



Department
for Transport

From the Minister of State
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Sir Edward Leigh and Adrian Bailey
The Automated and Electric Vehicles Bill Committee
House of Commons
London
SW1A 0AA

Dear Edward, Adrian,

Thank you to the Committee Members for raising during Tuesday's debate the issue of whether National Grid and DNOs are able to access data from smart chargepoints for the benefit of the energy system. It is an important point and I thought a very useful discussion. I hope that the following explanation will reassure you that the Bill and more specifically clause 12 provides sufficient powers to ensure that we get the full benefit of smart charging.

The benefits of smart chargepoints

The non-exhaustive list of examples of technical requirements in clause 12 (2)(a-g) of the Bill, some of which I referred to in the debate, set out some of the functionality that could be required in a smart chargepoint. For example, adjusting the rate of charge or discharge will be extremely useful in ensuring the grid can be balanced at times of peak demand.

I understand your concern that smart features mandated in regulations could be switched off because clause 12 bites at the point where a chargepoint is sold or installed. It does not specifically provide the power for regulations to require the continued use of those smart features. However, such provision is in any event unnecessary.

We believe the benefits of smart meters are plain, putting consumers in control of their energy use, bringing an end to estimated bills, and helping people save energy and money. Given those benefits we anticipate that in the near future, with the introduction of smart meters and the subsequent increase in the number of tariffs which can change during the day depending on the demands on the system, there will be a very strong consumer offer to people to use the smart functionality.

Clearly there will also be a need from government and industry to communicate to people the benefits of smart charging, both to themselves and to the electricity system at large, and this was a strong theme in the responses to the consultation to this Bill.

It is also worth noting that once installed, altering the functionality of a chargepoint is a complex procedure. In practice, most chargepoints would not easily be able to have their smart functionality switched off and to do so would often entail opening up the unit and voiding its warranty.

However, as my right honourable friend from West Dorset noted, we may not be able to entirely rely on people choosing to use the smart functionality, and so there may be a need for more prescriptive incentives. We believe there is a proportionate way of addressing this risk through secondary legislation using powers already in the Bill.

When making regulations under the list of requirements in 12 (2)(a-g), we could consider the option of including a technical requirement that would limit the charging rate of any chargepoints that have their smart functionality disabled, either purposefully or due to a communications failure. We would need to consult widely with interested parties at the appropriate time before any decision was made.

Although I strongly believe that the benefits of smart charging are plain and generate sufficient incentive to ensure their features are fully adopted where offered, such a provision in regulations would act as a powerful additional incentive to the user to fully exploit a chargepoint's smart functions. It is also worth stating that any person who nonetheless, for whatever reason, turned off these functions would only be putting a small demand on the network and would not be deriving any of the benefits that fast, efficient charging brings.

Discussions with Ofgem, National Grid and DNOs

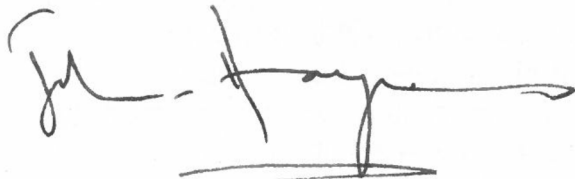
In relation to the concern about chargepoint usage data raised in Tuesday's debate, I explained that discussions with the above organisations are ongoing but that I would ensure they are intensified. As part of this intensification we are looking to establish a group with representatives from these organisations, Government and others to look further into the impact on the electricity system that will inform our considerations when drafting the Regulations.

I hope that the above explanations reassure you that the Bill has sufficient powers to be able to achieve the full benefits of smart charging and that Government is working closely with key stakeholders to ensure that the energy system is well positioned for a fast and efficient take up of electric vehicles.

I hope the Committee finds this useful.

Copies of this letter will be deposited in the Commons Library.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'John Hayes', with a horizontal line underneath.

THE RT HON JOHN HAYES CBE MP