emission target in 2050. This needs to be supplemented with annual data about the growth and investment in the ULEV market to support businesses assess their investment options.
- ULEV infrastructure should be in locations that match consumer demands, for example retail and leisure facility car parks and work places. There is no evidence to suggest consumer demand for charging at fuel retailing sites.

¹ ACS Forecourt Report 2016

- The Government should lead on the technical standards for EV charge points and hydrogen fuelling to maximise interoperability and accessibility for consumers, as well as providing fuel retailers with certainty about the longevity of the equipment they are investing in.

Clause 8: Definitions

5. Finding a threshold to determine a “large” fuel retailer is extremely challenging as there are a range of variables across different fuel sites and locations. No one measurement of fuel volume, site numbers or site size will give a proficient indication of sustainability. Instead we recommend that the Government considers further how it can incentivise fuel retailers and Motorway Service Areas to invest in EV charge points and hydrogen fuelling points which they assess to be appropriate.

Volume of Fuel

6. The table below shows that there is a large distinction in the fuel volumes dependent on fuel retailer ownership. Volume of fuel turnover is often used as mechanism for measuring fuel site activity and viability. According to Experian Data² hypermarket fuel sites have considerably high annual volumes than dealer operated and oil company operated sites.

OWNERSHIP	AV FUEL VOLUME (KL per annum)
Hypermarket	11,096
Dealer	2,195
Oil Company	5,035

7. If a volume fuel threshold were used this would have to exclude bunkered fuel or fleet fuel. This is because bunkered fuel and fleet fuel can make up a high proportion of fuel retailers fuel volumes, but account for little value in terms of associated shop purchases, which accounts for the profitability of many fuel retail sites.

Size

8. Site size for both EV charging and hydrogen refuelling is also relevant, as sufficient space is needed on the forecourt for charging points to be installed. Feedback from fuel retailers suggests that to introduce EV charge points you would need a minimum site footprint of 1 acre and for hydrogen refuelling a minimum footprint of 1.5 acres. This is to ensure there is sufficient space on site for EVs to wait for long periods of time for their vehicle to charge. There is a practical concern that long waiting times for EV charging will prevent consumers from accessing the store by blocking parking spaces. The current fuel retailing model in the UK is dependent on shop sales for profitability given the low margins on fuel. ACS’ Forecourt Report also shows that only 11% of petrol forecourt have seating areas for consumers to wait while their vehicles charge.

Connection to National Grid

9. The Government would also need to consider whether fuel sites have the capacity and connection to the National Grid to provide public charge points on their forecourt. Rapid vehicle charging points require a separate dedicated link to the national grid,

² Forecourt Trade UK Fuel Market by Ownership

this is not available at all fuel sites and would require significant investment in site infrastructure to remedy.

Clause 10: Large fuel retailers etc.: provision of public charging points

10. ACS does not support Clause 10, which would mandate a minimum provision of EV charge-points and hydrogen refuelling. Mandating the development of electric charging points and hydrogen refuelling at large fuel retail sites is a significant cause for concern given the current market for ultra-low emission vehicles (ULEVs). Fuel retailers have estimated that the development of electric charge points on fuel sites could cost between £50,000 and £60,000, and this is heavily dependent on the existing fuel sites capacity and connection to the National Grid. Hydrogen fuel by comparison would require much higher levels of investment with even less evidence that a viable market exists to justify installation of hydrogen refuelling stations by retailers.

Financial Burden

11. The mandatory provision of EV charge points would place substantial burdens on all fuel retailers as they would have to secure large amounts of capital investment. Out of a sample of 750 fuel retail sites from three ACS members only 1% of sites had electric charging points. Mandatory provision would result in fuel retailers having to retro fit existing sites, resulting in substantial costs and disruption.

12. We also question consumer demand in relation to EV charge points at fuel retail sites and Motorway Service Areas. The business model for fuel retailers is focused on a high turnaround of customers in order to keep the forecourt clear of vehicles. This does not match with the provision of EV charge points, as no margin is made on the EV charging and fuel sites do not have service areas for consumer to wait for 30 minutes (fast charge point) to an hour to charge their vehicle.

ULEV Market

13. We do not believe that there is consumer demand for public charge points on fuel retailer sites. Based on the Government's latest figures³ from 2015 there are 9,000 registered ULEVs on UK roads and there are already 11,996 charge points available for ULEVs⁴ - there is already ample supply. In addition, the Government's Rapid Evidence Assessment suggests that "95% of private EV owners reported charging at home daily or weekly compared to 26% who reported charging at work daily or weekly and 12% who reported using public charging daily or weekly."⁵

14. For many fuel retailers, including those that operate in motorway service areas, their business model does not lend itself to supporting EV charge points. Consumers will be spending between 30 minutes to an hour charging their battery and at present most fuel retailing sites are not designed to support consumers waiting for long periods of time. For example, only 11% of sites include a seating area⁶. We believe it would be more appropriate for the Government to consider the development of infrastructure in strategic locations where consumers want to use EV charge points i.e. leisure, shopping facilities and workplaces.

³ <https://www.gov.uk/government/publications/number-of-newly-registered-ultra-low-emissions-vehicles>

⁴ <https://www.zap-map.com/>

⁵ [Hutchins, R., Delmente, E., Stannard, J., Evans, L. and Bussell, S. \(2013\) Assessing the role of the Plug-in Car Grant and Plugged-in Places scheme in electric vehicle uptake](#)

⁶ ACS Forecourt Report 2016

Non-Regulatory Incentives for ULEV Infrastructure

15. Fuel retailers indicate that where they are developing new fuel sites they will include EV charging points. However, there is not sufficient growth in the fuel retailing market for this to make a significant difference to consumer's experience on ULEV infrastructure.
16. For fuel retailers to invest in electric charge points and hydrogen refuelling they would need concrete commitments from the Government that there will be long term investment in this technology. For the investment to be effective it needs to be across the supply chain for consumers purchasing ULEVs, fuel retailers providing the infrastructure and car manufacturers to produce these vehicles – Norway and Thailand are the best examples of this type of Government backed investment. The Government's plans to stop seed funding after 2020 is therefore the wrong approach to encourage industry investment in infrastructure.
17. There is also not sufficient Government data about consumer take up of ULEV to justify the fuel retailers to invest. Fuel retailers would need to understand the commitment across the supply chain to deliver ULEVs; What are car manufacturers plans to invest in ULEVs? What are the estimated consumer made figures? What are the environmental benefits of ULEVs vs other technological developments? Can the National Grid sustain a shift to EVs? Would it be more appropriate to introduce EV charging in other strategic locations?
18. An attractive investment incentive for fuel retailers would be if the Government could off-set investments in electric charge points and hydrogen fuelling against retailers' business rates liabilities to deliver a discount. The installation of EV charge points or hydrogen fuel provision would increase the overall cost of fuel retailing sites, despite the significant investment required by fuel retailers and the small or non-existent margins on fuel. Providing fuel retailers a discount on their business rates or off-setting their capital investment in electric charge points against their business rates bills could promote more investment in alternative fuel provision.

Other Locations

19. Based on the evidence available, we believe it would be more appropriate to increase the number of sites of EV charge points at work places, car parks, established retail locations and leisure facilities to meet consumers charging needs. We do not advocate mandating these locations to introduce infrastructure but the Government could consider issuing further incentives or strengthening the current provisions in the National Planning Policy Framework.
20. The National Planning Policy Framework currently states: "incorporate facilities for charging plug-in and other ultra-low emission". This could be amended to be more specific about the exact locations that EV charge points should be provided and the capacity they need to deliver. It is unlikely that Local Plan developments would specify EV charge points unless there is a specific reference in the National Planning Policy Framework.

Clause 11: Information about public charging points

21. We do not have data on the technical capability of charge points and the live availability of data. Fuel retailers support interoperability and accessibility of EV charge points making it as easy as possible for consumers to know where charge

points are available and the cost for charging their vehicle. Feedback from retailers suggests that there is not consistency and clarity about location and costs for EV charging in the market currently. At some locations consumers would have to be registered to charge, whilst others have open access.

22. We believe that it is necessary for the Government to take the lead in regulating the specification of charge points and their capability to display and share live information. This specification should be delivered at the point of sale and installation so fuel retailers will be sure that all charge points on the market meet minimum standards, if mandatory installation is brought forward.
23. In terms of pricing, fuel retailers cannot pass on charges for electricity usage, despite consumers spending considerable time and using car parking space on their fuel sites to recharge. If the Government is to consider mandating the charge points on fuel sites, they must consider reviewing how fuel retailers can recoup investment costs. Pricing for EV charging is currently only promoted at charge points and at the till, and there is not enough consumer demand for this to be displayed on the poll sign.

Clause 12: Smart charge points

24. We believe the Government should deliver new technical standards to support Smart charging. It would be of great value for fuel retailers and other stakeholders that when they make investments in equipment they know it will meet appropriate technical standards and market needs in the long term. i.e. working for all types of EVs.

For more information on this consultation, please contact Julie Byers, ACS Public Affairs Executive at Julie.Byers@acs.org.uk or call 01252 515001.