Written evidence submitted by UK Petroleum Industry Association (AEVB 26)

Automated and Electric Vehicles Bill – call for written evidence

1) About UKPIA

1.1 The UK Petroleum Industry Association (UKPIA) represents eight oil refining and marketing companies who own and operate the six crude oil processing refineries in the UK: BP, Shell, ExxonMobil, Total, Essar, Petroineos, Phillips66 and Valero. In addition to refining, UKPIA members collectively are the largest importers of fuel into the UK and also source around 85% of UK inland consumption of all oil products. In addition, UKPIA members own and/or brand nearly 50% of all UK retail stations and therefore have a very strong interest in this Bill.

2) Automated and Electric Vehicles Bill

2.1 We refer to Part 2, paragraph 10 of the Bill which may require large fuel retailers within a prescribed description, to provide public charging points (both electrical charging and hydrogen refuelling points).

2.2 UKPIA remains strongly of the opinion that these points should only be provided at locations where they are most useful to the consumer and commercially viable for the provider. While that could be at some fuel retail stations, there are many other locations which should also be considered.

2.3 A 'prescribed description' is very difficult to define without unintended consequences since every fuel retail station is different in layout, physical size, geographic location and ownership. Some are inner city and some are in rural locations. For example, high fuel volume does not necessarily mean largest physical size, there are some relatively high volume sites with very low plot areas and vice versa.

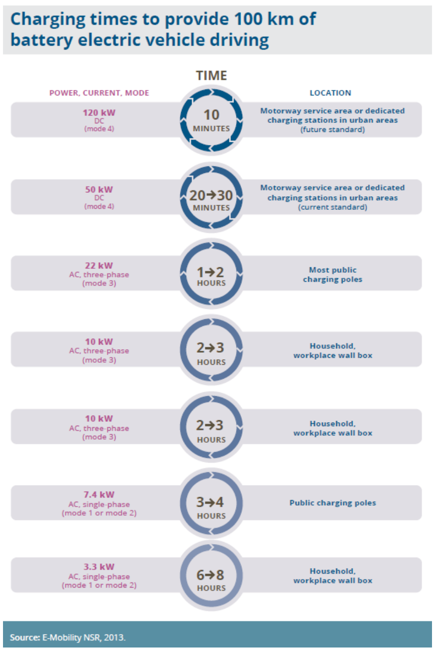
2.4 In larger volume retail sites, it is most likely that all of the plot area is already fully utilised and any additional equipment might mean a full site knockdown and rebuild (KDRB) to accommodate any new facilities, if indeed they can be re-designed.

2.5 Typically, a KDRB can cost upwards of £1m and therefore the cost to the site operator is potentially much more than the cost of any new infrastructure equipment in isolation. Further, the site will need planning permission to cover the proposed changes which is not easy to obtain, particularly when hazardous products are involved and the approach applied by the authorities across the UK is usually not consistent.

2.6 Such proposals may inadvertently lead to increased market exit and reconsideration of viability of fuel retailing, particularly for those filling stations already facing increasing challenges of a tough economic climate, high overheads and declining volumes of fuels sold.

2.7 Therefore, the differentiation of retail sites is not obvious and can only be done on a 'fit for purpose' criteria which is only known to the site operator. For these reasons, and in our view, infrastructure is not something to be mandated at retail stations and remains a market and commercial matter for each site operator. This point is well illustrated by the experience of Norway which has by far the largest proportion of electric vehicles of any European country. Here, despite the lack of a mandate on fuel retailers to introduce electric vehicle recharging points, a number of fuel retailers have seen a commercial opportunity to install them.

2.8 The chart below, from a report by the European Environment Agency, shows how long it takes to charge an average electric vehicle sufficiently to drive for 100 km. It illustrates that for long distance motorway travel, fast charging stations are a must. But even with the highest power fast charging stations, vehicles will typically need in the order of 30 minutes to be charged sufficiently to travel 200 to 300 km. Electric vehicles will thus need to spend significantly more time in service areas than internal combustion engine vehicles. To illustrate this point, filling a diesel car tank for up to 1000 km range takes about 5 minutes. The equivalent time for a battery electric vehicle to achieve the same range recharging at a 120 kW fast charging station is 1.5 hours. This will require significantly more land area for motorway service areas and service areas along major roads which will add to the cost of charging infrastructure.



2.9 We do appreciate that the government's intention is that these measures could only be brought into effect with secondary legislation proposed at a later date, and only if they were deemed necessary to meet Government's objectives for the ULEV market.

2.10 We therefore seek reassurance that, should Government consider the introduction of any secondary legislation in the future, Government will hold detailed pre-consultation sessions with retail station owners and fuel suppliers and other stakeholders on appropriate measures well in advance of any firm proposals being made.

UKPIA
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