

Energy client alert

About recent changes in the electromobility regulation

MARCH, 2020

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Road to a competitive and resource-efficient transport system

Further to the regulatory changes adopted by the Hungarian legislator in the domestic legal framework, as of October 1, 2019, the most important rules applicable to electromobility are no longer set out in the regulations pertaining to the electricity sector, but in Act I of 1988 on Public Transport (the “**Public Transport Act**”) and in Government Decree 243/2019 (X.22.) on certain aspects of electromobility services (the “**Implementation Decree**”).

Although there are still some uncertainties and shortages in the new regulation, overall, the new regulation follows more closely the actual European and domestic market developments in allowing the separation of the operation of electric charging equipment and the provision of electromobility services. The new legal framework continues to assume that the operation of electric charging stations generally includes the provision of electromobility services as well. However, operators are free to agree with any registered electromobility service provider on the provision of electromobility services in order to facilitate market development and competition among service providers. This also means that an electromobility service provider is not required to operate chargers and have a corresponding operation license.

The new rules must be applied to previously issued electric vehicle charging licences too. In order to ensure compliance with the amended regulations, until the end of this year the Hungarian Energy and Public Utility Authority (the **“Energy Office”**) will supervise all licenses issued before October 1, 2019. If previously authorized operators fail to conform to the new rules, the previously issued licenses will be revoked with effect from December 31, 2020.

Operation of public electric chargers

The operation of electric chargers remain subject to licensing only if the charging equipment qualifies as a public charging station under the Public Transport Act. Such determination must be made on a case-by-case basis, because, according to the new rules, charging equipment qualifies as public charging equipment, even if located on private property open to public traffic or in a public car park where it is accessible to a limited number of users free of charge or subject to specified payment terms. Charging equipment operated in private households does not qualify as public charging equipment, hence, the rules detailed below do not apply to them.

The operating license for electric charging equipment continues to fall within the competence of the Energy Office. Public electric charging equipment may be operated after a license is issued by the Energy Office, hence, it must be applied for at least 75 days prior to the planned commencement of charging

operation. Upon obtaining a license, the operator has 18 months to install and commence commercial operations, otherwise the license will expire.

Operating licenses will be granted on the basis of the applicant’s ability to conform to the technical requirements of the activity and the applicant does not have to own the equipment concerned. The technical, organizational and personnel requirements are regulated by the Implementation Decree. The operators of the public electric charging station are responsible for ensuring the grid connection and the electric supply of the public charging equipment. The chargers could be connected to the public network via end-customer equipment or through a private cable. The operator may buy electricity necessary for the charging from any trader. The operating license cannot be transferred to a third party.

Provision of electromobility services

Electromobility customers have direct contact with their electromobility service providers who arrange for charging their electric vehicles and other related services (such as parking and booking services) on a permanent or occasional basis. The electromobility service provider is not obliged to obtain an operating license under the new rules, but must submit a notification to the Energy Office in order to be registered and listed. Operators and service providers are free to determine the content of their legal relationship.



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Protection of customers' interests

Until recently, charging services were provided free of charge due to tax allowances, but, increasingly, service providers have been charging fees for these services. Charging fees are not regulated, but must always be determined in reasonably, easily and unequivocally comparable ways in order to protect customers' interest. Accordingly, the operator and the service provider must publish the tariff packages and occasional charging fees – stipulated in their general terms and conditions – separately on its website and through its application that provides access to its service.

Should you have any questions regarding the foregoing, in particular if you require our legal advice in connection with the licensing procedure or in any matters concerning electromobility, please do not hesitate to contact us.

The number of electric charging points doubled from 672 to 1,362 in one year. At the end of 2019 most of the charging points operated in the region of Central Hungary (699), followed by Central (191) and Western Transdanubia (126).

Year	Number of charges	Electricity used for charging (kWh)
2017	13,585	123,743
2018	160,882	1,589,188
2019	564,755	5,386,331

In Hungary approximately 16,800 vehicles have green license plates, while the number of pure electric vehicles is over 6,500. Compared with the data reported at the end of 2018, when 9,560 vehicles with green license plates were registered, the growth rate is almost 75%.



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