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# A MANIFESTO FOR ELECTRIC VEHICLES IN 2018



It's an exciting time for everyone involved in the Electric Vehicles (EVs) sector, including my colleagues and I at WA Communications.

A revolution in road transport is clearly on its way. But revolutions are never straightforward and there are political, regulatory and policy obstacles for EVs in the road ahead. In this report we take a look at those obstacles and develop a set of manifesto recommendations for what needs to happen in 2018 if EVs are to truly make it in the UK.

We also set out a roadmap of key UK government activities on EVs this year.

#### SUMMARY OF OUR FINDINGS:

1. The Automated and Electric Vehicles Bill currently before parliament is **insufficient without genuine national political leadership**.

It's essential to get the policy and legislative framework right but EVs are crying out for a national political champion. Is there a Cabinet minister brave enough to push more boldly on EVs? With Green Conservatism on the rise and Michael Gove turning environmentalism into a doorstep retail policy for this government, we're watching with bated breath.

2. The EV infrastructure roll out is patchy across local government. **Councils need to come together and take the initiative on EVs.**

The UK has the unenviable reputation of being a notoriously difficult place in which to install charging infrastructure. The local authority environment is fragmented, with some councils significantly more advanced than others on EVs. Local authorities must develop a common approach and give themselves a leadership role in charging infrastructure. They should also be looking at how to turn EV charging into a revenue raising opportunity.

3. Consumer acceptance is paramount to create a thriving EV world and **the sector cannot take it for granted that the general public will accept the behavioural changes required of them.**

Consumers are yet to be educated on the impact of grid management and smart charging and there are no guarantees that this would be automatically accepted. In fact it is likely that they will be naturally opposed to this given the current reliance on energy-on-tap. Previous changes of consumer behaviour have been driven by a concerted effort from the government and industry, and the same should be considered for EVs.



Dominic Church  
Managing Director | WA Communications



## THE NEED FOR NATIONAL POLITICAL LEADERSHIP ON ELECTRIC VEHICLES

The government has been keen to show ambition, banning all new diesel and petrol cars from 2040. A global summit on EVs, hosted by Theresa May and planned for Autumn this year is designed to demonstrate international leadership.

This ambition is undoubtedly a significant, clear signal to the market to continue to invest and develop new technology and business models. And a great deal of innovative and exciting work is happening, from National Grid's ideas for a fleet of motorway charging points hooked into the transmission network, to ELEXON's response to the challenge of street-charging through in-lamppost and other street furniture solutions.

There is all the creative market endeavour and momentum that one could hope for.

What there isn't, at present, is a great deal of clarity and political leadership from government to provide direction to the market and to help overcome some of the hurdles in the way. And hurdles certainly remain; the need to ensure grid reliability in light of increasing demand; interoperability and user experience of charging

points; and the fundamental question of ensuring that there are enough chargers in the right places to overcome range-anxiety.

The Automated and Electric Vehicles Bill currently making its way through parliament establishes only the very broadest powers for government to introduce standards for charging infrastructure and oblige large fuel retailers and motorway service areas to provide chargers. The broad nature of the powers is sensible given the pace of innovation, but it also means that much is yet to be determined.

An updated strategy setting out the government's role in facilitating the transition to EVs is due in March 2018. This should kick-start a step-change in government activity, as it:

- Considers required standards for charging and for smart functionality.
- Starts to take a clearer role in stipulating, or at least encouraging, appropriate levels of charging provision on national road networks, and at a city and local level.
- Works with National Grid, Ofgem and network operators to coordinate and find solutions to concerns around grid reliability.

### KEY TAKEAWAY

But the truth remains that the civil service are taking the lead in policy development and there is a lack of political leadership in government on EVs. Given the increased interest in 'Green Conservatism' by the party of government and the rise and rise of Michael Gove at DEFRA, will we see a senior political advocate for EVs stepping forward, to provide more national direction to the consumer, industry and local government?



## COUNCILS NEED TO COME TOGETHER AND TAKE THE INITIATIVE ON EVS

To date, the government has relied heavily on local and city authorities to dictate the provision of charging facilities. And to date, local issues have been a barrier to quicker uptake of EVs. With National Grid estimating that 43 per cent of households have no access to off-street parking, many would-be EV owners are encountering practical problems.

Obtaining planning permission for designated charging spaces and the charging cabinet required is not easy: even such a minor, benign installation can generate concerns around lost parking revenue, reduced parking capacity, street clutter, the cost of installation and line painting and more. And that's before considering the need to engage with DNOs around connection.

The local authority environment is fragmented: different councils take very different approaches, creating a classic postcode lottery with considerable variations in charging

provision. Even within a single authority, issues like planning, parking, energy and environment are handled separately, making joined-up thinking hard.

And local authorities' budgets have been stripped to the bone, with many struggling to deliver statutory services like social care. Budgets are so bare that Ministers recently wrote to local authorities to encourage them to tap into £4.5m of unused Whitehall funding to buy and install charge points: councils complained that the funding only covers 75 per cent of costs, and they simply don't have the money to fund the remaining 25 per cent.

Requiring local authorities to play a critical supporting role in the introduction of a fundamentally innovative and new technology infrastructure is a tall order; as a spokesperson for the Local Government Association said, a little tetchily, councils "cannot take on the role of replacing petrol stations."

### KEY TAKEAWAYS

It will take time for all local authorities to adjust to expectations of their role in anticipating, approving and providing charging infrastructure. What would speed up this process is if local authority leaders, especially directly elected Mayors, clubbed together and worked with industry to develop a common approach to rolling out EV infrastructure. Innovation will be key: the dynamic local authority that finds a way of raising revenue through charging will be the leader of the pack.



## EDUCATION AND CONSUMER ACCEPTANCE IN A SMART WORLD



Amidst the excitement generated by new EV models and accelerating sales, it would be easy to forget that consumer acceptance and enthusiasm is not guaranteed.

The physical challenge of grid management in a mass-EV-uptake world is heavily reliant on a consumer challenge: ensuring that households are happy and comfortable with the idea of smart charging. Industry and policymakers are confident that smart charging management is the answer to managing grid impacts.

But that confidence belies the reality that for consumers, time of use tariffs, demand response and remotely managed charging are new, and not always welcome concepts. Research focused on energy consumers has found that in many models, more consumers oppose using dynamic time of use tariffs than support them. People have become accustomed to a world with energy-on-tap and will not

necessarily take kindly to being told that they cannot charge their cars during whenever they please.

Consider how people use their mobile phones, often topping up their charge during the day, for the reassurance that they will not run out of power. It is much more preferable to see 90 per cent rather than 50%, even if one knows that all they will require to see out the day is 30 per cent. If consumers begin from this basis then the size of the education challenge will be significant.

Previous changes to consumer behaviour, such as the increased use of seatbelts, were not automatically adopted, but were driven through a concerted effort between industry and government. Policy was heavily supported by high industry product standards, and government and industry communications to both promote usage and, more importantly, explain why their usage was important.

### KEY TAKEAWAY

The industry cannot take for granted consumer trust on smart charging. The hard evidence suggests that people are likely to be reluctant when changing their behaviour and, simply put, moving from a situation where they get energy for free towards one where they have to pay. An effort from industry, and government, is needed to educate the consumer and win their hearts and minds around how to deliver a smarter future. Industry and government need to develop clear messages for the public on what the future of charging will look like. This is precisely the area that would benefit from input with the Behavioural Insights Team that was formally the government's 'nudge unit'.

## SUMMARY OF KEY GOVERNMENT EV EVENTS IN 2018

### ISSUE AND EXPECTED TIMINGS

#### Office for Low Emission Vehicles' strategy for zero emission transport

*Publication expected in March*

#### Automated and Electric Vehicles Bill

*Royal Assent expected before the summer recess*

#### Business Energy & Industrial Strategy Select Committee inquiry into EVs – Developing the Market and Infrastructure.

*Oral evidence sessions expected in Q2*

#### Global Summit on EVs

*Autumn 2018*

#### Autumn Budget 2018

*November*

#### Automated Vehicles trials

*Trials will be concluded before the end of 2018.*

#### APPG on Electric and Automated Vehicles

*Ongoing*

### OVERVIEW

The upcoming strategy will set out the government's vision for the transition to zero emission road transport, and more detail on the role the government itself will play. Detail is expected on plans to ready the energy network for the expected surge in EV uptake.

The Bill aims to give government broad powers to increase provision of charge-points, and to set specific standards, for instance on data about charging points and smart functionality. It also establishes powers enabling drivers of automated cars to be insured on UK roads.

The Business, Energy and Industry Strategy Select Committee in the House of Commons is conducting an inquiry into the development of the UK market. It is considering barriers to success, what support the market requires, and is particularly interested to understand the current postcode lottery in charging infrastructure.

Theresa May will set out her vision for an EV future, with the UK at its heart.

She will likely be seeking international collaboration on standards as well as making new announcements on UK policy and seeking to attract new inward investment.

Further funding announcements for the development of EVs and automated vehicles, as well as relevant infrastructure could be likely in this year's Autumn Budget.

As stated in the Government's Automotive Sector Deal, self-driving car trials in Bristol, Coventry, Milton Keynes, and in Greenwich will be taking place throughout 2018.

The Government's ambition is that fully self-driving cars will be on UK roads by 2021.

A new APPG chaired by Cheryl Gillan MP will examine the roll out of charging infrastructure, as well as opportunities for new high-value manufacturing, international trade, emissions reduction, and road safety improvement.

The Group has also set out to push the Government into setting out a detailed charging strategy.





## ABOUT WA

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Energy, transport and infrastructure is one of our core areas of expertise and our team of specialist advisers have a well-established track record of developing and executing successful public affairs and communications strategies with companies and charities across these sectors. Our approach places our clients in the heart of the policy making process and ensures they develop direct and long-lasting relationships with policy makers and influencers.

### CONTACT

**Dominic Church**  
Managing Director

Email: [dominicchurch@wacomms.co.uk](mailto:dominicchurch@wacomms.co.uk)  
Phone: 020 7222 9500

<http://www.wacomms.co.uk>  
Follow us on Twitter at @WA\_Comms.

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2nd Floor  
80 Petty France  
London SW1H 9EX  
020 7222 9500  
[wacomms.co.uk](http://wacomms.co.uk)