

Avoid retrofitting and ensure digitalisation of payment systems: Necessary amendments to accelerate the rollout of recharging infrastructure in Europe

We would like to ask for your support on a central topic for the further expansion of the publicly accessible recharging infrastructure.

The success of e-mobility is key for achieving the EU climate targets. For that purpose, Charge Point Operators (CPO) all over the EU expand and operate an increasingly encompassing public recharging infrastructure in Europe. User-friendliness is paramount and pre-requisite for success in a competitive market for public recharging infrastructure. Payment systems play a key role in this regard.

Therefore, we welcome the efforts to find a common solution for the payment of ad-hoc recharging at publicly accessible recharging infrastructure in the EU. Ad hoc recharging takes place when the EV-user does not possess a subscription with an e-mobility service provider (EMP) valid for the respective recharging point or does not want to make use of it. Thus, the mandatory possibility for ad hoc recharging serves as an important last resort especially for cross-border e-mobility in Europe. Currently, across Member States in average 5-10 % of all recharging is taking place on the ad hoc basis, 90-95% are based on EMP-services. Additionally, the share of subscription based EMP recharging is increasing.

The Commission's AFIR proposal stipulates in Art. 5.2 that fast recharging infrastructure with a power output equal to or more than 50 kW should be equipped with a physical payment card reader for the payment of recharging on an ad-hoc basis. In connection with PSD II this requires the installation of a payment card reader with a physical PIN Pad. The motivation for this is especially the European cross-border e-mobility. In the ongoing discussion in the European Parliament, the rapporteurs of the TRAN and ITRE committees of European Parliament go beyond the AFIR proposal of European Commission by proposing that all recharging infrastructure, regardless of their power output, should be equipped with a payment card reader. Furthermore, all existing recharging points shall be retrofitted accordingly by January 2025.

We strongly support the endeavour to provide user friendly payment schemes for ad hoc recharging available for all customers. The solution should fulfil the following requirements: It must be a solution that is **future-proof**, applicable in **all EU member states** and it must provide a **supportive framework for the massive roll-out** of recharging infrastructure in the coming years.

Against the background of these requirements, the AFIR proposal should be amended with regard to the following aspects:

1. The mandatory **retrofit** implies (a) the necessity for CPOs to assess each investment into new recharging infrastructure if it should be made before the availability of certified recharging solutions or if it should be postponed. In addition (b), retrofitting obliges CPOs to put a significant part of their investments and resources into this retrofit of existing and perfectly functioning recharging infrastructure instead of deploying new recharging stations. Even worse (c), for the majority of normal recharging infrastructure the obligation represents a reset to zero since they cannot be retrofitted but must be **replaced completely**. All the above-mentioned factors will slow down the roll out of recharging infrastructure, which is not in the interest of the users. For the coming years, the focus should be placed on expanding the recharging infrastructure and not on replacing or upgrading the existing functioning recharging infrastructure.
2. The future of payment systems is undoubtedly **digital**. It is a fact that digital solutions are becoming more and more important and that customers increasingly use apps or a smartphone also for payment services. The COVID-pandemic and the COVID pass proved both: The preference for contactless solutions as well as the wide acceptance of mobile solutions. Accordingly, it is critical that technology decisions today **do not hamper the ongoing digitalisation**. For that purpose, mandatory payment systems must be able to support digital solutions as well. Therefore, for the use of physical credit cards near field communication (NFC) readers, exempted from the requirement of a physical PIN Pad, should be allowed.
3. As **cost-benefit analyses** reveal, the requirement of payment card readers for recharging infrastructure below 50 kW significantly hampers the business case for these recharging solutions and thus their deployment. The reasons for this are (a) that the majority of the normal recharging infrastructure cannot be retrofitted but must be replaced instead as mentioned above. Secondly (b), a payment card reader also increases ongoing operational costs independent of the power output of the recharger. But in a competitive market, **unproportionally regulatory costs** cannot be turned over to the users. Even worse: Some recharging solutions will be excluded from the market such as e.g., lamp post recharging points. It is not comprehensible, how a regulatory stripping of recharging solutions below 50 kW should be in the interest of the users.

For a user-friendly, future-proof and supportive framework for the accelerated roll-out of recharging infrastructure, we call for the careful consideration of the **following amendments**:

1. **Recognizing digital payment methods as an equal option** for all recharging infrastructure in **AFIR** instead of physical payment card readers as the only option.
2. **No retrofitting** of existing recharging infrastructure; the deployment of new recharging infrastructure is the priority.
3. **Exempt recharging infrastructure below 50 kW** from the obligation to install payment card readers.

4. Clarify in article 5.2 that **NFC readers without a PIN Pad are sufficient** to fulfil the obligation. Consequently, an amendment of the Payment Service Directive II (PSD II) will be a prerequisite for AFIR art. 5.2 entering into force.
5. For the consistent implementation and user experience across the EU art. 5.2 of the AFIR is a binding obligation for all member states implying that the framework will be **consistently implemented in the EU**.

Against the background of the above statements, we **propose the following amendment** for Art. 5 par. 2 of the AFIR:

Article 5 paragraph 2

Text proposed by the Commission

2. Operators of recharging points shall, at the publicly accessible recharging points operated by them, provide end users with the possibility to recharge their electric vehicle on an ad hoc basis using a payment instrument that is widely used in the Union. To that end:
 - a) operators of recharging points shall, **at publicly accessible recharging stations with a power output below 50 kW, deployed from the date referred to in Article 24, accept electronic payments through terminals and devices used for payment services, including** at least one of the following:
 - i. payment card readers;
 - ii. devices with a contactless functionality that is at least able to

Proposal for an amendment

2. Operators of recharging points shall, at the publicly accessible recharging points operated by them, provide end users with the possibility to recharge their electric vehicle on an ad hoc basis using a payment instrument that is widely used in the Union. To that end:

operators of **these** recharging points shall **and may choose between** at least one of the following:

 - i. payment card readers;
 - ii. devices with a contactless functionality that is at least able to read payment cards,
 - iii. devices using an internet connection with which for instance a Quick Response code can be specifically generated and used

- read payment cards;
- iii. devices using an internet connection with which for instance a Quick Response code can be specifically generated and used for the payment transaction;

b) operators of recharging points shall, at publicly accessible recharging stations with a power output equal to or more than 50 kW, deployed from the date referred to in Article 24, accept electronic payments through terminals and devices used for payment services, including at least one of the following:

- i. **payment card readers;**
- ii. **devices with a contactless functionality that is at least able to read payment cards.**

From 1 January 2027 onwards, operators of recharging points shall ensure that all publicly accessible recharging stations **with a power output equal to or more than 50 kW operated by them** comply with the requirement **in point (b)**.

for the payment transaction;

For devices according to ii) Art. 12 deligated Regulation (EU) 2018/389 shall apply.

From 1 January 2027 onwards, operators of recharging points shall ensure that all publicly accessible recharging stations, **deployed from that date** comply with the requirements.

The requirements laid down ***in points (a) and (b)*** shall not apply to publicly accessible recharging points that do not require payment for the recharging service.

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