

Rapid charging fund: scheme design consultation – response from the Competition and Markets Authority

1. The CMA is the UK’s principal competition and consumer authority. It is an independent non-ministerial government department and its responsibilities include carrying out investigations into mergers and markets and enforcing competition and consumer law. The CMA helps people, businesses and the UK economy by promoting competitive markets and tackling unfair behaviour.¹ The CMA has a role in providing information and advice to government and public authorities.²
2. The CMA’s [2021 market study into electric vehicle \(EV\) charging](#) found there was very limited competition in en-route charging, especially at motorway service area (MSA) sites. To address this, the CMA recommended that the Office for Zero Emission Vehicles (OZEV) rolls-out the Rapid Charging Fund (RCF) as quickly as possible and attaches conditions to RCF funding to help open up competition between chargepoint operators (CPOs) at MSA sites. The CMA also committed to oversee progress in the EV charging sector as it evolved, to help ensure the development of healthy competition and good outcomes for UK drivers.
3. The CMA’s response to this consultation is informed by our market study and our ongoing engagement with OZEV, in particular to help progress our recommendation on the RCF. We have also considered developments in the sector since our market study. The CMA will continue to advise and engage with OZEV and other key stakeholders, and to play its part in the ongoing development of the EV charging sector into one that will serve people, businesses and the wider economy, now and into the future.
4. The CMA’s response to this consultation is split into two sections:
 - Background, including the CMA’s 2021 market study and engagement with OZEV to date, particularly on the RCF through its Advocacy

¹ The CMA’s statutory duty is to promote competition, both within and outside the UK, for the benefit of consumers.

² Under Section 7(1) of the Enterprise Act 2002, the CMA has a function of making proposals, or giving information and advice, “on matters relating to any of its functions to any Minister of the Crown or other public authority (including proposals, information or advice as to any aspect of the law or a proposed change in the law).”

function. We also set out the role of the CMA's independent Subsidy Advice Unit (SAU).

- The key principles informing our response and consideration of the measures proposed in the consultation to support competition, provide sufficient EV charging infrastructure and align RCF funding to the areas of greatest need.

Background to the CMA's response

The CMA's EV charging market study and the case for competition in en-route charging

5. Helping the UK transition to a net zero economy continues to be a strategic priority for the CMA, as part of its wider focus on enabling the whole UK economy to grow productively and sustainably. Our [draft 2024/25 Annual Plan](#) also sets out a commitment to focus on areas where consumers spend the most money, which includes 'getting about and travelling'.
6. The CMA's work on EV charging is closely aligned with these strategic areas of focus – the transition to EVs will be key to help the UK to meet net zero, and the EV charging sector will become increasingly important to drivers as petrol and diesel vehicles are phased out [as part of UK government's ZEV mandate](#). It is therefore critical that the UK has a comprehensive and competitive EV charging network in place to help build consumer trust in the sector and meet charging needs, early on. EV charging at MSA sites is an important part of this and will help give drivers confidence on long-distance journeys and alleviate 'range anxiety'.
7. The CMA's 2021 EV charging market study examined how this important new sector was developing. While we found that several parts of the sector were developing well (e.g., charging at home, work and at destinations like shopping centres), we found greater challenges in rolling-out charging along motorways, remote locations and on-street kerbside charging. Our recommendations – to UK government, Devolved Administrations and energy regulators (Ofgem and UREGNI) – outlined how to promote strong competition, encourage more investment, and build people's trust in the sector.³
8. Along motorways, we found competition at MSA sites was very limited, linked to high costs for connecting to the electricity network. This acted as a key

³ The [CMA's submission](#) to the House of Lords Environment and Climate Committee Inquiry into EVs summarises progress with the CMA's market study recommendations to date.

barrier to CPOs investing at MSA sites. We therefore recommended that as well as rolling-out the RCF at pace, OZEV attach conditions to the RCF to open-up competition at and between MSA sites in receipt of the funding.

9. Since our market study concluded, there has been an increase in sector-led investment and entry at some MSA sites. Nonetheless, the CMA still thinks that the RCF can play an important role in enabling the deployment of chargepoints at MSA sites where network connections may otherwise be prohibitively expensive for CPOs. Getting chargepoints in the ground is essential to enable the adoption of EVs and doing this in a way which enables competition will help ensure better outcomes for drivers in the long run.
10. Following our market study, we have continued to engage closely with OZEV through the CMA's Advocacy function to help take forward our recommendations, particularly on the RCF. We recognise that OZEV, as the RCF policy owner, will have multiple factors to consider as it makes its decisions on RCF roll-out, and that this may involve trade-offs. Our advice and this consultation response highlight factors for OZEV to consider as the policy decision-maker.
11. Our market study also identified concerns around long-term exclusive arrangements for the supply of chargepoints on or near motorways. We launched a [competition law investigation](#) into these arrangements which were entered into between the CPO Gridserve Holdings Limited and three MSA site operators (MOTO Holdings Limited, Roadchef Limited and Extra MSA Property (UK) Limited and a number of its subsidiaries). This enforcement action resulted in commitments from all of those involved – including commitments to reduce the length of exclusivity periods, and to not enforce exclusivity rights at any MSA site that is granted RCF funding.
12. The CMA published an [open letter](#) following the conclusion of this case in 2022, which encouraged all CPOs and MSAs to ensure their arrangements complied with competition law and to make any commercial changes to these agreements to ensure compliance. As part of our ongoing interest in the sector, the CMA published a [further open letter](#) to CPOs and MSAs in November 2023. This letter reiterated the CMA's commitment to helping the sector develop in a pro-competitive and pro-consumer way and reminded CPOs and MSAs about their obligations under competition law. We highlighted that arrangements which lead to long-term exclusivity between CPOs and MSA site operators and/or incumbency of a single operator at a site or across multiple sites could breach competition law.

RCF and the interaction with the CMA's Subsidy Advice Unit

13. Last year OZEV referred the RCF Pilot, a £70m scheme to test and inform the design of the Main RCF scheme, to the CMA's SAU as required by the Subsidy Control Act 2022 (the Act). Under the Act, the SAU has a statutory role to evaluate a public authority's assessment of compliance of a referred subsidy or scheme with the requirements of the Act. The SAU does not assess whether a referred subsidy or scheme complies with these requirements; rather it evaluates a public authority's assessment of this. The SAU's reports are non-binding and it is for the public authority to decide whether to grant a subsidy or make a scheme (and accordingly, the scheme's parameters).
14. The SAU published its [report on the referral of the RCF Pilot on 15 June 2023](#). The SAU's report did not advise on the design of the RCF Pilot. It is for OZEV to decide how to take on board the SAU's evaluation of its assessment of compliance. While the SAU evaluation took account of OZEV's consideration of the CMA's market study recommendation and advice on the RCF (as set out in OZEV's assessment), it did not advise on OZEV's actions to take forward the market study recommendation.
15. The CMA expects OZEV's assessment of compliance of the RCF Main scheme to come to the SAU for evaluation in due course. This consultation response does not form part of or prejudge the SAU's evaluation of OZEV's assessment of the RCF Main scheme.

Principles behind our response

16. This response focuses on competition and consumer outcomes for charging at MSA sites, centred around three main principles from our assessment of EV charging in our market study. However, we note that the market study was published in July 2021, and that our recommendations were based on a sector which has changed since then. Where possible we have sought to reflect these developments in our response.
17. We propose OZEV considers the following three key principles, each of which are explained in more detail below:
 - (a) **Encouraging competition** – achieving good outcomes for drivers require the development of healthy competition early on in the sector. To open up competition at MSA sites where competition is very limited, as outlined in our market study recommendation, OZEV should attach conditions to the RCF – these conditions are discussed below at paragraph 18.

- (b) **Reliability and availability** – achieving good outcomes for drivers requires an accessible and reliable en-route EV charging network which will also help to encourage take-up and support the transition to EVs. This need will only increase as the demand for petrol and diesel cars declines over time. OZEV should use conditions attached to the RCF to ensure there is sufficient charging provision at MSA sites both now and in the future.
- (c) **Monitoring and addressing gaps** – the EV charging network will not develop evenly across the UK without some targeted government intervention in areas at risk of market failure. For example, private investment in EV charging in remote areas may be limited, where low traffic volumes may not make installing chargepoints profitable. As well as rolling-out the RCF, monitoring take-up and its impact, OZEV and the Devolved Administrations will need to continue to monitor the development of the sector more broadly, particularly at the early stage of its development, to target support at areas of greatest need to ensure that all UK drivers have access to charging, regardless of where they live.

Encouraging competition

18. We welcome OZEV's consideration of the CMA's market study recommendation in designing the RCF. Drawing on our market study and understanding of subsequent sector developments, we encourage OZEV to consider the following conditions for the RCF to open up competition at MSA sites in receipt of this funding:
- (a) **Prohibitions on future exclusivity arrangements.** Long-term exclusive arrangements between a CPO and an MSA operator for a site or multiple sites can weaken competition. We undertook a [Competition Act case against three MSAs and a CPO](#) in order to address such concerns.
 - (b) **Setting a minimum number of chargepoint operators at each MSA site.** We would be concerned about the impact on drivers if MSA sites had only one CPO onsite. Greater competition at MSA sites will help to deliver more choice, better reliability, lower prices and continued innovation for drivers. We strongly agree with OZEV's proposal that all MSA sites in receipt of RCF funding should have a minimum of two CPOs onsite. Increasing demand for charging will likely mean that even MSA sites where demand is currently low will be able to support two competing CPOs in the future. This is critical given the important role of MSA sites in providing charging to drivers on long journeys.

- (i) Some MSA sites will have capacity for more than 2 CPOs and we strongly favour this capacity being used where appropriate, to offer more choice for drivers. We consider that this is for MSAs to determine as part of their application for the RCF, rather than for OZEV to mandate for each MSA site, given variation between sites and an MSA's understanding of their own sites. We suggest an assessment of the number of CPOs that can operate on an MSA site, with rationale, is a requirement for MSA applications.
 - (ii) More broadly, even where MSAs are not receiving RCF funding, we still think there is a strong case to have a minimum of two CPOs on an MSA site. We received evidence during our market study that multiple CPOs on a MSA site was likely to be commercially feasible, and particularly as demand for EV charging and network capacity increased. We strongly urge MSAs that do not take-up RCF funding to consider having multiple CPOs on their sites. MSAs with a single CPO on their site may in particular want to remind themselves of their competition law obligations as set out in our [recent open letter](#). We note these obligations apply across the sector and regardless of whether operators are in receipt of RCF funding.
- (c) **Interoperability of chargepoints with all EVs.** Evidence from our market study suggested that being able to use any public chargepoint is necessary for EV adoption. The CMA is aware that some chargepoints are only available to drivers with certain brands of EV. We support OZEV's proposal that only open-access charging networks would fulfil the minimum CPO condition.
- (d) **Open tendering.** We welcome that OZEV, in line with our market study recommendation, is considering open tenders for access to network capacity as a condition of RCF funding. Open tendering is one way of encouraging competition for access to an MSA site and in turn, could lead to better outcomes for drivers in terms of choice, price and service. We recognise there may be some practical considerations and trade-offs for OZEV to consider, particularly where MSAs may choose to operate as CPOs on their own sites (which raises considerations around the management of an open tender process).
- (e) **Ensuring fair treatment of chargepoint operators.** As highlighted, open tendering can be more complicated to manage where an MSA wishes to operate its own chargepoints at its site but is also responsible for tendering access to network capacity for other CPOs, given the potential for the MSA to have conflicting incentives. We also noted in our market

study the need to ensure that, where multiple CPOs are operating on a MSA site, conditions are in place to ensure that some CPOs are not advantaged over others – e.g. through the placement of their chargepoints, given some locations on a MSA site will be more desirable and have higher take-up than others. To help manage these potential issues, and in line with the CMA's [Guidelines for market investigations](#), we support the proposal that MSA sites treat CPOs on a fair, reasonable and non-discriminatory basis. We support OZEV's proposals to incorporate this requirement as a condition of RCF funding.

19. We recognised in our market study that each MSA site is different and MSA operators are well-placed to understand the requirements of their sites. Reflecting this, we support OZEV's proposal for the MSA operator to be the main applicant for the RCF. As part of this, the MSA operator should also be responsible for adhering to competition or other conditions attached to this funding. We would also anticipate that MSA operators would be required to notify the RCF delivery body of any changes to its or a CPO's compliance with RCF conditions.
20. As the policy owner, it is for OZEV to consider which pro-competition measures to attach to the RCF funding. We also recognise the need to avoid wider costs in terms of EV take-up and the transition to net zero of a delay to developing a comprehensive charging network. Nonetheless we remain confident that the RCF can be implemented in a way which incorporates measures to promote competition and ensure good outcomes for drivers.

Reliability and availability of EV charging infrastructure

21. In our market study, we found that poor outcomes in EV charging at MSA sites were also linked to issues with the reliability and availability of existing EV charging infrastructure. We note that subsequent action has been taken to address these concerns – for example through the enactment of the [Public Chargepoint Regulations 2023](#). The regulations include requirements for CPOs to ensure minimum reliability levels and open data-sharing, to help drivers more easily find and access working chargepoints.
22. As the sector develops and grows, it is also crucial to ensure sufficient investment in charging infrastructure, to ensure there are enough chargepoints available to meet demand so people have access to working chargepoints, regardless of where they live. Alongside commercial investment in the sector, future-proofing grid connections at MSA sites through the RCF will help reduce the risk of unavailability and prevent delays in making further upgrades to sites.

23. We therefore support OZEV’s proposal that MSAs must meet a minimum level of provision at their sites and that this would expand in line with growth in demand over time. We also support the UK government’s consideration of other policy levers to require MSA operators to ensure a minimum level of chargepoint provision across their sites, regardless of whether these receive RCF funding. This will help to ensure that drivers do not face limited access, or a ‘postcode lottery’ depending on where they live or travel.

Addressing EV charging gaps in areas of the greatest need

24. Our market study assessment of en-route charging primarily focused on motorways as the area we identified as facing the greatest competition and investment challenges. We have discussed conditions which should be attached to the RCF for MSA sites on motorways. However, we also recognised in the market study that there may be other areas of the Strategic Road Network (SRN) where there is a limited business case for commercial investment which could lead to gaps in en-route charging provision:
- (a) **A-roads.** We recognised the role of A-roads in charging provision, particularly if combined with other amenities for drivers. During our market study, most CPOs told us that on A roads it is generally easier to find and invest in sites and that there is stronger competition than along motorways. However, where connection costs prohibit commercial investment along other parts of the SRN, we support OZEV’s proposal to consider whether the RCF could play a role in addressing these gaps. This would be best targeted at particular strategic sites and where the business case for investment was poor, and where there may otherwise be gaps in ultra/rapid charging (e.g., in remote or rural areas). Greater provision of charging off-motorways could also provide further competitive constraint on nearby MSA sites, including those which are not in receipt of RCF funding (though the extent and nature of this would vary site by site).
 - (b) **Remote and rural areas.** We identified remote or rural areas as being particularly at risk of developing into ‘charging deserts’. Therefore, alongside our recommendation on the RCF, we recommended that off motorways, governments across the UK consider targeting funding at gaps in the commercial provision of en-route charging in more remote areas which might not otherwise be served. We will continue to engage with governments to help take this recommendation forward.