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Q&A-U.S. infra bill, COP26 to boost electric vehicle charging; Municipalities are key: Elaine Grunewald, European Sustainable Growth Acquisition Corp



The passage of U.S. President Joe Biden's infrastructure act along with the focus on electrification of transport at the U.N. COP26 conference in Glasgow together provide support for wider rollout of electric vehicle (EV) charging stations, which will reduce "range anxiety," boosting EV adoption, **Elaine Weidman Grunewald, director of European Sustainable Growth Acquisition Corp**, told the Reuters Global Markets Forum on Wednesday, November 17.

In the United States, municipalities are key to proliferation of charging points, Grunewald said, noting that there still weren't enough charging stations or ultra-fast charging available, unlike Europe where these technologies are being implemented quickly.

Grunewald said EV companies such as newly-listed Rivian will need to rely on public charging infrastructure to reach greater EV adoption.

Following are edited excerpts from the conversation:

Q: What are your thoughts on COP26's impact on your sector?

A: This year my focus on was on EV's (electric vehicles). COP26's focus on EVs was encouraging, as support for electric vehicles is almost universal among governments, companies and consumers. The Biden administration's recent infrastructure bill, which includes billions of dollars in funding for electric vehicle infrastructure, is a prime indication of the growing push for electric vehicle reliance. It was great that COP had a transport day to accelerating the transition to 100% zero emission vehicles. All that said, still tons to be done on climate.

Q: Considering that, what was the low hanging fruit?

A: The low hanging fruit on COP is actually the private sector. They are turning up! I remember 10 years ago the COPs were just for negotiators. If we want to get things moving, we need companies to act.

Q: Could you please run us through the broad economics of running an EV charging company?

A: EV charging is a no brainer. While there is an upfront capex cost, as with any sector, once you have an EV, you are more or less home free on the OPEX (operational expenditure) side. Government subsidies and incentives are making this very attractive to the consumer, and also attractive to customers that are concerned about their impact on the environment.

Q: How big a part are government subsidies in this, as a percentage of the charging fee?

A: Subsidies differ by state/country, but a friend of mine just bought a Polestar in the U.S. and he got a \$7,500 credit. That is the consumer side of things. On the charging infrastructure side, we can be up to \$30,000 per charging station. Combine that with a company like ADS-TEC Energy (EUSG), with whom I am working, there is also a total cost of ownership that can be 30% cheaper because they have battery-buffered charging, which means you don't need to do grid upgrades.

Q: What do you think are the key differences between charging station industry in the U.S. and Europe?

A: Europe may be slightly ahead, driven by in part by legislation and tougher policy measure to phase out internal combustion engines, but the U.S. is catching up. The U.S. infrastructure plan is a big deal, but there are bottlenecks because consumers don't want "range anxiety," and there are still not enough available charging stations. When it comes to technologies, ADS-TEC Energy is coming from Germany and has a unique battery-buffered solution, which means you get ultra-fast charging in minutes. I haven't seen that in the U.S. yet, but I usually say ADS-TEC Energy is the best key secret in EV charging.

Q: Any plans by ADS-TEC Energy to expand to the United States?

A: Yes! ADS-TEC Energy just opened a U.S. subsidiary and hired a top-notch sales team. It's moving faster than planned, thanks to positive market developments. The first material order was announced with Smart Cities Capital in Florida, for charging infrastructure deployment with municipalities. The company still trades under EUSG with an extreme positive buy announcement out yesterday from Roth Capital. The company is getting on the map. Municipalities are key here, because at the end of the day implementation of any climate goals comes down to the cities!

Q: How active are carmakers in setting up EV charging? How does it fit in with their strategy of transitioning their product portfolios to EVs?

A: Tesla was a front runner, but Rivian and others will all need the infrastructure to succeed.

Q: How do you see the U.S. charging infrastructure evolve? Do you think it'll be led by Democratic states and we'll end up with the problem of "charging deserts"?

A: No way, the planet is not a bi-partisan issue. Charging infrastructure needs to roll out across all the states, and that is happening. The main obstacle is providing assurance to consumers -- 58% of drivers still fear they will run out of power, and today's grids are not designed to meet the power requirements if all the EVs would plug in. So, there is lots to do to solve the "desert" issue, but I don't see that as political. And by the way, the Republicans sent a delegation to COP! The Electrification Coalition has a good map of where the infrastructure is, and a lot of information on state-by-state developments.

Q: What do you feel as your biggest learnings on public-private partnerships (PPP), both from your current role and your earlier role as Ericsson's sustainability head?

A: I am a big believer of partnering to get things done. The smart cities capital partnerships offer an incredibly innovative model for bundling infrastructure services with financing. We all need to work together to make things happen. Polar Structures in another such innovative partnerships in the Nordics, who obviously lead on all things sustainable.

Q: Do you have any parting views for us/things to look out for?

A: On a broader level, as leaders, whether business, government or academia, etc., I think we should all think about what more we can do for climate, in our own spheres of influence. The targets from COP26 are not enough, and we need more transformative approaches.

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