For the first time, the Autorité de la concurrence is studying the markets for electric vehicle charging stations

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It has cleared the creation of a joint venture in the sector of public charging stations for electric cars in the Antilles and French Guiana.

Background

The *Autorité* has cleared the creation of the GMOB joint venture by AGI, EDF PEI, Genak and SAFO. It will be active in the sector of public charging stations for electric vehicles in Guadeloupe and, in a second phase, in Martinique and French Guiana.

On this occasion, the *Autorité* examined for the first time the upstream market for the supply of electric vehicle charging points and the downstream market for the installation and operation of electric vehicle charging points.

Parties to the transaction

AGI is a subsidiary of the Loret Group. It specialises in the import, distribution and rental of vehicles in Guadeloupe, French Guiana, La Réunion and Martinique.

EDF PEI is a subsidiary of EDF whose core business is electricity generation in island areas. Through its subsidiary Izivia, the parent company of Izivia IG, EDF also offers electric vehicle recharging solutions to local and regional public authorities, energy trade associations, businesses and, since January 2020, co-owned properties. However, this activity does not currently take place in the French overseas departments and territories, where EDF only has terminals for non-commercial use.

Genak is a subsidiary of the Genergies Group, and is active in the solar, photovoltaic and thermal energy sector in Guadeloupe, French Guiana, Martinique and mainland France.

SAFO is mainly active in the food distribution sector in the Antilles and French Guiana and in mainland France.

The GMOB joint venture aims to offer electric mobility services in Guadeloupe for professional and residential customers, through the installation of electric vehicle charging stations on the island. In the later development phases, GMOB could roll out its offer in Martinique, starting in 2022, and then in French Guiana starting in 2023.

The markets examined

The transaction does not lead to overlapping activities between the parties and the joint venture in the market for the installation and operation of charging stations, as only GMOB will be active in the market for public charging stations.

On the other hand, certain EDF subsidiaries and GMOB in Guadeloupe purchase electric vehicle charging stations on the upstream supply market. This market was therefore analysed.

- *For the first time, the Autorité is studying the markets for the provision of electric vehicle charging stations…*

In line with the approach taken by the European Commission, the *Autorité* has found that there are differences between different types of charging point depending on whether they are installed at private homes, in towns or on motorways. These differences are reflected in the installations used and lead to varying charging times.

The *Autorité* considered that the effects of the transaction at the national level should be analysed, given the identity of the manufacturers of charging stations (such as Schneider, Siemens and Tritium, which are global or European companies) and the applicable standards.

Given the low level of activity by the parties in this market, the *Autorité* considered that the transaction does not raise competition concerns of a horizontal[1] nature in this upstream market.

- *...and the installation and operation of charging stations*

Given the specific nature of GMOB's offer, which is limited to the territories of Guadeloupe and, in a second phase, Martinique and French Guiana, and the fact that the vast majority of vehicles registered in each of these territories will continue to be used only in these territories, the effects of the transaction on the market for the installation and operation of public charging stations was analysed in each of these overseas territories.

In this context, there is no overlapping activity in this downstream market since the other operators are not active there.

- *No vertical effect[2] between the electricity supply market and the market for the installation and operation of charging stations*

The creation of the GMOB joint venture creates a vertical link between the retail electricity supply market, in which EDF PEI is present as a supplier, and the market for the installation and operation of charging stations, in which GMOB is present.

EDF PEI is nevertheless subject to strict sectoral regulations, in terms of both tariffs and technical aspects, given its monopoly for the retail supply of

electricity in Guadeloupe, Martinique and French Guiana. In these circumstances, the *Autorité* has concluded that the transaction is not likely to raise competition concerns through the vertical links between EDF PEI and GMOB in the market for the retail supply of electricity.

- *The absence of coordination risks between parent companies in the market for the generation and wholesale of electricity*

Finally, two of GMOB's parent companies, EDF PEI and Genak, are active on the market for the production and wholesale of electricity in Guadeloupe, Martinique and French Guiana. In these territories, the *Autorité* considered that the asymmetry in the position of these two companies, in terms of both installed capacity and production volumes, made it unlikely that a coordination strategy would be implemented, and therefore ruled out any competitive effect resulting from the transaction.

Accordingly, the transaction was cleared without conditions.

[1] *A horizontal merger brings together competitors with the same activity.*

[2] Vertical effects are examined when the transaction brings together players present at different levels of the value chain (e.g. a producer acquiring a distributor or vice versa)

> The full text of the decision will soon be published on the Autorité's website

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