

# **Electric vehicle charging market study**

Progress update II

© Crown copyright 2021

You may reuse this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence.

To view this licence, visit [www.nationalarchives.gov.uk/doc/open-government-licence/](http://www.nationalarchives.gov.uk/doc/open-government-licence/) or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: [psi@nationalarchives.gov.uk](mailto:psi@nationalarchives.gov.uk).

## Contents

	<i>Page</i>
Introduction .....	4
Market investigation reference .....	4
Status of the market study.....	5
Stay updated on the market study.....	6

## Introduction

1. The CMA is carrying out a market study into how competition is developing and whether there are any emerging issues that are arising in the electric vehicle (EV) charging sector.
2. The study was launched on 2 December 2020 by the CMA publishing a market study notice and an [Invitation to Comment](#) (ITC). On 1 March 2021, the CMA published the responses it received to the ITC and a [Progress Update](#) which summarised the key themes and issues raised in these responses.
3. The CMA has a statutory obligation within 6 months of launching a market study to consult on whether it proposes to make a market investigation reference (MIR) or publish a notice of a decision not to make a MIR (in this case by 1 June 2021). A market investigation is a more detailed examination of a sector lasting up to 18 months.
4. The CMA has today [published a notice of its decision not to make a MIR](#) at the end of the market study. This update provides further information on this decision and the status of the market study. For reasons set out below, while we consider there are some emerging issues in the EV charging sector, we do not consider a MIR is necessary or appropriate to remedy those issues at this stage.
5. Our findings and any remedies to address the issues we identify will be set out in our market study report, which we are planning to publish in the summer (in advance of our statutory deadline of 1 December 2021).

## Market investigation reference

6. The CMA may decide to make a MIR when it has reasonable grounds for suspecting that any feature, or combination of features, of a market in the UK for goods or services prevents, restricts or distorts competition in connection with the supply or acquisition of any goods or services in the UK, or a part of the UK.<sup>1</sup> Where the statutory test for making a MIR is met, the decision on

---

<sup>1</sup> Section 131 of the Enterprise Act 2002 (the Act). CMA guidance on market investigation references sets out four criteria that must each be met, in addition to the reference test in section 131 of the Act, before we decide to make a reference (see [OFT 511](#), paragraph 2.1):

- a) alternative powers – whether it would not be more appropriate to deal with the competition issues identified by applying CA98 or using powers available to the CMA or, where appropriate, to sectoral regulators;
- b) proportionality – whether the scale of the suspected problem, in terms of its adverse effect on competition or customer detriment arising from it, is such that a reference would be an appropriate response to it;

whether to make a MIR rests on the exercise of the CMA's discretion. We did not receive any representations arguing that a MIR should be made in response to the market study notice, which means we are not legally required to consult on making a MIR as part of this market study.<sup>2</sup>

7. As highlighted below, we consider there are a number of emerging issues in the EV charging sector, particularly regarding competition at motorways. This is supported by the evidence we have received to date, as illustrated in our March update. As such, we believe it is likely that the statutory reference test for a MIR is met.
8. However, while appropriate remedies to address these emerging issues could potentially be available through a MIR,<sup>3</sup> it is our current view that these emerging issues are likely to be more effectively and proportionately addressed through alternative outcomes (which may include, for example, recommendations to Government, issuing guidance and/or potentially by using other powers available to the CMA).
9. Our intention is therefore to develop a package of remedies within the market study that we consider will be effective in addressing the issues we identify. We will be setting this out, alongside our full findings from the study, in our market study report which we expect to publish in summer 2021.
10. However, should the CMA consider in the future, beyond this market study, that there are features in the market that merit further consideration, the CMA can revisit the case for a MIR at that time.

## Status of the market study

11. We previously published an update in March 2021 which summarised the key themes and issues raised in the responses we received to our [Invitation to Comment](#) (ITC). Since this update we have been continuing to gather information, undertake analysis and discuss issues with a range of stakeholders. In particular, we held a series of roundtable sessions in April 2021 to discuss the key emerging issues and gather further views and explore potential measures.

- 
- c) availability of remedies – whether there is a reasonable chance that appropriate remedies will be available; and
  - d) undertakings in lieu – whether it would not be more appropriate to address the problem identified by means of undertakings in lieu of a reference.

<sup>2</sup> Where the CMA receives representations (within the time period specified in the market study notice) arguing that a MIR should be made, section 131A(2) of the Act requires the CMA to (a) publish a notice of its proposal, and (b) consult relevant persons about its proposal before deciding whether to make a reference.

<sup>3</sup> Market investigations have a wide range of legally enforceable remedies available, aimed at making the market(s) more competitive in the future.

12. As indicated in our previous update, there appear to be some emerging issues relating to investment and competition in the overall EV charging sector, as well as issues around how consumers interact with both off-street home charging and public charging. There also appear to be some specific challenges for charging in certain settings:
- en-route rapid/ultra-rapid charging, in particular on motorways (ie. at motorway service areas – MSAs) where there are a number of emerging concerns about investment and competition, in particular due to high grid upgrade costs and difficulties for chargepoint operators to access MSAs (including where there are exclusive contracts in place); and
  - on-street slow/fast local charging ie on the kerbside or in local hubs – where there are a number of emerging issues about the limited investment to date, the role of local authorities and various challenges they face in facilitating the installation of this infrastructure, as well as broader longer-term competition risks.
13. We are continuing to consider these emerging issues and explore potential measures to address them. During the next few months, we will be drawing together our findings and developing potential measures, which could include recommendations to Government, issuing guidance or taking further steps ourselves by using the CMA’s other powers.

## **Stay updated on the market study**

14. To stay up to date on developments in the market study please visit the [case page](#). If you wish to raise any comments relevant to this work please contact [EVCharging@cma.gov.uk](mailto:EVCharging@cma.gov.uk).