The Vehicle Technology and Aviation Bill – Energy UK
Submission of Evidence

23/03/2017

About Energy UK
Energy UK is the trade association for the GB energy industry with a membership of over 90 suppliers, generators, and stakeholders with a business interest in the production and supply of electricity and gas for domestic and business consumers. Our membership encompasses the truly diverse nature of the UK’s energy industry – from established FTSE 100 companies’ right through to new, growing suppliers and generators, which now make up over half of our membership.

Our members turn renewable energy sources as well as nuclear, gas and coal into electricity for over 26 million homes and every business in Britain. Over 619,000 people in every corner of the country rely on the sector for their jobs with many of our members providing lifelong employment as well as quality apprenticeships and training for those starting their careers. The energy industry adds £83bn to the British economy, equivalent to 5% of GDP, and pays over £6bn in tax annually to HMT.

Energy UK Response to the VTAB
Energy UK broadly welcomes the proposals outlined in the Bill. Any move to facilitate and incentivise the provision of Electric Vehicle (EV) charging infrastructure can only be seen as positive and aligned with Government policy. The industry is committed to the decarbonisation of electricity generation, and see newly available renewable capacity as an ideal clean fuel to decarbonise other areas of society such as transport, heating and cooling.

While we welcome the bill, we do have a key ask for future regulation of the market. The speed of innovation across the EV market and surrounding industries should not be halted or slowed by potentially restrictive policies, but rather should be encouraged by enabling legislation. Powers given to the Secretary of State should be recognised as measures to be used only where the market fails. A large portion of issues identified by the bill have already been taken forward by industry since drafting and, as such, future legislation and regulation should be limited to allow for market forces to further develop solutions. For example, there are existing open protocols within the public charge point industry, which, whilst not mandatory, are used by a majority of charge points and allow for information sharing on a common format. Equally, EV’s released at this stage are expected to be enabled to work with smart charging solutions and digital intelligent services. Legislating on what the next steps should be for smart charging would therefore be restrictive and would affect the ability of the market to adjust and benefit as new solutions develop.

One area requiring consideration, in relation to smart charging solutions, is that of developing smart domestic charger metering. Developing smart charging in domestic settings will allow consumers access to demand-side response (DSR) services through aggregators. This would create another incentive for the take-up of EV’s through payments given to consumers for taking part in DSR events (e.g. allowing their charge to be curtailed when the grid is under strain). This system should also maximise the potential for self-consumption in terms of efficient use of onsite generation such as Solar PV. This should be coordinated where possible with Time of Use tariffs, in order to optimise consumer benefits.

We would like to highlight that in order for the European Greenhouse Gas Emissions credit trading scheme to be extended to transport effectively, the supply of electricity to EV’s will need to be recorded and auditable. By accurately measuring the amount of electricity used we can measure the amount of carbon emitting fuels displaced, allowing revenue from these credits to be passed on to EV users and further incentivising uptake. Given this, we fully support all chargers being smart-enabled, but decisions on how to meet base requirements of ‘smart’ should be left to the market to decide.

Energy UK is excited about the potential for smart solutions to enable an established supply chain from renewable energy generation to EV’s, ensuring the true decarbonisation of the sector. Energy UK sees great potential for the market, and asks for continued and holistic recognition of EV’s and the opportunities they present, and support government in their efforts to decarbonise.