

Written evidence submitted by the Association of Convenience Stores (ACS) (AEVB 09)

1. ACS (the Association of Convenience Stores) represents 49,918 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 Automated and Electric Vehicles Bill. Fuel retailers account for 18% of the sector, currently employ 109,000 people, and in the past year fuel retailers have on average invested £12,445 per site.¹
2. We understand and support the need for developing the electric vehicle charging network, but we are concerned 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 Vehicle Technology and Aviation Bill Public Bill Committee's call for written evidence in the last Parliament, 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 to extend the reach of EV charging points at service areas and large fuel retailer sites.
- Mandating should be avoided, and only used as a last resort if the market does not deliver an effective network.
- One sole threshold cannot determine whether a service area operator 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

¹ ACS Forecourt Report 2017

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.
- 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 service area operators 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 higher annual volumes than dealer operated and oil company operated sites.

OWNERSHIP	AV FUEL VOLUME (KL per annum)
Hypermarket	10,509
Dealer	2,414
Oil Company	5,027

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

² Experian Catalist Market Summary Report UK V2 2017

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.
9. 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 4% of petrol forecourt have seating areas for consumers to wait while their vehicles charge³.

Connection to National Grid

10. 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, this is not available at all fuel sites and would require significant investment in site infrastructure to remedy.
11. The National Grid has acknowledged that there may be issues with the growth of electric vehicle users as the amount of power that can be drawn from the electricity network is limited, which could lead to issues with domestic charging, e.g. when using a charger it could mean that you could not use other high demand electrical items (such as kettles and ovens) without tripping the houses' main fuse⁴. In their report, 'forecourt thoughts: mass fast charging of electric vehicles', they consider whether rolling electric vehicle charging points at fuel retailers would overcome this issue. They only appear to consider the role of supermarket forecourts, and whether charging could be integrated into the shopping experience rather than the forecourt sector as a whole⁵.

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

12. ACS does not support Clause 10, which would mandate a minimum provision of EV charge-points and hydrogen refuelling. The mandatory provision of EV charge points would place substantial burdens on fuel retailers as they would have to secure large amounts of capital investment. Currently only 2.6% of forecourts have EV charging points on their site, equivalent to 225 forecourts which host 465 electric charging

³ ACS Forecourt Report 2017

⁴ [National Grid: Forecourt Thoughts: Mass fast charging of electric vehicles](#)

⁵ [National Grid: Forecourt Thoughts: Mass fast charging of electric vehicles](#)

points⁶. Mandatory provision would result in fuel retailers having to retro fit existing sites.

13. Given the significant costs that large fuel retailers would face if public charging points were mandated on their sites, we encourage the government to allow the number of charging points at forecourts to grow organically. Ultimately, fuel retailers will follow consumer trends and as electric vehicle uptake increases, retailers will invest more in electric vehicle charging. For example, Shell announced in October 2017 that they will start rolling out its first wave of rapid electric vehicle charging points at its UK petrol stations⁷, while Motor Fuel Group, which has 413 sites, announced in August 2017 that they will roll out rapid charging points nationwide⁸.

Cost of Installing Electric Charge Points and Hydrogen Refuelling

14. Mandating the development of electric charging points and hydrogen refuelling at large fuel retail sites is a significant cause for concern as it costs in the region of £50,000 and £60,000 to install electric vehicle charge points and this is heavily dependent on the existing fuel sites capacity and connection to the National Grid. The Bill's impact assessment estimate of the cost to install a minimum provision of electric charge points at large fuel retailer sites is extremely broad between £11 million and £570 million.
15. 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. The Bill's impact assessment estimates that the cost to install a minimum provision of hydrogen refuelling stations at large fuel retailers between £26 million and £931 million.
16. The Bill's impact assessment costings assume that any mandated EV charge points at fuel retailers can be accommodated within the current fuel retailers' land-take and would not require additional land purchases. We would welcome clarity from the Government that they would not make any requirements which would force retailers to acquire additional land to install charge points.

ULEV Market

17. Based on the Government's latest figures⁹ from 2015 there are 105,763 registered ULEVs on UK roads and there are already 13,869 charge points available for ULEVs¹⁰ - there is already ample supply. Moreover, the provision of electric charge points at fuel

⁶ ACS Forecourt Report 2017

⁷ [The Guardian: Shell to open electric vehicle charging points at UK petrol stations](#)

⁸ [Talking Retail: Motor Fuel Group to roll out electric vehicle charging facilities](#)

⁹ [Department for Transport Vehicle licensing statistics: April to June 2017](#)

¹⁰ <https://www.zap-map.com/>

sites does not directly fit with consumer use of ULEVs. A report from the Government's Rapid Evidence Assessment suggested; "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."¹¹

18. For many fuel retailers, including those that operate in motorway service areas, their business model does not lend itself to supporting EV charge points. Their business model is focused on a high turnaround of customers in order to keep the forecourt clear of vehicles. 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 4% of sites include a seating area¹². 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.

Strategic Locations

19. In order to promote the use of charging points, the Government must understand how and where consumers want to charge. Consumers will be spending between 30 minutes to an hour charging their battery, locations including leisure centres and shopping centres may be more appropriate to host charging points. As part of this work, the government should look to assess the costs, benefits and feasibility of a national network or suitable electric vehicle charging points and hydrogen refuelling stations. Determining suitable locations where there is demand for public charging will promote the charging network more effectively rather than requiring 'large' fuel retailers to provide charging points.
20. This could mean establishing and increasing the number of EV charge points at work places, car parks, established retail locations and leisure facilities to meet consumers charging needs, and where EV users may stay for longer periods of time. 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.
21. 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.

¹¹ [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](#)

¹² ACS Forecourt Report 2017

Non-Regulatory Incentives for ULEV Infrastructure

22. 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.
23. There is also not sufficient Government data about consumer take up of ULEV to justify fuel retailer investment. Fuel retailers would need to understand the commitment across the supply chain to deliver ULEVs, specifically:
- 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?
24. An attractive investment incentive for fuel retailers would be to off-set investments in electric charge points and hydrogen fuelling against retailers’ business rates liabilities to deliver a discount. Currently there is no provision in the VOA rating manual for the assessment of electric vehicle charging for business rates or the parking spaces that the vehicle occupies to charge, however, this is likely to change at the next business rates revaluation. This will provide businesses with the certainty to invest in the new technology without incurring additional tax liabilities.
25. If the government wish to mandate the provision of public charging points on large fuel retailer sites, they should allocate funding for their installation to offset retailers’ costs. Following several announcements allocating funding for developing electric vehicle infrastructure (including allocating funding to Highways England and developing charge points at workplaces), the government should now consider dedicated funding to support fuel retailers to invest in public charging points. We would also welcome further support, similar to the additional £23m announced in March 2017¹³ to accelerate the take up of hydrogen vehicles and infrastructure, but specifically for public charging points on fuel retailer sites.

¹³ <https://www.gov.uk/government/news/23-million-boost-for-hydrogen-powered-vehicles-and-infrastructure>

Clause 11: Information about public charging points

26. 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.
27. 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.
28. 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

29. 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.

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