The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Russian Gas Stations Ordered to Provide Chargers for Electric Cars

By Anastasia Bazenkova

September 06, 2015



Last year, a total of 140 electric cars were sold.

Gas stations all across Russia have been ordered to adapt their facilities to provide chargers for the country's electric vehicles — which number just a few hundred in total.

Prime Minister Dmitry Medvedev signed a decree on Aug. 27 requiring the owners of gas stations to equip their facilities with chargers for electric cars by Nov. 1, 2016, according to a copy of the document published on the official government website last Monday.

The measure, according to the statement, is aimed at boosting the production and use of more environmentally friendly cars, which have so far proved highly unpopular among Russians.

But experts warn it will only result in additional costs for companies running gas stations and say the government has failed to offer palpable incentives for motorists to choose more eco-friendly cars.

About 500 electric cars have been sold in total in Russia, according to Andrei Toptun, head of the Autostat car market research agency.

On Thursday, out of nearly 60,000 used cars on sale in Moscow on the popular website auto.ru, only 18 were electric cars, 13 of which were U.S. brand Teslas with price tags ranging from about $60,000 to $180,500.

The cheapest electric car on sale in Moscow, a 2011 Mitsubishi i-MiEV, was offered for $12,000.

In comparison, Russia's neighbor Norway, the world's leading electric vehicle market, registered its 50,000th electric car in April, Reuters reported.

The proportion of electric vehicles in Russia is so small that it is not possible to talk about any electric car market in Russia yet, analysts agreed.

Japanese Pioneers

Electric cars entered the Russian market in 2011 when the Japanese car manufacturer Mitsubishi started sales of its i-MiEVs.

But even high-profile drivers of the eco-model such as Kaluga region governor Anatoly Artamonov have not managed to boost its sales: As of July this year, Mitsubishi had sold 217 of its electric vehicles in Russia, according to data from Autostat.

Later, Mitsubishi was joined on the Russian market by U.S. auto manufacturer Tesla, Germany's BMW and Japan's Nissan. But Mitsubishi still remains the only officially certified company among all the foreign producers on the Russian market.

Russian domestic car manufacturer AutoVAZ joined the trend in 2011, when it started producing an ecologically friendly car, the Lada EL Lada.

As of July, a total of 49 EL Ladas had been sold, according to Autostat.

If previously the number of electric cars was growing very slowly in Russia, this year the market has shown a decline.

In the first half of the year, fewer than 50 electric cars were sold in Russia, down 25 percent compared to the same period last year, according to Autostat.

Last year, a total of 140 electric cars were sold.

Obstacles to Growth

One of the main obstacles to the development of the electric car market in Russia is their relatively high price: Prices for imported electric cars can reach several million rubles.

AutoVAZ's EL Lada is more attractive in price compared to its foreign competitors, but still far from being affordable for many. The price for the cars from the first batch was set at 1.2 million rubles ($17,700).

But there is currently nowhere in Moscow where a would-be electric car owner can simply turn up and purchase an EL Lada, and it was not immediately clear whether a pre-ordering system was still in place or how long the wait would be.

Apart from the high prices, critics say electric cars are not designed to withstand Russia's harsh weather conditions.

Electric vehicles run on batteries that last for several hundred kilometers. Warming up a car in winter significantly reduces the battery life. As a result, cars have to be charged every 70-80 kilometers, Toptun said.

The market is also strained by the lack of infrastructure, which should include not only a network of charging points, but also spare parts stores and maintenance services, analysts said.

The government's drive to equip gas stations with chargers won't improve the situation until steps to stimulate demand are taken, said Vladimir Bespalov, an analyst at VTB Capital.

A scheme that has already been tried and tested abroad is government-sponsored discounts for buyers of electric and hybrid vehicles, as well as free or discounted parking.

There is no government program stimulating the purchase of cleaner vehicles in Russia. In Moscow, electric cars can be parked for free, but this perk is not extended to hybrid vehicles.

No Cheap Undertaking

Charging stations for electric cars are already being developed by several companies in Moscow.

One of them, the Moscow United Electric Grid Company, currently operates 28 charging points.

It is a pilot project, so the company's stations offer the service free of charge, said Yelena Burenina, spokeswoman for the Moscow United Electric Grid Company.

The stations are not working at full capacity due to a lack of demand, she said.

The charging points for electric cars in Moscow currently operate as separate stations that are not connected to gas stations.

The new decree demands that owners of gas stations purchase and set up the chargers themselves, which can be expensive as all the necessary equipment has to be imported, experts said.

The cost of setting up a charging station starts from 100,000 rubles ($1,480), said Maxim Osorin, general director of Revolta Motors, which sells electric cars and operates a chain of electric vehicle charging stations in Moscow and the Moscow region.

Those stations take up to nine hours to charge an electric vehicle. Modern fast-charging stations, which can charge a car in half an hour, cost around 3.5 million rubles ($51,720) in

Russia, he said.

In addition to the equipment, station owners will have to cover installation expenses and the costs of grid connection if there is no free capacity, Osorin said in written comments.

The decree doesn't specify which type of electric charger the owners of gas stations are to install.

Global experience shows that gas stations need to be equipped with fast chargers, as people simply can't wait at a station for several hours for their car to charge, Osorin said.

Sending a Signal

He said that the government's measure would nonetheless have a positive effect on the development of the market.

Burenina agreed.

“We believe that the new decree could stimulate business,” she said.

But its future development depends not only on infrastructure, but also on demand for electric cars in Russia, which should be stimulated by the state, she said.

Some analysts doubt not only whether Russia can catch up with other countries in terms of the popularity of electric cars, but whether it even needs to try.

“The issue of electric cars is irrelevant in Russia. We have a huge territory and fewer cars than many other countries, so there is simply no need to develop the idea of electric cars on a nationwide scale,” Toptun said.

VTB Capital's Bespalov expressed more optimism about the future of electric cars in Russia.

The electric car market is developing in European countries, so sooner or later the number of electric cars in Russia will start to grow as well. But it's unlikely to happen for the next few years, he said.

Contact the author at a.bazenkova@imedia.ru

Original url:
https://www.themoscowtimes.com/2015/09/06/russian-gas-stations-ordered-to-provide-chargers-for-electric-cars-a49364