



The
Scottish
National
Investment
Bank

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TheBank.Scot

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Dear Convener,

I am writing following our attendance at the Committee on 31 October. At that meeting you asked that we follow up on “the challenges authorities are facing around public and private collaboration” regarding recycling infrastructure. As I mentioned in the discussion, the Bank has made two investments in companies putting in place EV charging infrastructure, and there may be some relevant points of learning to be taken from the development of that EV charging infrastructure in Scotland.

The Bank has committed £12 million to support the scale up of EV charging infrastructure provider FOR:EV. FOR:EV have an ambition to install 1,700 charge points across Scotland. They particularly target key destination sites and have recently announced partnerships with Starbucks to provide infrastructure at four sites across Dunfermline, Livingston, Blairgowrie and Galashiels; and with the Eastgate Shopping Centre in Inverness.

The Bank has also committed £28 million to support the further growth of EV charging technology manufacturer Trojan Energy. This includes a further £18 million commitment announced this week, which has been made alongside a new investment of £8 million from growth capital investor BGF.

Trojan Energy’s technology sits flat and flush to the pavement, enabling on street charging without pavement clutter. To date, they have 600 charge points in operation across four council areas. This investment will support the company to deliver on new commercial opportunities, including an agreed partnership with Barnet council to install around 1,300 on-street charge points.

The growth of companies like FOR:EV and Trojan Energy is indicative of the now-evident private sector willingness to invest in the development of EV charging infrastructure, and of the potential to crowd in private sector willingness into key transition activities. In turn this reduces the demand on public budgets.

That is recognised in the intent of the Scottish Government’s Electric Vehicle Infrastructure Fund which has the ambition to leverage in private investment and double the size of Scotland’s public charging network to 6,000 charge points by 2026.

This developing approach opens up new opportunities for private investment. To date the development of the EV charging infrastructure network in Scotland has been largely publicly-led allowing for quick early growth. We are now experiencing a reduction in the rate of network growth and a need for ongoing investment into existing infrastructure to ensure consumer reliability.

The provision of tariff-free charging infrastructure reduced incentives for private investment. However, as private investment is increasingly prevalent in the sector, public capital can be focussed on incentivising and ensuring access to charging infrastructure in less commercially viable locations across the country.

A number of the lessons from the development of Scotland's EV charging infrastructure may be relevant as local authorities look to further develop recycling infrastructure. For example, local authorities may particularly wish to consider how ownership of assets and/or revenue streams are allocated to best encourage ongoing private sector investment in that infrastructure.

The development of companies like FOR:EV and Trojan Energy indicate the economic opportunity that can develop from strengthening the circular economy. While the Bank cannot directly provide investment to local authorities or local authority-owned vehicles, due to our capitalisation through Financial Transactions, we are open to supporting the growth of companies who may supply the technology or services necessary.

Yours sincerely,

AL DENHOLM

Chief Executive Officer

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