By email only to: EVCharging@cma.gov.uk
5 January 2021

To whom it may concern,

CMA Electric Vehicle Charging Study - Pure Planet's Response to Market Notice

Pure Planet welcomes the opportunity to provide feedback to the CMA's investigation of the EV charging market. The market is undoubtedly crucial to achieving the UK's transition to net zero, and the Investigation should provide valuable insight into this particularly challenging area for decision makers, infrastructure providers, and energy suppliers like us.

Pure Planet is a domestic energy supplier, supplying almost 200,000 households with 100% renewable electricity and 100% carbon offset gas. We're a digital-first supplier which means our Members have access to their energy consumption, costs and our excellent customer service 24/7 via our award-winning app and website. Pure Planet is proactively engaging in the EV market by developing a suite of products and services that will enable our Members to take up an EV. We're passionate about using technology to simplify the end to end journey from EV purchase, installing an at-home charger, to managing costs and consumption for our Members and prospective EV drivers.

Before all else, we would urge the CMA to frame the Investigation in a way that clearly distinguishes between the variety of EV charging end-users, and map the challenges, potential barriers to competition, and crucially, consumer needs, accordingly. When thinking about competition and fairness for all customers, it should be noted that not all players will be able to compete across all markets, and cater to all consumer needs. As a domestic energy supplier, Pure Planet, for instance, is looking to support the some 50-60% of households who have off-street parking and could install an EV chargepoint at home.

Our response focuses on the second theme, 'effective interaction with the sector'. Whilst the bulk of the Investigation's effort will be exploring infrastructural issues, we recommend the Investigation explores the role energy suppliers will need to play in facilitating at-home charging. The Investigation should also look into the industry and regulatory blockers to Smart charging and tariffs that may unintentionally impede the widespread uptake of EVs.

Consumer education and progress made to date
The domestic EV charging market has made great progress, which the Investigation's report should recognise. The market for EVs is developing rapidly. EV chargers are increasingly reliable and available, as has the number of domestic energy tariffs aimed specifically towards EV drivers. We agree that customers should be empowered to make informed choices about switching to an EV, however we're concerned that the discussion too often erroneously focuses on range anxiety and a lack of public charging options, rather than the wealth of options already present (Q2.6). We do not believe these issues will be real and enduring blockers for the majority of EV drivers with access to home charging and who would require a car for daily, low to moderate range use.

At Pure Planet we're seeking to alleviate these concerns through our dedicated EV website pages and bespoke EV calculator which allows would-be EV drivers to explore the cost of home charging on our 100% renewable electricity tariff based on their preferred model and expected yearly mileage. Through our partnership with an EV leasing company and home chargepoint installer, we're helping to make the switch to an EV as simple as possible for our Members. The CMA should explore ways to bust the myths around EVs and charging, and educate potential new drivers.

Moreover, in much of the commentary it is assumed that energy tariffs for EV home charging must be necessarily complex, with granular time of use pricing and a requirement for consumers to adopt new technology. Whilst there is considerable, and exciting scope for EV tariffs of the future to be Smart enabled and more cost reflective (as we explain below), we'd argue that these features are not essential to be an effective and affordable means for drivers to charge at home. The most popular and accessible EV tariff for suppliers to deploy mirrors an Economy 7 tariff - a dual rate tariff which charges consumers a cheaper rate for 7 hours overnight - as this incentivises customers to charge at off-peak times when power is cheaper. These may be more appropriate for some customer groups. What's more, Price Comparison Websites already have functionality to compare Economy 7 tariffs which will further enable a more widespread understanding of the options available, and facilitate competition between tariff providers (Q 2.4).

Smart charging

As the Market Notice acknowledges, it is imperative that the future of EV charging is Smart-enabled, particularly for the home charging market.

The CMA Investigation should consider the persisting blockers to achieve the aim of 100% Smart meter rollout by mid-2025. The rollout has proven difficult to achieve due to the current framework which places the obligation solely on suppliers. A significant challenge has been enabling remote communication with Smart meters in some areas, particularly in the north of England. This has been driven in part by a lack of technical standardisation and coordinated testing of the various technical solutions, leading to patchy communications and frustrating aborted installations. From our experience, this currently affects around 15% Smart DCC-active meters. Another unresolved issue is achieving a Smart solution for households with complex or restricted metering arrangements which are currently unable to have existing Smart meter models installed; these households tend to be concentrated in the north of England and Scottish Borders[1](Q 2.5). This is an issue for over 10% of properties where we attempt a Smart meter installation.

Failure to resolve these challenges will lead to an unreliable Smart system which is likely to undermine customer trust in Smart-enabled technologies such as Smart EV charging, and increase suppliers' costs to develop and manage such services. Moreover, suppliers must foot the bill for the escalating costs of the rollout, and the lack of leadership to drive the resolution of technical and distributional issues from the industry, DCC or by the regulator risks impeding the effectiveness of current regulatory frameworks to meet the 2025 target. This poses a significant risk to the future of Smart charging, creating an unfair division between Smart and non-Smart consumers.

[1] Ofgem (2020) Statutory Consultation: Extending protections for non-E7 restricted meter customers (SLC 22G) https://www.ofgem.gov.uk/publications-and-updates/statutory-consultation-extending-protections-non-e7-restricted-meter-customers-slc-22g

Tariff models for EV users

Smart-enabled charging, supported by Ofgem's Market-wide Half Hourly Settlement programme, will in turn facilitate the growth of innovative tariffs offering cost-reflective pricing for the cost of home charging at a more granular level than currently offered by Economy 7 tariffs. Time of use tariffs (including a simple Economy 7 structure) allow consumers who move their energy demand such as EV charging to off-peak times to benefit from cheaper prices. This supports the whole system by reducing peak electricity demand and enabling suppliers to more accurately settle their energy costs. It is widely accepted that tariffs of this nature will allow consumers to enjoy further cost benefits in return for adjusting behaviours.

Time of use tariffs for EV drivers will usher in a new kind of relationship between consumers and their energy supplier, and will require consumers to actively engage with their supplier and tariff. However, pricing models need to pay close attention to the needs of the full spectrum of energy customers: EV drivers who can and willingly adjust charging behaviours, EV drivers who are unable to adjust their charging needs, EV drivers who could but do not adjust charging behaviours, and electricity consumers who do not own an EV or charge at home. Under suppliers' current regulatory arrangements and the Default Tariff Price Cap, the challenge will come in managing the cost of EV drivers who remain on default single rate tariffs and do not actively engage with their supplier, or refuse to switch to a bespoke EV tariff. If this happens at scale, the demand of consumers of this type will skew a suppliers' consumption profile and dramatically increase settlement costs, and pass the increased costs onto all energy customers (Q 2.9).

Given only 20% of domestic customers switch supplier every year[2] when almost all are aware of the benefits[3], it is crucial that the Investigation explores mechanisms to ensure the benefits and costs of time of use charging are fairly spread among all consumers, whether or not they charge an EV at home. We recommend that the CMA considers the full picture when investigating the competition and consumer protection implications of future tariff models for EV charging.

Public EV charging infrastructure

Finally, we recommend that the Investigation explores the development of standards for financial and data exchange processes for public charging infrastructure. This will enable third parties, such as energy suppliers, to participate in providing access to the range of public charging services and offer complete charging solutions to consumers, without precluding alternative commercial terms being negotiated. We think this would increase the number of options available to consumers, enable further competition in the market and support the take up of EVs.

[2] BEIS (2019) Annual Domestic Energy Switching Statistics
https://www.gov.uk/government/statistical-data-sets/quarterly-domestic-energy-switching-statistics
[3] BEIS (2020) Energy White Paper
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/945899/201216_BEIS_EWP_Command_Paper_Accessible.pdf

We hope our response to the Market Notice is useful to help shape the direction of the Investigation, and we look forward to continue to engage as work progresses. Please contact us if you require further information.

Kind regards,

Katie Davies
Regulatory Lead