ChargeUp Europe criteria for funding under the EU Recovery & Resilience Facility

Introduction

ChargeUp Europe is an industry alliance acting as the voice of the electric vehicle (EV) charging infrastructure sector. Our alliance has been formed to accelerate the switch to zero emission mobility and ensure that EV drivers can enjoy a seamless charging experience with access to high quality, readily available charging infrastructure across Europe.

As of today, our member companies represent over 200.000 charging points in all 27 EU Member States.

ChargeUp Europe view on the EU Recovery and Resilience facility

ChargeUp Europe whole-heartedly supports the focus on EV charging infrastructure in the recharge and refuel flagship initiative under the Recovery and Resilience Facility (RRF).

We fully endorse the need to include this flagship initiative in Member State national investment and recovery plans. National recovery plans can play a crucial role in supporting Europe's EV infrastructure businesses to bring to scale one of the key solutions for delivering on the European Green Deal.

In parallel, this investment will play an important role in the EU's economic relaunch[1]. From charge point operators to e-mobility service providers, vehicle manufacturers, IT experts, grid technicians and beyond, the EV sector is expected to create over 1 million jobs in the EU27 by 2030.

Our member companies are ready to meet these challenges and seize these opportunities head on. We represent a rationally driven sector that thrives on a clear regulatory framework, transparent governance criteria and an open market model.

With this in mind, we believe it is important that national plans are based on a careful assessment of investment gaps specific to their markets to ensure that funding is deployed where it makes most economic sense and can best complement market driven activity that is already well underway.

This document outlines 5 key criteria to inform the deployment of public funding for EV charging infrastructure under the Recovery and Resilience Facility.

We call on the European Commission to take these criteria into account when assessing the recharge and refuel flagships in the Member State Recovery Plans.

ChargeUp Europe Criteria for smart, sustainable EV charging infrastructure projects

1 – Integrated approach for national recovery plans

- National recovery plans need to take an integrated approach in designing funding programmes or targets for EV charging infrastructure. They need to be informed by a detailed analysis of the current state and needs for charging infrastructure in the respective Member States.

[1] Platform for electromobility - European Green Deal and Green Recovery: time to focus on Electromobility - June 2020

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- Such an integrated approach needs to go beyond the number of chargers, covering all segments (private, public and semi-public charging) and take account of characteristics such as:
    - Classification of existing charging points (e.g. different charging power capacity)
    - Geographic coverage needs
    - Specificities of the charging infrastructure – full public access charging; limited public access; private
    - Regional traffic, commuter patterns and housing characteristics
    - Distribution grid capacity, connection, upgrade costs and bottlenecks
    - Allocation of space for charging stations
- If the recovery plans are to succeed in accelerating the growth of the EV market it is vital that citizens have easy access to charging points at all types of locations, in particular at home or work place - locations where most of the charging takes place.
- This can be accelerated with targeted incentive programs for citizens, workplaces and commercial entities to install chargers at private or semi-public locations. This will be instrumental to support the electrification of Europe's car fleet[2].
- At the same time the allocation from the recovery plans dedicated to charging infrastructure needs to address the needs of all user segments, from passenger cars and commercial vehicles to busses and trucks. Synergies between the light-duty and heavy-duty vehicle segments need to be stimulated, and shared charging needs at distribution hubs or logistic centers should not be ignored. The electrification potential of transport operations by vans and trucks is enormous and deserves particular attention under the plans (e.g. creation of charging hubs).

2 – Addressing market gaps

- It is vital that the recovery plans set the right framework to stimulate private investment and enable the continued growth of the market[3].
- National recovery plans should ensure that public funding is designed to fill market gaps and not replace or disincentivize private investment, but rather focus on complementary projects.
- Plans should look to break through bottlenecks for conventional investment and encourage companies to act on their own. Recognizing that conventional investors are still hesitant to invest in EV infrastructure, this means that a focus should be on supporting independent EV charging businesses, scale-ups and start-ups, which are not able to cross-finance EV infrastructure from other business areas.
- Public debt funding should focus on those initiatives that remove barriers and allow European charging network actors to scale-up more rapidly across Member States. The charging infrastructure business, depending on the size of the project, can require a significant amount of CAPEX that should be compensated by growing utilization rate and return on investment according to e-mobility market projections. In this regard, public debt finance and dedicated investments tools will be essential to speed up the roll-out of the European charging network and enhance its connectivity.
- Subsidies should be focused on addressing investment gaps to ensure coverage of areas of the TEN-T comprehensive road network of the EU where the penetration rate of EVs is still low.
- It should also be ensured that subsidies proposed under the Recovery Plans do no lead to market imbalances, for example by providing subsidies towards only one form or type of charging.

[2] Existing programs, like e.g. ADVENIR in France, MOVES in Spain or Germany's Charging Masterplan with KfW Grants that serve as good examples of program support.

[3] For example, public charging stations (both AC and DC) make up only c.20-25% of the total market. Therefore, to address the greatest needs of EV drivers it is crucial that recovery plans also focus on incentivizing private investment in semi-public and private facilities like commercial properties, private apartment blocks, workplaces.

3 - Interoperability

- The development of e-mobility across the single market will depend on open interoperable technology and communication protocols.
- Open, non-discriminatory and uniform communication protocols in EV charging infrastructure are fundamental to facilitating a seamless charging experience for the driver across charging networks and across borders.
- Any publicly financed charging stations under the Recovery and Resilience Facility should require open protocols (such as OCPP and OCPI). This is necessary to avoid closed ecosystems and to encourage and accelerate the uptake of EVs across the EU.
- All publicly available charging stations financed under the plans should also ensure that users can charge and pay on an ad hoc basis.

4 - Future proofing & harmonization

- With the ongoing revision of the Alternative Fuels Infrastructure Directive (AFID) and other initiatives such as the Sustainable and Smart Mobility Strategy at EU level, it should be ensured that national policies or programmes through the Recovery Plans do not fragment the European market for EV charging infrastructure just as it is taking off (e.g. through specifications on issues such as metering, concession processes, payment means etc).
- Only a harmonized approach will ensure the necessary investment and scaling up of EV infrastructure which will play a key role in delivering on the aims of the EU Green Deal.

5 - Open and transparent tender procedures

- In case public tenders with a financing facility are used to finance public charging infrastructure, they should only fund projects which have been acquired or granted based on clear, non-discriminatory and open tender requirements and procedures. Such requirements and procedures are important to encourage an open market, access for new players, fair competition and quality and meaningful bids.

Conclusion

The EV sector is expected to grow exponentially and play an important role in the EU's green economic recovery. To take full advantage of the opportunities offered, smart, integrated national plans should also be combined with immediate investments into educating the workforce to facilitate the building, installation, operation, and maintenance of charging infrastructure. Links between the refuel and recharge flagship and the reskill flagship could be explored in order to develop well-coordinated programs that can deliver the greatest benefits.

We encourage the European Commission to take into account the criteria listed in this document to ensure that the assessment and delivery of projects under the Recovery and Resilience Facility enable the EV sector to maximize its contribution to the EU's economic and climate ambitions.

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