Pricing for Public & Private EV Charging

Key agreed messaging on the topic of price disparities
Final Edition as of 02 March 2020, following member meeting on the 12th February 2020

Background

- There is low but growing public and industry concern about the cost to charge an electric vehicle at home vs public charging locations, and how this affects drivers who cannot charge at home.
- The REA hosted a workshop with members on the topic at the REA EV Forum member meeting on the 12th February 2020, which informed the views in this document.
- OLEV has communicated an interest in understanding the industry position on this.
- The Times subsequently written a piece on the issue, and the REA has been interviewed on TalkRadio (as of 18 February).

The issue

- Costs to charge in public locations are increasingly varied, ranging from around 15p/kWh to up 69p/kWh, depending on location, speed of charging, and vehicle model / membership scheme.
- The price of rapid (50kWh+) charging is increasing, and many operators are now approaching 40p/kWh.
- This pricing structure reflects the significant costs for installing public charging networks and the REA's view is that Charge Point Operators should be largely free to set their own pricing in a way that allows them to run sustainable, investable businesses that are en-route to profitability.
- At least one of these public charging networks also charges based on time spent at the charge point.
- Pricing structures are beginning to result in pushback from some operators in the market, including taxis who argue that at the higher price points they may not save any money on fuel compared to petrol or diesel models .
- However, EV drivers with off-street parking can charge at home for 5-12p/kWh, depending on time of use and their energy supplier. REA estimates 10-11p/kWh as a reasonable baseline.
- Around 60% of homes have access to off-street parking, but 40% do not which will force many users to solely use the public charging network. In urban areas up to 60% of homes do not have access to dedicated off-street parking spaces.

Key messages in response

- The Government can take action to make it easier for industry to install and operate public charging infrastructure, therefore driving down the cost of public charging, such as:
    - Reducing VAT from electricity sold at a public charging point from 20% to 5% (VAT is not levied on home charging)
    - Improving grid connection processes (potentially by pushing DNOs to harmonise wayleave application processes)
    - Maintaining some of the grants, for example the on-street residential charging scheme.

- References of 4-5p/kWh for home charging are too low to be a standard industry home charge cost benchmark, more regular prices are more likely 10-11p/kWh.
- There needs to be a wider discussion on VAT and fuel duty revenues in the age of electric cars and vans (which the public v private discussion falls into).
- Solutions other than more-expensive public rapid chargers should also be communicated and developed, including shared infrastructure at work.
- Councils have money to spend from central Government on on-street charging but they are not spending it.
- Discussions need to take into consideration different types of drivers - there is balance between on street and off street or fast charging; need to level out these costs and consider regionalisation.
- Emphasise that the range of EVs and charging solutions will make this affordable for everyone and a range of use cases.
- Government can help by making public charging cheaper to install.
- Rapid chargers should not be the only option for residential developments without parking.

For industry's part, there is an active and growing commitment to:

- Addressing the issue of interoperability of public charging, which should make the process of payments at public charge points more straightforward in the future.

For further information about REA EV policy, contact Daniel Brown – dbrown@r-e-a.net

For external affairs and press-related enquiries, contact Hayley Allen – hallen@r-e-a.net