

# Forbes

## ChargePoint: Building Out The Electricity Highway One Parking Lot At A Time

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At the Las Vegas Consumer Electronics Show this month, BMW and ChargePoint –who has developed the nation’s largest electric vehicle charging network – were touting their growing relationship. BMW was offering test drives of their new i3 electric vehicle (retailing for just over \$40,000 prior to any rebates), featuring a dashboard with directions to all proximate ChargePoint locations. BMW is also ensuring that every participating dealer has a public facing ChargePoint station. The point of this all is to eliminate ‘range anxiety’ and facilitate easy adoption of the new technology.

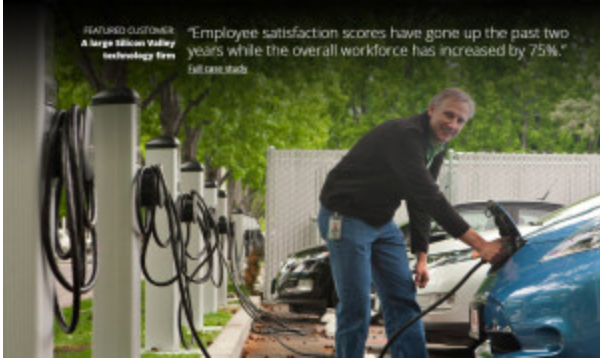
It seemed like a good time to delve further into the issue of electric vehicles and the charging infrastructure, so I interviewed ChargePoint’s CEO Pasquale Romano after the show to find out what his company was up to. As it turns out, they are quite busy in a number of areas, and appear to have identified a business model that works.

Observers looking at the world of electric vehicles have for years commented on the chicken and egg dilemma: you cannot sell the cars if there’s no fueling infrastructure in place, and nobody will put the infrastructure in place without the promise of vehicles.

In the EV charging world, the right business model is critical. The company Better Place, for example, tried to create a swappable battery system that they hoped customers would find attractive. The model failed. Better Place burned through \$900 million of investor dollars and ended up in a worse place, filing for liquidation late last year.

But the beautiful thing about an innovative economy like ours is that a number of entrepreneurial companies will pioneer different approaches. One or more of them will get it right, delivering a better product, price and experience to the customer. ChargePoint may be one of those success stories, and they have worked to solve the problem in their own unique approach. They are building out a network, financed by others, and linked together by ChargePoint’s software.

To date, they have installed 70% of the chargers located in the U.S. and claim to be putting in 90% of the new stations. Overall, the company now boasts 15,000 charging locations, up from just over 5,200



locations at the end of 2011. The company also states that ChargePoint Drivers have driven 65 million miles to date, avoiding 2.6 million gallons of gasoline. Put another way, on average, a driver plugs in every 10 seconds, with 3.8 million charges delivered to date.

ChargePoint CEO Romano commented at the outset of our conversation that they adopted a different approach to the question of ownership:

We don't deploy or own a single charger. None of them are ours. We are crowdfunding the largest network of EV chargers on the planet – both our infrastructure and other hardware suppliers run on our network. We do that by selling charging infrastructure and most importantly, subscriptions to our cloud-based service to take the pain out of putting chargers in the parking lot. With our business model, station owners can control who charges on their stations and what price is paid to do so – many of them give charging away for free. It's going to take billions of dollars to fund the network that's coming and no single company can shell out all the money to deploy the chargers needed.

ChargePoint's approach is to build this in an incremental fashion.

We do this a parking lot at a time, working with each business with a parking lot – either to serve their employees or their customers. We unify that to create one single network, one ChargePoint card, one set of reference points, and the ability to use that account to charge everywhere you go.

The company is intent on building out its infrastructure as quickly as is feasible, and work to make it easy for the parking lot owner by handling everything from financing to driver customer service.

The station owner buys or leases chargers from us through our no money down Net+ Purchase Plan. While we do provide the hardware, we are really a cloud service company, a service that we sell to the station owner on an annual subscription basis. For each charging port they install, we take care of it, put it on the map, and make it part of the network. Station owners use our tools to set prices and access control. We support the drivers when they call our 800 number. We make charging completely turnkey.

Pasquale comments that – with this approach – you have to think about a larger ecosystem that encompasses both the charge owner and the driver.

The second thing we do differently is that we focus on the driver as much as the station owner, even though the station owner is our customer. We recruit drivers, give out the apps and a membership – all for free. We only take money from driver (for the electricity charge) to give to the station owner acting as the go-between.

How does ChargePoint recruit drivers? By working closely with many of the largest EV manufacturers, right from the outset.

We invest a ton with car companies to make sure they have a seamless sale process so they can give a complete solution to drivers past the point of delivery. We are a big part of the BMW i3, but we are a big part of the other electric cars as well. We are integrated

with the Nissan nav system in their car. With the GM Spark, Volt or Cadillac ELR, you get a ChargePoint welcome kit in the glove compartment giving you immediate access to plug into all of ChargePoint's 15,000+ locations. When you get your shiny new car, you'll have no concerns how to fuel it.

Romano predicts profitability "in the not-too-distant future." He notes that the company has been working at solving the charging problem for some time, and well before there were any electric vehicles on the road to speak of. "We are a six year old company in a three year old market. We have learned over the years how to harden a very sophisticated product. We needed patient investors but it allowed us to learn and take advantage of that knowledge."

Long-term, ChargePoint envisions the potential creation of a networked EV community and the company is working to realize that capability. In the short-term, they are addressing basic issues to improve customer satisfaction, such as charging station availability.

If you navigate to a charging station and there's somebody already there, you are a very frustrated puppy. Our system will tell you if somebody is already there. We are developing a new mobile app that will have a long list of features to help drivers get out of a jam. You will have messaging capabilities and the ability to cooperatively live with other EV drivers in a relatively easy way. We think you will see lots of social networking around fueling your EV to help make that process simple.

At this stage in the game, ChargePoint enjoys the enviable position of being the leader with infrastructure and software, but Romano is far from satisfied. As a consequence, he is a crusader for the entire EV experience. Romano's advice: Get in an electric car.

I would invite your readership to go to the dealership and try a test drive. What BMW has created by giving out thousands of test drives at the Consumer Electronics Show is thousands of evangelists who want to buy an EV because it's better. Readers should understand how much fun it is to drive an electric car and how easy it is to find a charging station where they work, shop, eat and live.