

Report on the Second Market Study on the Electric Vehicle (EV) Charging Services (Summary)

**Study on Local Government Initiatives and
Cross-network Roaming among Service Providers**

May, 2024



公正取引委員会
Japan Fair Trade Commission

13 July, 2023

29 May, 2024

Achieve
Carbon Neutrality
by 2050



Support by JFTC
~Proposals for Initiatives
Aligned with Market Progress~

For EV charging services, a **market study on services at expressway SA/PAs** was conducted. It proposed initiatives to promote the market mechanism function, such as the selection of multiple companies by expressway companies.

"Market Study Report on the Electric Vehicle(EV) Charging Service on Expressway"



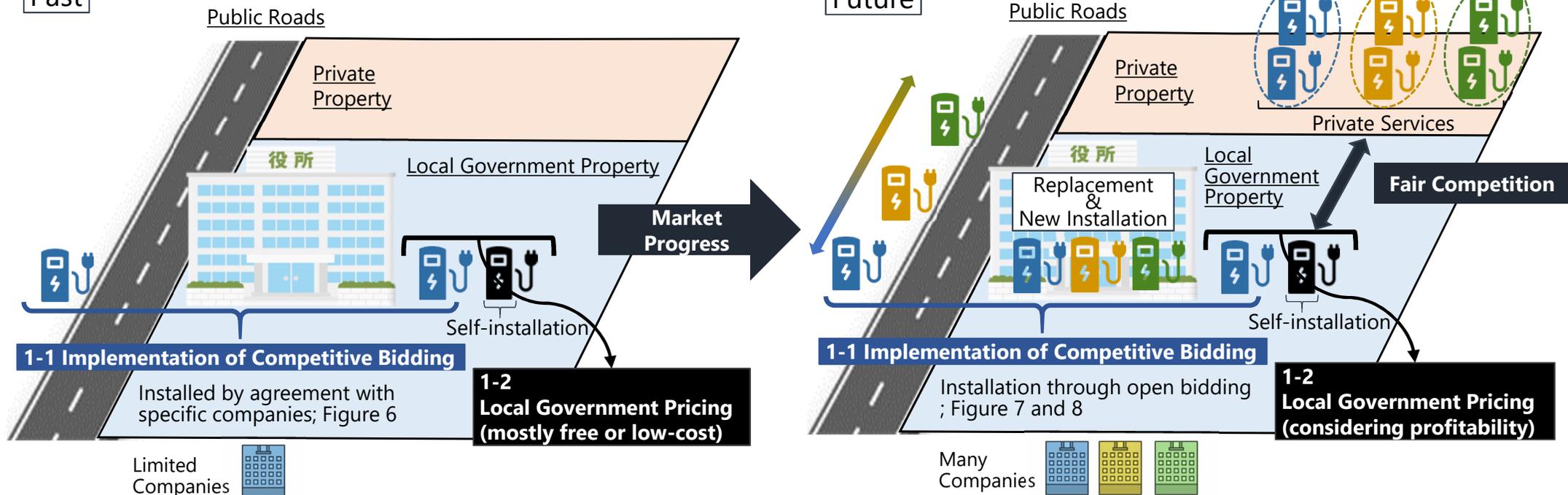
For EV charging services, a **market study on local government initiatives (services on their property, public roads, etc.) and Cross-network Roaming among companies** was conducted. JFTC has continued to recommend initiatives to promote market mechanisms, such as the selection of multiple companies by local governments and Cross-network Roaming among companies.

"Second Market Study on the Electric Vehicle (EV) Charging Services"

Market for EV Charging Services

Past

Future

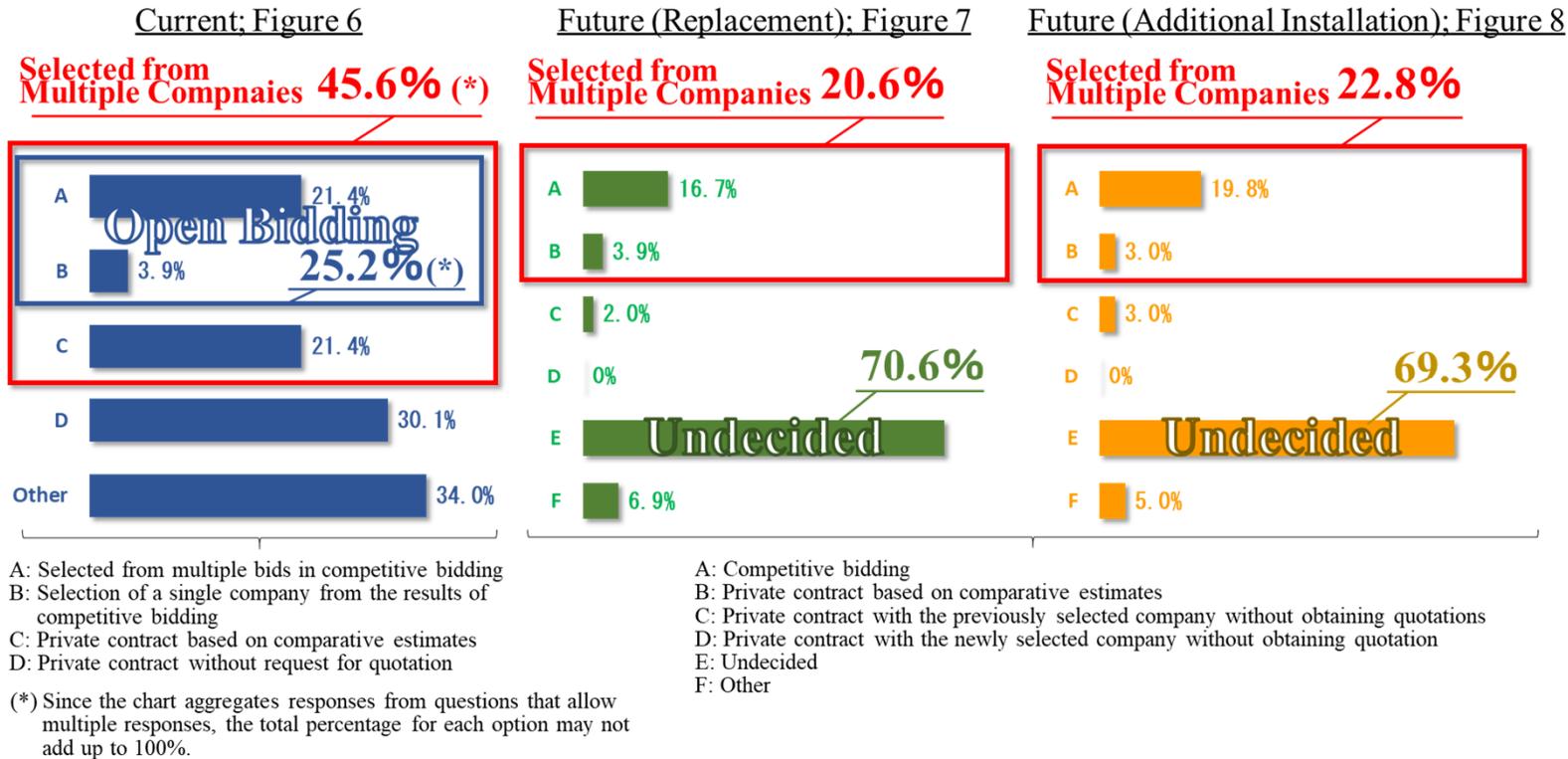


→ **Contributed to promoting EV adoption to some extent**

→ **Lower prices and improved quality through competition**

1-1 Implementation of Competitive Bidding

Questionnaire Results from Local Governments



Hearing Results from Local Governments

- Since the free fee to installation was a key factor in the selection of companies, **the idea of implementing bidding or proposal methods doesn't come easily.**
- We are committed to transparency and accountability in our selection process. We are committed to **establishing criteria for the open bidding that also take into account the user-friendliness** since the differences in service are not solely based on price.

Viewpoints from the Competition Policy

It is fair to say that local government initiatives have made some contributions to the installation of EV chargers and the promotion of EV adoption in Japan, regardless of the selection method. However, there are currently several companies offering EV charging services;

- It is desirable for local governments to **select installation providers from several companies**, especially through open bidding processes that allow a greater number of companies to participate.
- In doing so, it is desirable for local governments to assess by themselves charging needs, and to **consider the factors except price when setting the terms for open bidding.**

1-2 Pricing for EV Charging Service

Questionnaire Results from Local Governments

- Of EV chargers whose fees for use the local government sets, **78.8%** are made **available with fee settings that do not cover operating costs (or for free)**.
- The reason often given for this is **to promote the widespread adoption of EVs** by setting user fees at affordable levels (or offering for free).

Hearing Results from EV Charging Service Providers

- It is perspective that **it is undesirable** for local governments **to provide free access to EV chargers** where use is expected **from the viewpoint of unfair pressure on private companies**.
- **EV chargers that local governments have installed and provided free of charge cannot be said that they are sustainable** as EV charging service businesses, since these services are provided without covering costs such as electricity costs and system development fee.

Viewpoints from the Competition Policy

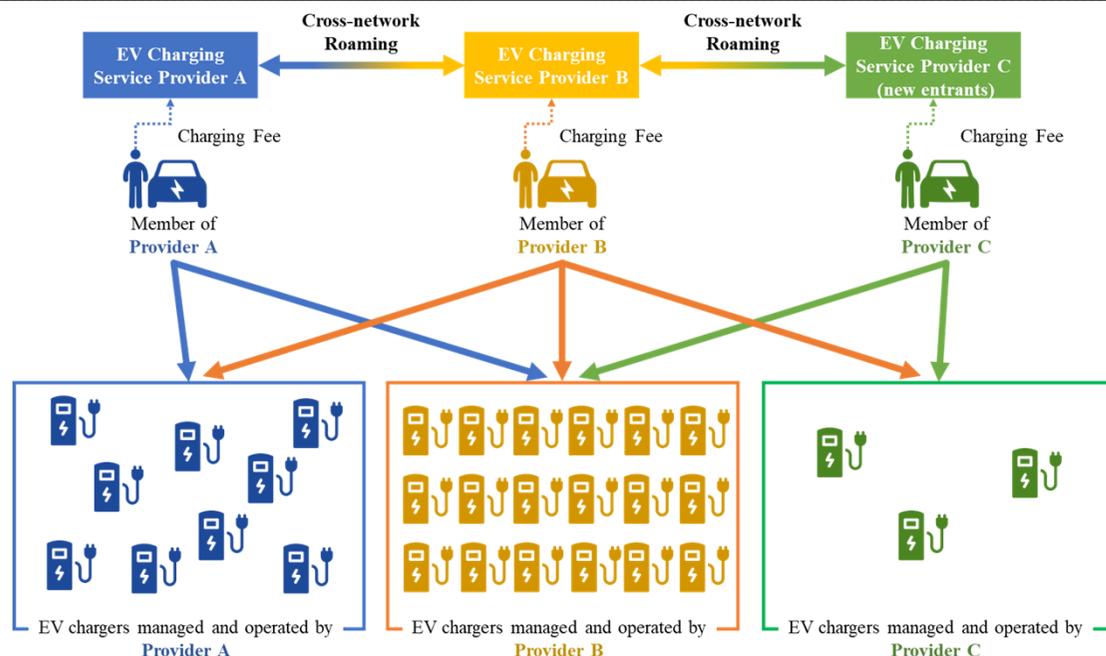
There is some rationale for implementing affordable pricing strategies to encourage the widespread adoption of EVs as part of a public policy initiative. Additionally, in areas where demand is insufficient and private installation of EV chargers cannot be expected, there may not be an issue even if local governments install and provide EV chargers free of charge;

- However, **in locations where demand for EV charging services is expected and where private companies are already offering such services**, it is desirable for local governments to **consider and set EV charging fees based on profitability**.

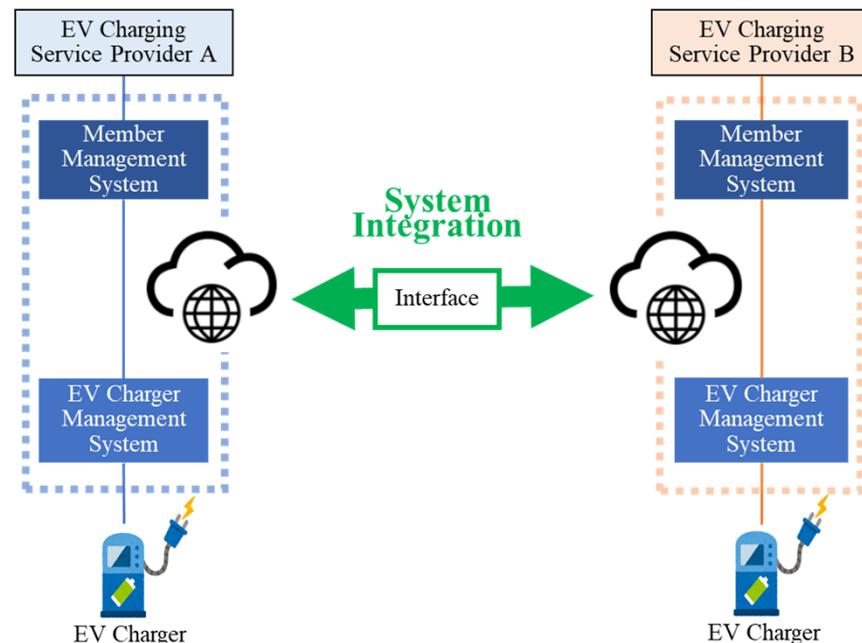
2 Cross-network Roaming among EV Charging Service Providers

What is Cross-network Roaming?

EV Charging Service Providers mainly offer their services through a membership system. Cross-network Roaming is a cooperative initiative among EV Charging Service Providers that allow users to access partner companies' EV chargers under the same conditions as their own.



Example of System Interactions in Cases of Cross-network Roaming



(*) Some EV Charging Service Providers have internalized their systems, in which case there are no transactions between the EV Charging Service Provider and the Network Provider.

Viewpoints from the Competition Policy

- It is desirable from a competition policy perspective to promote Cross-network Roaming under **fair conditions established through sufficient discussion among the parties involved**.
- It is desirable for **local government** to proactively encourage selected EV Charger Installers **to engage in Cross-network Roaming** when deciding on the installation of EV chargers in such a place as public roads where a high demand for EV charging is expected.
- It would be desirable for the **Ministry of Economy, Trade and Industry (METI)**, as the relevant ministry, to **provide a platform for stakeholders to discuss which interface should be established as the standard interface** in Japan and other relevant issues related to facilitating Cross-network Roaming in the future.

Future Initiatives of the JFTC

The JFTC will make proposals presented in this report to the METI and the local governments; this is expected to encourage the aforementioned organizations and related companies to consider specific measures and take voluntary actions, leading to promoting fair and free competition in EV charging services.