

Delta EV Comment – 12 October 2009

The French EV Plan: Impressive new targets – but the measures may not be enough to deliver

€1.5 billion boost for EV charging infrastructure, with a target of 2 million vehicles plugging in by 2020

The main features of the French Government's plan to support the development of EVs, announced on 1 October, include:

- Develop a public charging infrastructure by:
 - Using €1.5 billion to kick start the introduction of infrastructure
 - Requiring new apartment and office parking lots to include charging points from 2012 and 2015 respectively.
- Support the development of EVs in France by:
 - Introducing purchase 'bonuses' of up to €5,000 to support consumers buying EVs
 - Calling for public and private tenders for fleets of EVs to generate demand - the Government aims for these fleets to account for 100,000 EVs by 2015
 - Providing €125 million for an EV battery manufacturing plant near Paris.

France is targeting 2 million electric and plug-in hybrid electric vehicles by 2020 for which there may need to be around 4 million public charging points in place.

Delta Comment:

1 The target reflects a 'snowballing' of political ambition across Europe for EVs

Two million plug-in vehicles on the road by 2020 marks a continued escalation in the scale of ambition by European governments (eg Germany, 1 million by 2020; UK, 1.5 million by 2020). With policy-maker commitment being a fundamental requirement for major EV sector development, this is certainly a positive market signal.

To put this in wider perspective, to achieve global climate commitments the International Energy Agency (IEA) believes that global annual sales of electric and plug-in hybrid electric vehicles will need to reach 7.2 million by 2020, of which around 1.5 million will be in Europe. Adding the new French target to existing national targets should certainly enable this Europe-wide objective to be achieved.

2 but the measures outlined to achieve the target are unlikely to be sufficient.

With new EV charging points (excluding installation) costing around €1,000 or more each, introducing 4 million points by 2020 makes the €1.5 billion investment look insufficient. And securing additional private investment will not be easy until EV business models are clearer and customer charging preferences are much better understood than they are today.

The grant to car buyers of up to €5,000 also looks light, even though it is more than that committed so far by other European governments. We believe that larger incentives are likely to be needed to kick-start markets (indeed the UK's Climate Change Committee in a report published today gives a required range of up to £18,000, or €19,250).

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