ELECTRA

Consultation Response: Market Regulation of Service Stations Facilities Act

April 2025

Electra is a European specialist in fast charging for electric vehicles.

We have a vision to remove all the barriers to the adoption of electric cars by deploying the **most efficient network of fast-charging stations in Europe**. Our goal is to make EV charging easier than filling up a tank with petrol, while ensuring that motorists save time and enjoy greater comfort.

We have made **operational excellence** the core of our approach, with a fast growing team experts operating at the crossroads of 3 ecosystems: tech, infrastructure and mobility, where **innovation** is the key driver: we innovate in our offering; we innovate in our services; and we innovate in our relationships with our partners.

Electra has the desire to become a European leader on a network covering several countries. We operate in France, Belgium, Luxembourg, Netherlands, Germany, Italy, Switzerland, Austria, Spain and the Czech Republic, with the aim of **providing 15,000 fast charging points by 2030**. In April 2025, Electra operated 3,600 fast charging points on more than 450 locations in Europe.

See: www.go-electra.com

Electra is grateful for the opportunity to respond to the consultation regarding the draft legislation on the market regulation of the provision of facilities at service stations in the Netherlands ("**Market Regulation of Service Station Facilities Act**").

The Government's objective for this legislation is to achieve an optimal distribution and the scaling up of charging infrastructure. It seeks to achieve this goal by setting the right conditions for market parties to invest in the rolling out of EV recharging infrastructure at the 288 service stations (*"verzorgingsplaatsen"*) along highways in the Netherlands until 2047, while maintaining fair competition.[1]

The central question from the Government in this consultation is about the choice between a model with a *one*, or *multiple licenses* to provide recharging infrastructure at a service station (our response is limited to EV infrastructure and therefore refers to "**EV License**"). **Electra believes that a single EV License offers the best conditions to achieve the government objective. At the same time, adequate safeguards are necessary to ensure a level-playing field and fair competition.**

This Electra consultation response covers the entire scope of the Market Regulation of Services Station Facilities Act and can be summarised in 3 points:

- One EV License per service station, but with adequate safeguards for fair competition.
- EV Licenses must be allocated based on the highest service quality offered, not only the financial bid.
- EV Licenses must be granted in batches, with the right conditions to reduce investment risk.

These points are explained in more detail below.

[1] Government letter to Parliament, Update 'verzorgingsplaatsen van de toekomst', 6 March 2025

I – One EV License per service station, but with adequate safeguards for fair competition

One EV License per service station…

Article 4(1) of the draft legislation stipulates the maximum number of EV Licenses that may be granted per service station, to the extent that more locations at the service station may be designated for EV charging. *(Nb. The translated draft legislation uses 'permit' and 'license' with the same meaning, we refer to "EV License". Also, 'service station' and 'service area' have the same meaning, we refer to "service station".)*

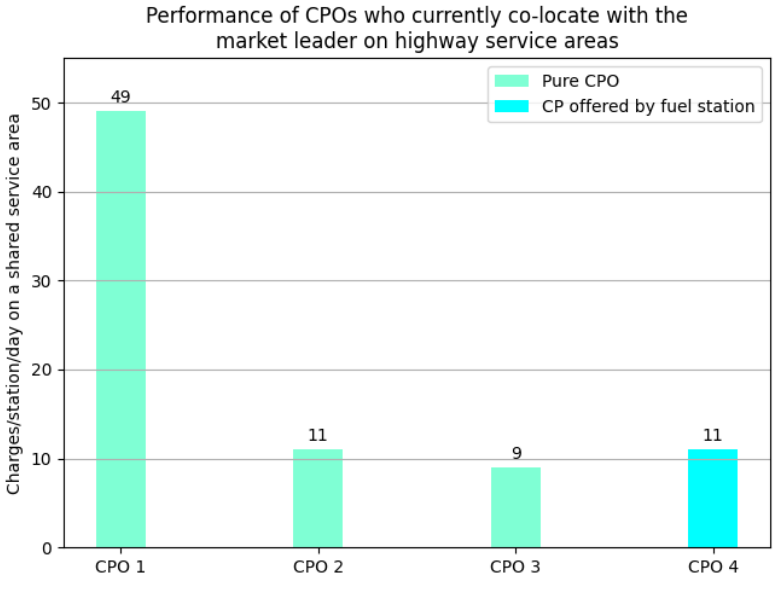
➔ **Electra supports a maximum of one EV License per service station**

A market design with a single EV License means there is an *exclusive right* per service station. This will result in competition *between* service stations, rather than competition *at* a service station. We believe this provides the best outcome, both from a planning and economic perspective.

From a planning perspective, Electra supports the Government's views about positive effects on road safety and spatial planning at a service station.

From an economic perspective, Electra believes that a single EV License ensures an open, competitive market for EV recharging services, accessible by qualified new entrants. This view is supported by the Sustainable Transport Forum (the European Commission's expert group on alternative fuels infrastructure) which recommends an 'unbundled' model (i.e. recharging infrastructure separated) with a single EV License provides the necessary certainty for CPOs to make high investments in recharging infrastructure - with a chance to compensate low margins through the efficient use of infrastructure. Multiple CPOs operating at the same service station risk undermining the business case for each one, thereby risking lowering participation in the tender. [2]

Electra has studied the impact of co-location of CPOs at service stations in the Netherlands; our data show in that case all CPOs except the market leader underperform (both pure CPOs and fuel stations offering charging).



	CPO 1	CPO 2	CPO 3	CPO 4
Average number of CP	5.6	3.2	5.5	3.0

[2] Sustainable Transport Forum, 'Guidelines for tender procedure for deployment of public electric recharging infrastructure for cars and vans' (2025), p. 32

…but with adequate safeguards for fair competition

Article 4(2) of the legislative proposal stipulates that "*two consecutive charging stations on a road with the same road number that are not more than twenty-five kilometers of road length apart and are accessible in the same direction of travel shall not bear the same brand and shall not be operated by parties participating in the same group referred to in Article 24b of Book 2 of the Civil Code.*"

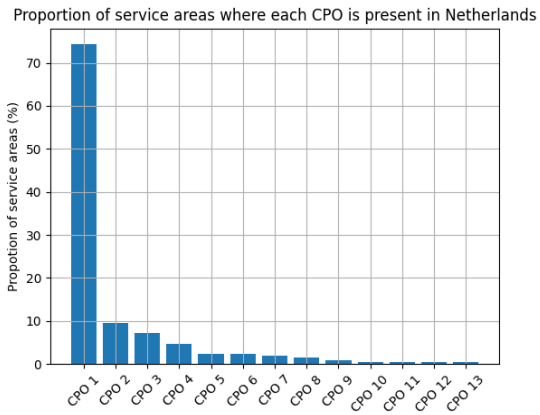
➔ **Electra supports the principle that two consecutive service stations should not bear the same brand and should not be operated by CPOs in the same company group. But limitations to twenty-five kilometres (and the same road number) should be deleted.**

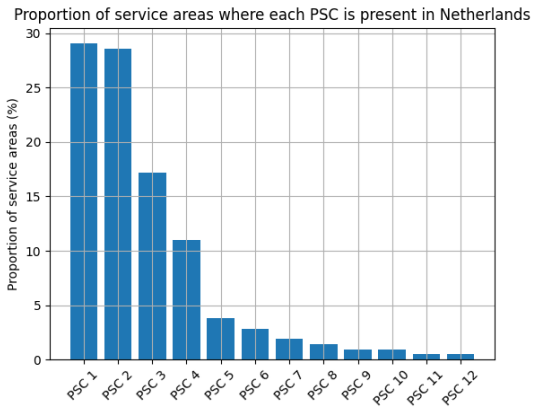
The Government has rightly identified the need to ensure fair competition and thereby consumer choice, but the proposed rule will not achieve that goal when combined with a 25km distance rule.

Whereas the is sufficient demand in the Netherlands to ensure a plurality of CPOs and competition, in practice there is still too little competition. In fact, the Netherlands has one of the highest levels of market concentration for EV recharging infrastructure in Europe – as the main incumbent has a market share of well-over the 40% which is considered a threshold for market dominance.[3] High levels of market concentration and incumbents' control over lucrative locations are fundamental barriers to entry for newcomers, which needs to be addressed by the legislation.

The granting of an exclusive right to operate a charging station must come with safeguards fair competition (i.e. a level-playing field between the main incumbent and newcomers) and consumer choice.

The principle that one market party cannot operate two recharging stations in a row is a good measure - but the proposed "distance criterion" of twenty-five kilometre does not effectively mitigate the risk of market concentration in this case. The twenty-five km rule is taken from the petrol station market auctioning, which constitutes an entirely different market (in terms of product, geographical catchment area, structure and presence of a dominant player above 40% market share, development phase, innovation). There is no economic analysis to justify the same rule for EV Licenses. The market shares of the largest petrol station providers are 'only' around 30% in a stable market. This means stronger measures are needed in the EV market.





[3] International Zero-Emission Vehicle Alliance, 'Towards healthy competition in the European public charging market', February 2025.

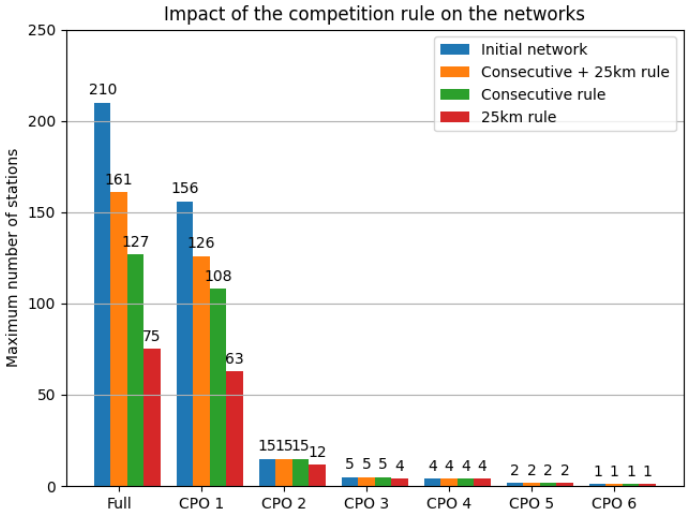
The European Commission has pointed out in a merger case that charging points along motorways mostly compete with other charging points along motorways nearby, whereby 50 km is a good proxy for to identify stations which are likely to compete.[4]

The EU legislation in the Alternative Fuels Infrastructure Regulation (AFIR) requires Member States to install charging stations alongside highways, or within 3 km driving distance from the nearest exit, with a maximum of 60 km between them. Accordingly, the Sustainable Transport Forum recommends to take a distance criterion of 60 kilometre:

> *"in the case of major roadways, companies should not be awarded back-to-back locations. For example, the first location could be in batch A, 60 km later (per AFIR requirements) the next location would be in batch B, then 60 km later in batch C or A again and another 60 km to B, and so on, so that at each subsequent rest area, users have a different choice of operator."* (underlining added)[5]

There is a clear logic to apply a simple, straightforward rule that the same CPO may not operate charging infrastructure at two consecutive service stations at highways in the Netherlands - without regard to the distance in kilometres and regardless of road numbers. Electra points to a recent competition analysis published by the European Commission about the erosion of incumbents' position with the arrival of new players, which points out market concentration at strategic and lucrative points such as service station along motorways is persistent due to local barriers of entry.[6]

Electra has quantified the impact of deleting the 25km distance criterion: the main incumbent's market share of 75% (i.e. 156 out of 210 service stations) would potentially be reduced to 60% (i.e. 126 out of 210 service stations) with the 25 km rule - or potentially become further reduced to 51% (i.e. 108 out of 210 service stations) when the 25 km rule is deleted (i.e. keeping the principle that the same CPO may not operate two consecutive locations). The 51% market share after a stricter rule is still above the threshold of 40% for a dominant position.



Nb. The chart also shows an even higher impact of a rule just preventing the same CPO to operate at two service stations within a range of 25 km, which illustrates the density of the Dutch network. We believe such a rule would be disproportionate; a simple back-to-back rule is the best way to ensure consumer choice.

[4] European Commission, merger case M.8870 – E.ON / Innogy, paragraph 197
[5] Sustainable Transport Forum report (2025), p. 31
[6] European Commission, 'Competition Analysis of the electric vehicle recharging market across the EU27 + UK', 2023

II – EV Licenses must be allocated based on the highest service quality offered, not the highest financial bid

Allocation based on quality criteria offered…

Article 7 of the legislative proposal stipulates "*the granting of an EV License is carried out using the procedure of an auction*". The procedure and conduct of the auction would be laid down in a Ministerial regulation.

The draft legislation presents auctioning as the fairest method of allocating EV Licenses, as the "market party with the best qualities to deliver the service to road users" would be selected. The Government assumes the highest bidder will deliver the best quality.[7]

➔ **Electra contests the reasoning that the highest bidder will deliver the best quality, as fundamentally flawed. We are not supporting a purely financial auctioning but call for a mix of *financial* and *quality criteria* (e.g. availability, operational performance, user friendliness, sustainability). This will provide incentives for innovation which deliver a better outcome for consumers, while ensuring fairer competition between incumbents and newcomers.**

It is important to point out that EV recharging is a product which can have differences in quality between CPOs. A pure financial auction wrongly assumes EV charging is a homogenous product and disregards differences in quality – such as technical reliability and customer service. Consumers experience notable differences between CPOs (i.e. whether charging points are occupied, difficult to use or even broken). A poor user experience will also deter other road user to switch to electric vehicles, thereby jeopardizing government policies.

*…**not only the highest financial bid***

The Government wishes to combine a financial auction with minimum quality criteria. Whereas Electra is in favour of ambitious minimum criteria, we believe CPOs should be encouraged to continuously deliver the highest possible quality. This can be done with quality criteria during the auction process to attract the best bid, and financial incentives during the operational phase to attract continuous improvement. Considering the rapidly evolving technology, prescribing minimum criteria does not stimulate innovation. Criteria to measure service quality may be developed in consultation with the market.

Furthermore, purely financial auctioning of EV Licenses distorts the level-playing field between incumbents (both CPOs and petrol stations offering EV charging on the side) and newcomers. The control over a current location constitutes a barrier to entry for new market participants. Incumbents have information about the location and the future value of the location to determine whether to make a bid and for what price, also within a network. More information in the bid book may at least help to create a level-playing field for newcomers to make an educated financial bid.[8]

[7] Government letter to Parliament, 6 March 2025, p. 2
[8] Similar to Petrol Act license auctioning: TK 2008-2009, 24 036, nr. 362, p. 19

III – EV Licenses must be granted in batches, with the right conditions to reduce investment risk

EV Licenses granted in batches…

Article 7 of the legislative proposal provides for the auctioning of EV Licenses for individual service stations. According to article 7(3), if applications for EV Licenses at several service stations can be submitted secondary rules shall determine the order in which applications are processed.

The Government will develop a roadmap to determine when EV licenses for each of the 288 service stations are auctioned, with the intention to offer as many licenses as possible at the same time.[9]

➔ **Electra calls upon the Government to consider the possibility of allocating EV Licenses for batches of locations, to reduce administrative costs and mitigate risk for CPOs to make investments.**

Electra wants to make clear that the proposed approach will not deliver the best possible allocation, considering the high number of 288 service stations which makes it challenging for market parties to develop bids. The alternative is to auction batches of EV Licenses for a 'package' of service stations together, thereby reducing administrative cost and allowing market parties to develop better bids to build their network of service stations. At the same time, it will reduce the risk of 'cherry picking' by market participants with a risk that some less attractive service stations attract no bids at all.

The Sustainable Transport Forum has recommended that it is not necessary to distribute individual locations to make the market accessible for newcomers and ensure fair competition.

> "*Stuttgart has used the smallest possible lots (one location, two recharging points) in order to make the market as accessible as possible, in particular to smaller players (there are currently 4 investors, one of them a smaller market party). One of the lessons learned from experience is that it is not necessary to offer the smallest possible lot comprising only one location. The next tender offer will thus be split in 4-10 lots, comprising 50 — 125 locations.* ***This way, competition can still be achieved while cherry-picking is avoided and a high level of efficiency in planning is maintained.***"[10]

It is important to point out that separately tendering 288 service stations increases the time needed for the rolling out of recharging infrastructure, which is advantageous for incumbent EV License holders and detrimental for newcomers to build their network.

[9] Government letter to Parliament, 5 March, p. 3
[10] Sustainable Transport Forum report (2025), p. 32

…with the right conditions to reduce investment risk

Article 8 of the legislative proposal provides for an obligation to pay for the full amount of money upon the granting of the EV License, within one week.

This means acquiring an EV License will come with a significant upfront investment risk, even more so where one party acquires several EV Licenses. This is a real possibility as the Government intends to auction as many EV Licenses as possible at the same time. Market parties will not be sure which bids are successful but may choose to reduce the number of bids to avoid financial risk.

➔ **Electra calls for EV License conditions that are clear and supportive, to reduce financial risk**

The Sustainable Transport Forum recommends that public authorities take steps to reduce risk, to incentivise market parties to make the investment in recharging infrastructure.[11]

Whereas auctions for EV Licenses result in an upfront financial obligation, in other countries auctions are for rental agreements for the location which spread financial risk over longer periods of time. The financial obligations under these agreements may even be made variable, so depending on the amount of electricity sold at a location. This will significantly reduce investment risk. It will also enable lower consumer prices during the early years of the operation, as margins will not have to cover the high fixed rent (based on the forecasted numbers in the longer term).

The Government has clearly stated the objective that market parties make the investments for the rolling out of charging infrastructure at service stations. Clear and supportive license conditions will help market parties to assess financial risk, while ensuring fair competition for market parties when developing a bid.

There is a lack of clarity about the duration of licenses, as the legislative proposal only refers to a maximum term of 15 years. We believe a standard license duration of 15 to 20 years is necessary in the case of fast charging infrastructure to earn back investments. There should be a standard term, with the only possible exception during a transition period to align dates.

Fair competition would be served by performance measures and enforcement, as called for by the Sustainable Transport Forum.[12] Examples of performance criteria are the available uptime and available charging capacity across the service station at any point in time.

The Government should also enforce the timely rolling out of infrastructure by license holders, for example within one-and-a-half year upon winning the auction.[13] A failure to meet such timeline should result in the withdrawal of the license and a new auction.[14]

Finally, current holders of EV License that were granted without an auction should be constrained in expanding recharging infrastructure. The Sustainable Transport Forum recommends that any extension of existing locations should be subject to competition (whereas holders of EV licenses after an auction will be free to do so, as there has been competition). Electra agrees with that recommendation.

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[11] Sustainable Transport Forum report (2025), p. 26
[12] Sustainable Transport Forum report (2025), p. 28
[13] Van der Koogh, M.L., 'Dynamics of Charging: Scaling up public charging infrastructure in uncertain times', (TU Delft), 2025
[14] Sustainable Transport Forum report (2025), p. 33