

ELECTRIC VEHICLES – THE OPPORTUNITIES FOR RETAILERS



While sales of new cars in UK are decreasing, the sale of Electric Vehicles (EV) has bucked that trend and now sits at 5% with significant growth forecast. Policy and industry developments are combining to transform the electricity and transport sectors and the EV charging point is now a new point of sale for retailers.

The introduction of the Automated and Electric Vehicles Bill ("AEV"), sets out a framework of improvements to make it possible to end the sale of petrol and diesel vehicles by 2040. There are three main challenges in this Bill:

- ▶ providing consumers with the knowledge of the infrastructure of charge points;
- ▶ how charging infrastructure interacts with the electricity system, and balancing energy supply and demand – known as 'smart' charging;
- ▶ whether to require operators of motorway service areas and large fuel retailers to provide a minimum number of charge points.

These measures are the first step which will allow the legal framework to develop, but at this initial stage the regulations have been left open enough so as to avoid stifling innovation.

As more consumers switch to EV they will require more EV chargers and the facilities around them to cater for drivers being stationary for longer periods of time. Approximately 44% of petrol sold in the UK is now purchased at supermarkets i.e. supermarkets are large fuel retailers and likely to be included within the scope of the AEV. Retail and leisure centres appear to be the obvious place for the first wave of EV chargers to be installed. Is the supply of electricity as a transport fuel likely to be considered by the big retailers? Providing EV chargers will be a competitive advantage for businesses that rely on large car parking facilities. Similarly migrating existing company car fleets over to EV's is likely to have considerable tax benefits for companies.

The introduction of low emission zones (LEZ) is designed with the purpose of cutting down the pollution from diesel vehicles by placing a charge for those higher polluting vehicles entering the city. They are currently in operation in much of London, and for buses in Brighton, Norwich, Nottingham and Oxford. It is thought that these will spread across the UK to reduce inner-city pollution levels; Leeds has recently launched a consultation to introduce an LEZ. If the citizens in LEZs are to travel it seems clear that access to EV charging must be quick and easy. The Government announced a £400m fund in the Autumn Budget for charging infrastructure, and public authority projects are also emerging.

The growth of EV use presents a prime opportunity for retailers who can provide charging facilities within their car parks. The sale of electricity for charging purposes can offer positive returns for those who invest in this technology early, as well as a competitive edge. The EVs themselves rely on the digital networks for mapping and route planning and the EV chargers are connected to nationwide networks. New products and services are being developed to service this transport revolution. Retailers should be conducting research into these opportunities now so that they are able to design the infrastructure to provide services to EV drivers.

Many new companies are arriving interested in teaming up with retailers to install EV charging infrastructure to reduce the prospect of "range anxiety". It is expected that EV drivers will be planning travel around the availability of EV chargers. The digital maps on the car dashboard provide EV charger locations therefore every retailer should aim to be on that map.

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