

Greater Manchester Combined Authority

Date: 25 March 2022

Subject: Greater Manchester Electric Vehicle Charging Tariff

Report of: Paul Dennett, Deputy Mayor of Greater Manchester and Eamonn Boylan,
Chief Executive Officer, GMCA & TfGM.

Purpose of Report

To update the Authority on the Greater Manchester EV tariff, to seek a delegation to determine the electric vehicle charging tariff to the Chief Executive Officer, GMCA & TfGM, in consultation with the Deputy Mayor of Greater Manchester and to update on the On-Street Residential Charging Scheme Fund bid.

Recommendations:

The GMCA is requested to:

1. Note the impact of electricity prices on the financial viability of the current Electric Vehicle charging tariff.
2. Delegate the authority to determine the electric vehicle charging tariff to the Chief Executive Officer, GMCA & TfGM, in consultation with the Deputy Mayor of Greater Manchester.
3. Note the update on the On-Street Residential Charging Scheme Fund bid and that TfGM are to commission a study into the future of GM and EV to establish how the public sector can best influence the rollout of EVCI.

Contact Officers

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Equalities Impact, Carbon and Sustainability Assessment:

Impacts Questionnaire		
Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion		
Health		
Resilience and Adaptation		
Housing		
Economy	G	Ensuring GM's EVCI has pricing tariff most suitable to current market conditions.
Mobility and Connectivity	A	Tariff has clear relationship to electricity prices
Carbon, Nature and Environment		
Consumption and Production		
Contribution to achieving the GM Carbon Neutral 2038 target		Ensuring GM's EVCI has pricing tariff most suitable to current market conditions.

Risk Management

Agreeing delegated powers will provide the agility to quickly change the EV tariff responding to market factors.

Legal Considerations

N/A

Financial Consequences – Revenue

Agreeing delegated powers will provide the agility to quickly change the EV tariff responding to market factors.

Financial Consequences – Capital

N/A

Number of attachments to the report: 0

Comments/recommendations from Overview & Scrutiny Committee

N/A

Background Papers

GMCA Report Friday 29 November 2019, Item 13, Greater Manchester EV Tariff Proposal

GMCA Decision Notice 'Implementation of electric vehicle charging tariff & approval of Membership Schemes' Published 19 August 2021

Tracking/ Process

Does this report relate to a major strategic decision, as set out in the GMCA Constitution?

No

Exemption from call in

Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?

No

GM Transport Committee

N/A

Overview and Scrutiny Committee

N/A

1. Introduction

- 1.1. Following the installation of the Greater Manchester Electric Vehicle (GMEV) charging network in 2013, GM determined to not charge customers to charge their vehicles. In January 2018, the report to GMCA on the Transport Budget for 2018/19 noted that the Budget Scrutiny Panel had agreed to a proposal to commence charging for use of the service.
- 1.2. In November 2019 the GMCA received a report on the Greater Manchester Electric Vehicle Charging Tariff Proposal. The GMCA agreed the pay-as-you-go tariff on the publicly owned EV charging network, subject to the development of a satisfactory Membership Scheme. The authority to approve the Membership Scheme and to implement the proposed electric vehicle charging tariff was delegated to the Chief Executive Officer, GMCA & TfGM, in consultation with the GM Mayor. (The Mayor declared a member's interest and the decision was made in consultation with the Deputy Mayor).
- 1.3. The Membership Schemes was approved and decision to implement the electric vehicle charging tariffs from 1st October 2021 was published in a decision notice on 19 August 2021.
- 1.4. Significant increases in energy prices have impacted on the ability of the publicly owned infrastructure to operate without a subsidy from the Transport Levy. There is therefore a requirement for TfGM to be as agile as possible with regard to tariff prices and to have the ability to quickly modify tariffs to take into account of factors including wholesale energy prices.

2. Background

- 2.1. In December 2019 TfGM entered into a seven-year contract with Amey MAP Services, a subsidiary of Amey PLC, to operate and maintain GM's network. As part of the contract, GM's publicly funded charging infrastructure – “public-owned infrastructure” (POI) – transitioned to a new brand, the Be.EV electric vehicle charging network.

- 2.2. The Be.EV brand is owned by Amey MAP Services whose long-term ambition is to expand the network by the installation of “supplier-owned infrastructure” (SOI). Under the terms of the contract, Amey MAP Services has the contractual right to set the tariff for SOI and TfGM has the contractual right to set the tariff for POI. In April 2021 the Amey MAP Services unit, which delivers the EV contract, was divested by Amey plc to Iduna Infrastructure Ltd. As part of the transition both TfGM and Iduna Infrastructure Ltd agreed that a unified and market rate tariff across the Be.EV network was important to deliver both a consistent customer offer and additional charging capacity in the region.
- 2.3. The Chief Executive Officer, GMCA & TfGM, in consultation with the Deputy Mayor approved a Membership Schemes for the Publicly Owned Electric Vehicle Charging Infrastructure and agreed to implement the electric vehicle charging tariffs, as set out below, from 1st October 2021.

Table 1: Current Be.EV tariff

	Pay-as-you-charge Tariff *	Be.EV membership Tariff*	Be.EV GM taxi membership** Tariff*
Fast Charger	£0.25 per kWh	£0.22 per kWh	n/a
Rapid Charger	£0.35 per kWh	£0.32 per kWh	£0.25 per kWh

*Tariffs are in pence per kilowatt hour (kWh), inclusive of VAT

**Taxi membership tariff only applies to taxi dedicated charging points

3. Electricity Price Increases

- 3.1. The impact of electricity costs on the tariff EVCI in GM has changed over a three-year period.
- From 6 Dec 2019 to 6 Dec 2021 (2 years): AMEY Maps Services paid electricity cost as per the contractual agreement.
 - From 7 Dec 2021 – 31 Dec 2021: TfGM incurred cost at a rate of 13.4 p/kWh. This was the agreed fixed rate AMEY had with their energy provider, Octopus Energy.
 - From 1 Jan 2022 – Present: Following the expiration of the electricity with Octopus Energy, TfGM are paying 28.06 p/kWh to allow more discussions and options to be considered before a decision is reached on fixing a price within a contract.
- 3.2. The EVCI tariffs in table 1 were set on the basis of electricity costs of 14 p/kWh. Since January 2021, the wholesale cost of electricity has risen c250%.
- 3.3. TfGM's appointed Energy Broker has advised not to fix electricity prices until March/April 2022. At this time there will be a need to review and revise the EV tariff.
- 3.4. The current financial impact of these increases in electricity cost, without a corresponding increase in tariff, has resulted in TfGM incurring net costs of c£8,000 per month, compared to a surplus of c£9,000 per month when the cost was 14 p/kWh. Any further charging posts commissioned will compound the deficit.
- 3.5. Seven of the ten key EVCI providers have changed their prices at an increase of 42% (average) for rapid charging over the last few months. There is a risk that if GM Electric Vehicle Charging tariffs remain unchanged then this could result in increased demand and even higher electricity costs/subsidy as the Be.EV tariff would be one of the cheapest providers.
- 3.6. Agreement to delegate authority to the Chief Executive Officer, GMCA & TfGM, in consultation with the GM Deputy Mayor will allow TfGM to be able to quickly respond to wholesale energy prices and to determine an appropriate electric vehicle charging tariff and publish a decision notice.

4. On-Street Residential Charging Scheme Fund – Bid Update

- 4.1. The Government's On-Street Residential Charging Scheme Fund (ORCS) provides grant funding for local authorities to install residential charge points. The scheme is run by Office for Zero Emission Vehicles (OZEV), to increase the availability of plug-in vehicle charging infrastructure for residents who do not have access to off-street parking. The scheme is to install fast chargers.
- 4.2. TfGM with guidance from the EVCI Working Group (consisting of representatives from each of the 10 GM LAs), has conducted a robust ranking assessment on potential GM sites, that meet the policies set out in the EVCI Strategy and are suitable for an ORCS bid, as per the scheme rules. However, having undertaken a detailed review of the operational costs; in order to break even, each fast-charging post requires circa 6,500kWh consumption per month which equates to around 17 sessions a day. 'Fast' chargers currently take circa 2 hours to charge and therefore 17 sessions a day cannot be achieved. As a result, and given the financial case would result in a net financial requirement from the Levy, it was determined not to proceed with a bid to the On-Street Residential Charging Scheme Fund.
- 4.3. Recognising that we now need a clearer path to 2025 and then 2030 for GM to develop and deliver EVCI, either as the local public sector, in partnership with third parties or simply through third party commercial investment, TfGM are therefore commissioning a study into the future of GM and EV to establish how the public sector can best influence and optimise the future rollout of EVCI. The review will involve Local Authorities (through the EVCI Working Group) and other interested stakeholders and the output of this work will be presented at a future meeting of GMCA.

5. Recommendations

- 5.1. The recommendations are set out at the front of the report.