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Committee
House of Commons
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Our ref:

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Dear Becky

Business, Energy and Industrial Strategy Committee: Electric Vehicles: Developing the market and infrastructure

Further to our correspondence by email and your invite to submit to the committee I am writing to summarise Chichester District Council's (CDC's) experience on the implementation of electric vehicle charging in the council's car parks.

Background:

Work to deliver increased numbers of electric vehicle charging posts in CDC car parks has largely arisen and been driven by CDC's Air Quality Action Plan. Relatedly CDC has an extant funded cabinet resolution (December 2015) to install up to nine public facing electric vehicle charging points as a mix of 7kW and 22kW units to serve 18 EV charging bays. The background paper to the cabinet resolution details that the electric vehicle charging posts will be revenue neutral. In seeking to progress to installation CDC has surveyed its car parks so as to understand availability of power supply to inform the optimal locations for install. CDC has also carried out a market test of all providers on the ESPO Framework Agreement and is currently finalising a revenue model so to understand revenue (and capital) implications of installing EV charge points. CDC is aware that installing EV Charge points supports existing EV drivers and acts as a market signal to encourage and accelerate the uptake of the technology. CDC was chairing Sussex-air when it received OLEV grant leading to the install of 18 50kW rapid charge points in Sussex, Kent and Surrey and chaired a related group of officers to facilitate the delivery of this project. CDC installed two 3kW charge points in 2011 which offered free electricity and parking and witnessed ~3,000 charging events. CDC currently has one 7kW charge point serving two bays (and replacing the previous 3kW units). There is now significant political desire to deliver the project in this financial year and we are working to deliver at the earliest time.

The road to delivery:

Progress to installation has proven challenging for the following reasons:

1. Estimating likely demand for the EV charging is critical to revenue modelling and break-even over fixed service provision costs and electricity consumption. Estimating likely demand remains problematic given that the market is changing significantly and has not fully developed yet.

2. Car parking revenue from conventional parking bays is a very valuable source of income to the authority. Installing EV charging in place of conventional parking bays is suggestive of a potential reduction in income at this stage when the market for electric vehicles is still developing.
3. The authority has a history of strong financial governance and investment decisions are made based on strong evidence of need, and this has become increasingly important to the authority with decreasing funding to local government.
4. With cars coming to market with larger batteries (and associated ranges) it is unclear how demand for destination charging will shape up.
5. It is arguably unclear whether to install 7kW or 22kW units and different authorities appear to be making different choices in this regard.
6. The market and technology is evolving rapidly and authorities are nervous of asset replacement over short timeframes.
7. The evolving market has provided new offers to be understood as CDC has progressed. For example CDC had discussions with one of two providers who made zero-cost offers to install and operate 50kW units with a profit share arrangement. This was based on a 15 year lease of the related spaces and an exclusivity arrangement that ultimately proved unattractive to the authority.
8. There would appear to be no standard model for costs applied to users of electric vehicle charging bays – some councils permit completely free of charge use of the bays and the electricity and others charge for the parking but not the electricity. Given that the market is still developing there is no 'best practice' to base financial modelling on and we have had to make a number of assumptions on usage of the base and associated costs and income in a market which has been changing constantly. This has resulted in significant uncertainty surrounding the benefits and potential use of the spaces.

Catalysing action by Local Authorities:

Central Government grant would have the effect of partially or wholly managing the financial risk posed by installing electric vehicle charging (as sketched above). As LAs generally maintain and control public car-parking facilities with associated access to power then such grant ought to make for a relatively 'easy win' in rolling out EV charging across the UK. LAs could then enter the market and gather data so as to inform an understanding of this rapidly evolving area of work. Decisions for further investment could then be made based on demand metrics and experience of managing the related service provider contracts.

I trust this is a helpful insight into CDC's experience in seeking to install electric vehicle charging on its estate.

Yours sincerely



Simon Ballard
Senior Environmental Protection Officer