OUR VIEW AND PROPOSALS ON ELECTRO-MOBILITY

OUR VIEW

Road transport accounts for two-thirds of total oil consumption in Spain, a fuel which is imported from third countries almost entirely. In Spain the foreign dependence for oil is 10% higher than the average of the EU countries, which puts this country in a scenario of extreme economic, political and social weakness in the event of an increase in the price of this fossil fuel as it happened between the years 2008 and 2014.

Plans to reduce dependence on oil and in particular to limit the use of fossil fuels in road transport, should be strategic elements in Spanish energy policy.

Unfortunately, energy policies in recent years have focused all efforts on only 25% of the final energy, i.e. electricity, forgetting that 50% of the energy we consume is oil and that it is mostly used in transport.

In this context, keep in mind that air pollution by fine and ultrafine particles emissions as well as nitrogen oxides generated by the diesel and gasoline fleet is the main cause of the poor air quality that Spanish people breathe, not only in urban environments, but also in the population living close to roads. Besides, Carbon dioxide emissions account for 21% of global transport emissions from Spain, which undoubtedly contributes to global warming.

In accordance with Directive 2014/94/EU of the European Parliament and of the Council, of 22 October 2014, on the deployment of alternative fuels infrastructure, electricity has the potential to increase the energy efficiency of road vehicles and to contribute to the reduction of greenhouse gas emissions coming from transport. This alternative would help to comply EU energy and climate change targets by 2020, while ensuring the energy security of member states by reducing total imports of fossil fuels and especially oil imports.

In Spain the development of a charging point infrastructure for these new vehicles must comply with the basic principle of maximum cost - benefit efficiency. In addition to this, the active participation of the state government, autonomous and local governments will be key points, providing the legal, administrative, economic and social environment for the private sector to take on leadership in this energy supply in a shared way with administrations and citizens.

Public sector should ensure that the development of recharging infrastructure follows a pyramidal energy supply model. This scheme gives priority to privately-owned recharging points, normally placed at home or at usual parking of vehicles and with low power systems for charging. In the central part of the pyramidal model would be the normal or medium power recharging points. These facilities would be of public or private management, located in public and easily accessible spaces. Finally, reaching the Pyramid highest point, the model places fast

charging points for vehicles, as strategic systems that make it possible to transmit high levels of power quickly.

In relation to public actions in Spain, the Ministry of Industry, Energy and Tourism, MINETUR, presented in June 2015 the Strategy for the Promotion of Alternative Energy Vehicles (VEA) in Spain 2014-2020. This strategy aims to reach 150,000 electric vehicles by 2020, starting with a figure of 10,000 vehicles at the moment of its introduction in 2015. This is a rather unambitious figure that in percentage values of vehicle stocks renewal would reach around 1% of renewal in 2020. By the same date, countries with which we are connected by roads have agreed a 5% renewal in Portugal and 6% in France and both are developing more ambitious policies.

In order to help to achieve these target figures, the Government has implemented the MOVEA Plan that integrates direct purchasing subsidies, although the planned budget for this programme has been decreasing from 10 million Euros in 2013 to 4.5 million Euros in 2016.

Moreover, it should be noted that electric vehicles can be a significant source of steady employment, as several vehicle manufacturers have plants located in Spain where nowadays electric models are produced. Not only manufacturing activities represent a major employment asset, but electric facilities also have a high potential.

At present, regulatory framework related to the electric vehicles recharging makes initiatives in this new sector excessively complicated. Therefore in the concept of the EV recharging manager, also known as charge manager, there are several determining factors that make it difficult both the appearance of specialised companies that engage to this activity and the support from the local administrations.

Other important issues are the obligatory nature of some installation conditions in charging stations, the contradictions in interpretations of the electric sector regulation, or too interventionist attitudes, as well as really high installation and billing expenses.

In addition to these reflections, from the association EnerAgen have been discussed other barriers that prevent the development of electromobility (e-mobility) in Spain, comparing the situation with other countries in our economic and geographical environment.

In this way, it is considered that local and regional cooperation and the exchange of successful experiences between territories are very effective and should be made easier and promoted, as well as reinforce the dissemination of technical concepts between professionals and citizens. All of them are matters in which it is necessary to work from now.

OUR PROPOSALS

On the one hand we collect a package of amendments and legal modifications that affect current legislation. These are accompanied by a series of good practices and boosting initiatives.

The MOVEA Plan has given a rather discontinuous support to the electromobility sector, making difficult to the market to operate in a natural way. In order to avoid a disruption of financial support, a steady subsidies plan for electric vehicles is proposed until December 2020.

Dealing with the concept of the EV recharging manager, it is proposed a carefully considered change of legislation. Our proposal intents to modify legal terms in order to clarify the fact that the agent stated as charge manager is only applicable to those tittle holders who receive remuneration for the recharge of the Electric Vehicles. In order to provide free recharging services, it would not be necessary to become a formal recharging Manager but electric power could be freely supplied, in the same place stablished by the electricity supply contract. This is the case of shopping centers, hotels, car parks, among other examples.

One of the proposals is aimed at modifying the Law on Special Taxes in Spain, with the objective of limiting the fixed cost, adding the possibility of exemption from the electrical energy tax in rapid charging points for electric vehicles, in case they have a charger greater than 40 kW installed and include a specific point of current supply managed by a recharging Manager.

One of the needs to the EV sector deployment leads to boost a range of tax incentive mechanisms and a plan of bonus measures. According to this, our proposal consider a tax bonus in the Tax on Motor Vehicles that is IVTM Tax, also known as road tax. This measure would allow a reduction of the 75% of the IVTM tax compare with the figure paid by conventional fossil fuel vehicles. At the moment this percentage of bonus is the maximum value that is established; so that from EnerAgen we propose the possibility of increasing the bonus up to 100% of the IVTM tax, depending on the characteristics of vehicles engines and their impact on environment.

In order to encourage recharging of electric vehicles in public access areas, it is necessary to increase the number of recharging points in public or municipal car parks. By 2019, it is proposed a minimum compulsory rate of a 15% of parking spaces equipped with normal recharging infrastructure for EV fleet. In a shorter period, from January 1st, 2018, a mandatory minimum of 5% is considered in municipalities with a population of more than 20,000 inhabitants.

In addition to these regulatory changes which are responsible for most of detected barriers, we propose a series of initiatives focused on the dissemination of main concepts about the EV alternatives.

Campaigns to promote technical training and promotion of external practices with hybrid electric technology, training courses for technicians in the handling and management of this type of technology, as well as in the electric and hybrid vehicles repair.

Seeking the commitment of public entities it is proposed to include criteria that promote the use of electric vehicles in public administration tenders, the renewal of its own fleet and the fleet of services, as well as the use of electric mobility options in the concessions of public

transport services. All these actions would be in accordance with the Strategy for the Promotion of Alternative Energy Vehicles in Spain (2014-2020).

So as to promote the implementation of electromobility it is essential that in the construction of new public buildings and infrastructures public tenders include the criteria and requirements to construct the necessary installations of an operative EV charging station. Along the same lines it is also important to promote actions in public owned car parks as an exemplary measure.

To carry out a plan of internships in companies, which involve training people and their incorporation into work teams within electric vehicle related sectors. To establish agreements and collaboration frameworks with departments of leading EV companies, or with stakeholders of recognized prestige in the automotive and electric sectors.

To give tax incentives to companies that adapt their logistics activity through zero emissions vehicles, as well as to self-employed people whose professional vehicle is chosen among electric models.