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Why EV Charging Should Be Treated as a Service in India

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I wrote this when one of the basic regulatory questions around EV charging in India was whether charging amounted to resale of electricity. The position is much clearer today, but the reasoning behind the distinction remains relevant.

Looking Back from 2026

When I wrote this article, one of the basic questions was whether a charging station was reselling electricity and therefore required a licence like a distribution business. That question is no longer as open as it was then.

By 2019, the Ministry of Power had explicitly reiterated that setting up a public charging station was a de-licensed activity and had clarified that charging of an EV is a service. The consolidated 2024 guidelines, amended in January 2025 and still being cited by the Government in 2026, continue to treat setting up an EV charging station as an unlicensed activity.

The 2024 guidelines also separate the fee paid by an EV user into electricity supply tariff, service charge, land cost and applicable GST. In other words, the regulatory framework today broadly reflects the distinction I was trying to make in this article: electricity is an input, while charging is the service offered to the vehicle user.

I am therefore republishing the original argument with only minor grammatical corrections. I have not rewritten it to make it sound as if it was written in 2026. One factual clarification has also been made in the restaurant analogy: the packaged-water passage quoted in the original article came from the Delhi High Court and was reproduced by the Supreme Court in its 2017 judgment.

Original Article

There is a perception amongst various stakeholders in India that EV charging is a re-sale of electricity and therefore, it is regulated and only distribution/Franchisee can be allowed to operate the EV charging station.This is a very restrictive interpretation of the Electricity Act 2003.This would crowd out private playersfrom making investments in charging infrastructureand that would be very detrimental to mass adoption of EV nationwide.

Through this article I have attempted to examine the nature of EV charging business, provisions of Electricity Act 2003, and global practices in EV charging in order to understand how EV charging should be treated in India.

What does an EV charging station offer?

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Let us first examine the services provided by a public EV Charging Station and how it is different from supply of electricity by a distribution licensee to a consumer. The Charging Station operator provides physical infrastructure for charging of battery, like Electric Vehicle Supply Equipment (EVSE) to keep the electric car safe while charging, converter for DC charging and connectors and space for parking of car. Besides, physical charging infrastructure, web based real time charging station data like location of charging station, charging facilities available, rate, availability and occupancy of charging bays, etc. are also provided. The value of space will vary widely with the location of the Charging Station. The operator of EV Charging Station would expect recovery of cost of input electricity used in charging of battery, recovery of expenditure incurred on operation and maintenance and depreciation of charging infrastructure, the return on investment on charging infrastructure and land, if land is owned by the operator of charging station or lease rent, if the land is on lease, from EVs which get the battery charging services at the Charging Station. The total charges for EV Charging station would depend mainly on the input electricity cost, type of charging infrastructure provided (Level 2 or fast/ultra-fast), location of the charging station and time for which an EV is kept parked at the Charging Station to avoid misuse of parking space after charging has been completed.

An EV with partially discharged/discharged battery comes to a Charging Station where it is provided parking space and service of charging of battery through EVSE. In the charging process carried out at the premises of Charging Station, the electrical energy is converted into chemical energy in the battery. During the charging, the EVSE installed at the charging station monitors the status of the battery andregulates the electricity supply to ensure safe charging.The EV leaves the charging station with change in the status of the battery condition from low chemical energy to high level of chemical energy. The customer uses the electricity at the charging station only for one purpose, i.e., charging of EV battery only. Further, the same Charging Station will cater to different EVs owned by different persons.

Thus, charging process of an EV at a public charging station is not simple sale of electricity as in case of supply of electricity to a consumer’s premises buta service where a number of value additions are providedin the premises of Charging Station Operator. EV is not coming to a Charging Station for purchase of electricity but for getting its battery charged in a safe and reliable manner and to know the condition of its battery from the diagnostic tools of the EV charging station.

This is similar to a restaurant where we go not for raw food but for a service where we are served a prepared food adding number of values to raw food.Incidentally, in its 2017 judgment, the Supreme Court reproduced the Delhi High Court’s reasoning in the packaged-water pricing dispute. The quoted passage was:“The customer does not enter a hotel or a restaurant to make a simple purchase of these commodities. It may well be that a client would order nothing beyond a

bottle of water or a beverage, but his direct purpose in doing so would clearly travel to enjoying the ambience available therein and incidentally to the ordering of any article for consumption. Can there be any justifiable reason for the Court or Commission to interdict the sale of bottled mineral water other than at a certain price, and ignore the relatively . exorbitant charge for a cup of tea or coffee. The response to this rhetorical query cannot but be in the negative."

From the above, it is obvious that an EV charging station provides a composite servicewhere electricity is an input to charging station. It will be a simplification to equate EV charging with the sale of raw electrical energy at standard voltage as done by a Discom.

What does the Electricity Act 2003 provide for?

From EV charging perspective, we need to have clear understanding of the provisions of relevant section of EA 2003.

Section 43(1) provides that save as otherwise provided in this Act, every distribution licensee shall, on application by the owners or occupier of any premises, give supply to such premises, within one month after receipt of application requiring such supply.

Section 43(2) provides that it shall be the duty of every distribution licensee to provide, if required, electric plant or electric line for giving supply to the premises specified in sub-section (1).

From the above it is clear thatdistribution company is responsible for supplying electricity to a premise.That brings the question what is premise? "Premises" under Section 2(51), are defined as "premises" includes any land, building or structure".

Supreme Court in Grover & Weil (India) Ltd. CCE, (1995) 1 SCC 77 has defined the word "premises" as a piece of land including its building or a building together with its grounds or appurtenances. Electrical Vehicle is neither land, nor building nor structure and therefore, does not qualify as premises. Whereas, Charging station is located on a piece of land,so it can be termed as a premisein terms of section 2(51).

From the above it is amply clear that the charging station is a "premise" in terms of EA 2003, not the electric vehicle.

Can EV be a Consumer of Distribution Licensee?

A public EV charging station owned and operated by a person other than the area distribution licensee can be a consumer of the distribution licensee but an EV cannot be a consumer. Can an EV owner apply for supply for charging of EV at all its preferred locations as per his convenience under Section 43(1) without being an owner and occupier of the premises? The answer is “No”. Is the distribution licensee bound by universal supply obligation under Section 43, to provide EV charging facility wherever demanded by the EV owners at public places which are not owned and occupied by the EV owners? The answer is again “No”. Now, let us probe further how consumer is defined in EA 2003.

“Consumer” under Section 2(15), is defined as `”means any person who is supplied with electricity for his own use by a licensee or the Government or by any other person engaged in the business of supplying electricity to the public under this Act or any other law for the time being in force and includes any person whose premises are for the time being connected for the purpose of receiving electricity with the works of a licensee, the Government or such other person, as the case may be”.

From the above definition also it is amply clear that person has to have a premise to receive supply of electricity through a connection. In this case, the premises of the charging station operator get connected to the distribution licensee’s electric system and it provides services to EVs for charging of batteries. Thus, the Charging Station’s operator becomes the consumer of the distribution licensee. The EV comes to the charging station not for purchase of electricity for own use but to get its battery charged in the least possible time and ensuring safety of EV.

From the above explanation, it is amply clearthat Charging station Operator shall be the consumer of distribution company not electrical vehicle. Electricity supplied to Charging Station is added with various other value added service by operator and a final service in the form of charging to EV battery is provided by them.

Global Practice

Globally, EV charging business has been either allowed as pure commercial service business or exempted from regulatory business of utilities paving way for its mass roll out.

New York Commissionhas ruled that Charging Stations do not fall within the definition of “electric plant” because Charging Stations are not used for or in connection with or to facilitate the generation, transmission, distribution, sale or furnishing of electricity for light heat or power.

Instead Charging Stations are used to provide a service, specifically, charging services. This service requires the use of specialized equipment and allows the customer to do only one thing, charge a PEV's battery. The primary purpose of the transaction between Charging Station owners/operators and members of the public is the purchase of this service and the use of this specialized equipment. While the customer is using electricity, this is incidental to the transaction. Hence they have ruled that charging service does not fall within the purview of NYC.

Ontario Electricity Board (OEB) Canada has in its staff bulletin clarifiedthat EV charging is a service business and does not constitute distribution or retailing business. They have concluded that an EV charging station means a parking space equipped with electrical apparatus that is operated for the sole intended purpose of physically connecting with and charging an EV. In OEB staff's view, an electrical apparatus or infrastructure owned or operated for the sole intended purpose of charging EVs is not a system for distributing electricity. Given that an EV charging station does not provide distribution capability for load-types other than EVs, it should simply be viewed as a point of connection to the electrical grid. It follows then that a person who owns or operates an EV charging station is not a distributor solely because of that ownership or operation. As regards to whether this is a retailing of electricity they have opined that the act of selling or offering to sell an EV charging service is not retailing. Providers of EV charging services to the public do not simply sell or offer to sell a commodity. They provide customers with a complete service, a "vehicle refueling" service, including, at a minimum, the use of a parking space and a charging device, and which may also involve information technology letting EV drivers know where charging stations are located, whether they are occupied or available for use, and how fast a charge they can expect to receive (e.g. level 2 or level 3 charging).

California has brought in a legislation where they have mandated City authorities to permit installation of charging station by any party without requiring them to have licence for operating it. In fact California Commission did not allow utility to invest in charging infrastructure till 2015.

Finnish Energy has not seen the need to publish a position paper whether selling charging services should be included in the scope of electricity distribution, which is a regulated business, or not. The consensus has been that the selling of charging services should not be incorporated into the regulated distribution business, and that the responsibility of the distribution company should remain at the electricity connections and the distribution of the electricity to the charging station, leaving it to the market operators to take responsibility over the sale of the charging service.

Norway has allowed any party to install, operate and offer their charging solution to consumers.

With the above regulatory practices globally, and in light of provisions of Electricity Act 2003, it would be prudent to bring a position paper by Regulators to clarify that EV charging service is not resale of electricity and role of regulators end at Charging point connection.

Sources for the 2026 note

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