

Madrid – Moving on up!

EVUE's second meeting was held in Madrid on the 22nd-23rd of November. Hosted by Fundacion Movilidad, the focus of the meeting was to look at the different business models being applied to the introduction of EVs across Europe.

With a range of speakers covering the public and private sectors from across Europe, a wide discussion was had. While further work is still required to develop suitable business models, current thought suggests that the most likely approach to be implemented is one that involves a whole system approach which links the different aspects of the value chain. We will be undertaking further work on this over the coming months, so watch this space!

The Spanish government is also applying a similar approach and is developing mobility solutions that are industrial and economic as well as environmental. With a national programme worth €70 million, the focus is on getting fleet operators to adopt EVs and lead the way for the country.

EV Readiness Index

As part of the Suceava Expert seminar, Hans Kvisle and Ole Henrik Hannesdahl, members of the Oslo ULSG, presented to the Suceava ULSG the Norwegian experience with regard to EVs. In addition to a history of the development of electromobility in Norway, they developed an 'EV Readiness Index' to help cities embarking on the EV journey.

The Readiness Index is a simple tool which aims to enable policy makers and EV advocates to better understand the motivations and drivers behind electromobility in their cities. While it is only in draft form at present, we will be refining it over the coming months and making it available for wider use.



From left, Oslo ULSG members, Hans Kvisle and Ole Henrik Hannesdahl with Narcisa Nenec and Dan Dura, Suceava EVUE project partners and Matthew Noon the Lead Partner.

Introducing:



Sergio Fernandez-Balaguer
Project Partner,
Madrid, Spain

Sergio coordinates the projects of Fundacion Movilidad, a non profit institution steered from the Madrid City Council with the aim of providing shared reflection, awareness and advocacy on sustainable mobility area.

In addition to EVUE, he also coordinates for Madrid the MOVELE project (national initiative regarding the introduction of electric vehicles and the implementation of electric charging points), as well as other EV initiatives such as MADEV (through the European Investment Bank)

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Business Models – Which route to take?

The shift to EVs does not herald just a change in motive power for vehicles, it offers a range of opportunities for businesses, the education and training sectors as well as all levels of government. While the potential benefits are large, there will be an initial cost that is needed to be met. One of the great challenges facing all those involved with EVs is, how to meet this cost?

Currently there are a wide range of centrally funded incentives programmes across Europe which Governments have implemented to help consumers adopt EVs (see box right). While these are helpful for initial EV purchasers, they only cover a fraction of the cost associated with shifting to EVs and given the difficult economic situation facing Europe, are unsustainable.

At the city level, the lack of supporting infrastructure is a significant issue as concern over the availability of charging facilities is a key barrier to uptake. This 'chicken and egg' situation can result in an impasse with neither consumers nor providers making the first move. Given the substantial environmental benefits to residents, as well as to give effect to national policies, cities need to take the lead and assist this process.

EVUE is looking at the different business models being applied to identify the range of approaches available to cities making this change. From a city perspective, the significant reduction in air, noise and water pollution from EVs is substantial with consequential benefits for community and residents health and wellbeing.

The difficulty is capturing these benefits and making a viable business case for the development of the infrastructure. This is the question that was posed to a range of stakeholders at the Madrid seminar. The speakers included Robert Stussi: President of European Association for Battery, Hybrid, and Fuel Cell Electric vehicles & Vice President of the World Electric Vehicle Association. Timoteo de la Fuente: Assistant Director General of National Industrial Policy, Spanish Government. Emilio Asensio ACS, Ricardo Perez ENDESA, Carlos Bergera IBERDROLA and Carolin Reichert RWE Germany

You can view the full report from the seminar at www.urbact.eu/evue

The summary findings however were:

- EVs require high value-added systems which provide a number of business opportunities for a variety of sectors.
- The current high cost associated with CP infrastructure makes its difficult to make a business case solely for CPs without public assistance.

EV Incentives

Germany: 5 year exemption from road tax.

Norway: No import tax or VAT levied. Discounted annual registration fees. No road tolls and free usage of national road ferries

Portugal: €5,000 subsidy on the purchase of EVs and €1,500 from their vehicle scrappage scheme. Purchase and road tax exemptions.

Spain: 20% rebate off the purchase price (up to €6,000). 75% local tax reduction on EVs and fee local parking.

Sweden: Reduced annual car tax, 40% discount on company car taxes.

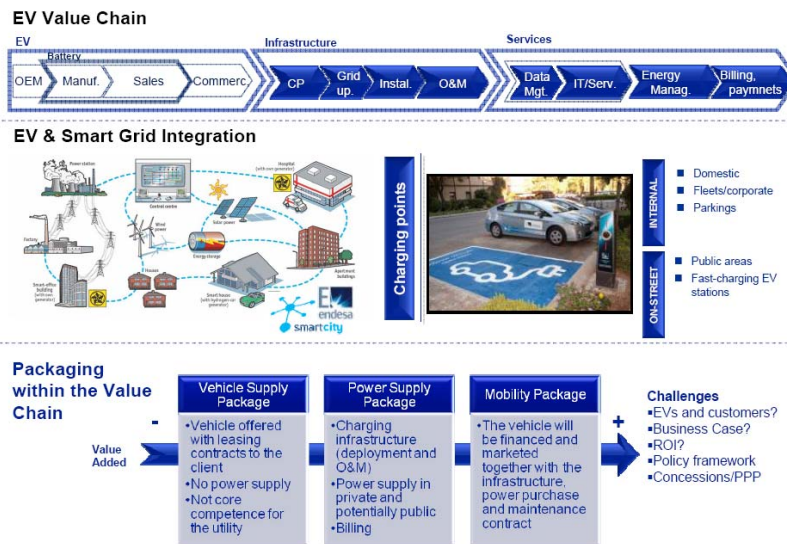
United Kingdom: £5,000 subsidy on purchase of EVs, Vehicle excise and road tax exemptions.

- Government must provide incentives for other stakeholders to help create the necessary infrastructure and viable business models.
- A whole system approach will be necessary to package products and services within the value chain
 - Vehicle and/or power supply; Multi modal transport packages that address all mobility needs rather than just specific modes.

This approach is best captured in this diagram produced by ENDESA, one of the Spanish utility company.



EV Business Models



Overall however, the conclusion of the seminar is that while the real business models have yet to be defined, sympathetic policy frameworks are required to send the correct signals to the market to speed up adoption and market growth.

This is just the start of the process and if you have any comments or thoughts you would like to share, please contact your local EVUE coordinator.

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