

## CEDEC Position Paper

### **Proposal for a Directive on the deployment of alternative fuels infrastructure**

#### **General statements**

CEDEC welcomes the European Commission's initiative to promote sustainable transport solution through a common strategy for the infrastructure development. Alternative fuels in their respective areas of application make a significant contribution to the European efforts for climate and environmental protection and the European Union's target to decrease the CO<sub>2</sub> emissions of the transport sector by 60% in 2050, with increasing shares of electricity being produced from renewable sources. Moreover, alternative fuel vehicles are part of multi-modal transport concepts for cities and communities and help to de-couple European transport system from price-volatile fossil fuels. Finally, the promotion of alternative fuels will increase the competition for clean technologies in the transport sector and thereby enhance European economic leadership in these products.

Some technologies such as electric mobility and compressed natural gas can contribute to the transition of the European energy system if largely based on renewable sources. In the vehicle-to-grid approach for example, batteries of electric vehicles (EVs) can be used for energy storage and thereby adding flexibility to the system. Through this approach, EVs can become another stimulus for the deployment of smart distribution networks. Through innovative technology approaches like this, alternative fuels will be able to unfold their entire potential.

CEDEC members as public utilities have and will play a central role in the deployment of alternative fuel infrastructure. Through their experience as distribution system operators, providing infrastructure in response to customer needs, their proximity to customers, municipalities and public transport systems, and their technological know-how, they can take a leading position in the promotion of green mobility.

CEDEC members have pro-actively engaged in solving the famous chicken-and-egg problem regarding the number of vehicles and charging stations, by building publically accessible charging station for EVs<sup>1</sup>. CEDEC believes that also in the future regulated distribution system operators can play a central role in the deployment of alternative fuels infrastructure and should be allowed to take the initiative, where a market has not yet developed.

Notwithstanding, infrastructure development can only be one part of the approach and needs to be accompanied with the promotion of affordable and consumer-friendly vehicles.

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<sup>1</sup> See E-laad project in the Netherlands: <http://www.e-laad.nl>

CEDEC asks to:

- Guard Member States' flexibility in the implementation of the Directive. The deployment of alternative fuels infrastructure is at very different stages in European Member States and the national and/or regional structures vary considerably.
- Not disadvantage first-movers. All existing national and/or regional measures such as the national development plan for E-Mobility (NPE) in Germany, should be recognised.
- Concerning the choice of precise locations, the deployment of alternative fuels infrastructure should predominantly be based on expected consumer needs. For instance, e-mobility has its largest potential in urban and densely-populated areas. This should be reflected in the choice of locations for charging points.

### **Detailed comments on the articles of the proposed Directive**

#### **Art. 2: Definitions**

- **Art. 2 (6): "Electric vehicle"**

According to Art. 2(6) of the proposed Directive, all electric vehicles with a speed exceeding 25km/h are defined as electric vehicles in the framework of this Directive. This would entail that e-bikes, segways and e-motorbikes will be counted to the number of vehicles, if they exceed this speed. In CEDEC's view this would artificially increase the number of charging points, which is dependent on the number of vehicles.

**CEDEC believes that a re-definition of the term electric vehicle, which allows only for a specification for passenger cars and commercial vehicles, is therefore necessary.**

#### **Art. 3: National policy framework**

Some Member States, such as Germany, have already taken initiatives for development of alternative fuels and their infrastructure, accompanied with support mechanisms and pilot projects and authorities in charge of target setting and monitoring. These measures should be recognised in the framework of this article.

**CEDEC supports the proposal of the European Commission for Member States to present their national policy frameworks. However, a certain degree of flexibility is needed in order to recognise existing national initiatives in this field and consequently stimulate the market development in the European Union.**

## Art 4: Electricity supply for transport

- **Art 4(2): At least 10% of the recharging points shall be publicly accessible**

The deployment of the infrastructure and the development of corresponding business models currently are in the centre of the energy-economic part of the debate on e-mobility. Results of conducted studies and calculation from the German NPE however conclude that the deployment of public infrastructure plays an important psychological role to overcome range-anxiety barriers to e-mobility. As ca. 95% of all charging processes will probably take place at home or at work, a large share of the needed infrastructure will be made available at private or semi-public commercial locations (i.e. parking lots of office buildings, supermarkets, cinemas etc.). However, many citizens do not own or have access to a private parking space or garage at their home and park their car in the street. Therefore, they depend on the availability of sufficient publicly accessible charging points<sup>2</sup>.

Municipalities will be an essential facilitator in the deployment of public infrastructure as they can coordinate the process locally and provide the areas for charging points. The investments per charging point will not be covered only by the electricity sold in the short-to medium-term. Therefore, the deployment of infrastructure in the public space will rely on adequate operating and financing models as well support as for planning and permitting procedures.

**Charging in many cases will probably occur in private and commercial semi-public locations. At the same time, the availability of publicly accessible charging points may be important in some cases, depending very much on the physical location and local circumstances. CEDEC therefore believes that the number of public charging points should be rather indicative than binding. The development of the infrastructure should be suited to customers' demand (i.e. primarily in urban areas), avoiding stranded investments.**

- **Art. 4 (3) Standardisation**

CEDEC explicitly welcomes the application of common standards to ensure interoperability.

- **Art. 4 (6) Smart Meters**

An intelligent interface of electric vehicles and the electricity networks is desirable. A future-proof standardisation of the interfaces should be created on EU level.

The article refers directly to the smart meters defined in the Directive 2012/27/EU and developed for the domestic market. These smart meters will not be completely adapted for the purpose of charging of electric vehicles in terms of information exchange, chosen business models, identification of the cars, vehicle-to-grid applications, etc.

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<sup>2</sup> For example, in the Netherlands, more than 65% of car-owners park their car in the public domain, i.e. in the street in front of their home.

The equipment of all charging stations with these specific types of meters seems therefore not to be the best solution. Rather, it should be ensured that the customer will be informed clearly and in detail about the price of charging, i.e. the price per kWh and the price for service provision.

- **Art. 4 (8): Free choice of suppliers**

CEDEC agrees with the proposal of the Directive that customers should have a free choice of suppliers for their domestic EV charging. Consumers should be able to conclude a separate contract for their EV at home, independent of other electricity supply contracts.

With regard to public charging stations, it is for the moment not always economically profitable to offer a free choice of electricity suppliers also from other Member States at public charging points, as stipulated by the proposal for a Directive. Although some pilot projects are being initiated in this field, CEDEC believes that a free choice of suppliers should not be mandatory for all public charging points.

- **Art. 4 (9) Non-discriminatory collaboration between DSO and other actors**

Without an infrastructure built according to customers' needs, electric mobility will not find public acceptance and will not be taken up. Therefore, CEDEC supports the opinion of the European Commission that a precondition for public acceptance is the non-discriminatory access to charging points in the public domain. DSOs play an indispensable role in the construction, connection and providing the capacity for EV charging points, independent of who will be the owner.

- **Art. 4 (10): Non-discriminatory access for customers without contractual obligations**

Charging an electric vehicle in public space should be simple and cost-efficient. Therefore, non-discriminatory access to all users must be provided, for example through direct payment systems, equivalent to traditional petrol stations. At the same time, consumers should not be entitled to the right to a specific payment method. Non-discriminatory access should be defined as the availability of at least one of the most common payment methods (cash, direct debit, credit card, prepaid cards, and mobile/online payment). Transition periods for existing and planned infrastructure should be granted in this regard.

To date, the deployment of public charging points for electric vehicles does not cover the costs of infrastructure development. Therefore, it is important that providers of public charging points receive a return on their investments through the prices for charging processes. This does not only include the price for the energy (kWh) but also the price for using the charging facility.

**CEDEC members act according to the principle of non-discriminatory access to charging points. Nevertheless, it should be possible to give – to some extent – preferential treatment to customers with existing contractual relations in comparison with occasional customers. This is common practice in other sectors, such as mobile communications and should also be granted to utilities.**



### **Art. 5: Hydrogen supply for transport**

In the long-term, CEDEC members see a considerable potential in the integration of hydrogen from power-to-gas installations for fuel cell vehicles, for reducing both the dependence on traditional fuels in the transport sector and CO<sub>2</sub> emissions.

**CEDEC members believe that as for electric mobility, the main criteria for an efficient and demand-oriented deployment of hydrogen supply infrastructure should be both the location and maximum distances.**

### **Art. 6: Natural gas supply**

As for hydrogen, CEDEC believes that the requirements for natural gas fuelling infrastructure should be based on both locations, and maximum distances in order to ensure an efficient and demand-driven deployment.

### **CEDEC Background information**

CEDEC represents the interests of local and regional energy companies.

CEDEC represents 1500 companies with a total turnover of 120 billion Euros, serving 85 million electricity and gas customers & connections, with more than 350.000 employees. These predominantly medium-sized local and regional energy companies have developed activities as electricity and heat generators, electricity and gas distribution grid & metering operators and energy (services) suppliers.

The wide range of services provided by local utility companies is reliable, environmentally compatible and affordable for the consumer. Through their high investments, they make a significant contribution to local and regional economic development.