**The Turkish Competition Authority conducts an exemption assessment in the market for the installation and operation of electric vehicle charging stations *(Trugo / Shell&Turcas)***

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In its decision dated 21.12.2023 and numbered 23-60/1159-414 [[**1**](https://www.concurrences.com/en/bulletin/news-issues/december-2023/the-turkish-competition-authority-conducts-an-exemption-assessment-in-the#nb1)], the TCA decided regarding the application requesting exemption for “Collaboration Agreement Between Charging Network Operators” (“**Charging Network Agreement**”) signed between Trugo Akıllı Şarj Çözümleri San. ve Tic. AŞ (“**Trugo**”) and Shell&Turcas Petrol AŞ (“**Shell**”).

With the Charging Network Agreement, the parties seek to establish and operate electric vehicle charging stations at Shell-branded fuel stations and share the revenue to be generated. Not only does the agreement outline establishment and operation, but also includes specific obligations and exclusivity clauses to prevent overlapping installations and ensure a return on investments. Despite some restrictions and the possibility of information exchange, the TCA deemed the cooperation compliant with competition law, as the agreement promotes consumer benefits and market expansion without significantly hindering competition.

Within the scope of the Charging Network Agreement, Trugo is obliged not to establish a charging station within certain limits on the same direction and route with the location of the electric vehicle charging station to be established by Shell. Trugo’s right to establish charging stations within the dealerships where charging stations will be established by Shell is restricted, as well. Moreover, both parties have been granted exclusivity not to enter into an agreement with a third party for the installation of an electric vehicle charging station for a certain period of time, which may be extended in order to ensure the return on investments. Finally, taking into account the possibility of exchange of information between competitors through the Service Supply Agreement, the application is considered to be an agreement between competitors.

Thus, this article is about the relevant Charging Network Agreement and its exemption from competition law prohibition.

**Background**

In the decision, it was decided that the relevant agreement and its annexes may be granted individual exemption pursuant to Article 5 of the Law No. 4054 on the Protection of Competition.

Trugo, one of the parties to the contract, was established by TOGG (which is a JV incorporated by AG Anadolu Grubu Holding AŞ, BMC Otomotiv Sanayi ve Tic. AŞ, Turkcell Gayrimenkul Hizmetleri AŞ, Kök Ulaşım Taşımacılık AŞ, Vestel Elektronik San. ve Tic. AŞ, Turkish Union of Chambers and Commodity Exchanges in order to create a global electric mobility brand) on 1.12.2021. The other party, Shell, which is ultimately controlled by Shell Plc, is engaged in the sale and distribution of fuel and oils.

As it is stated above, the agreement concerned in the decision is mainly about building and running electric charging stations at Shell-branded fuel stations.

Furthermore, The Network Operation Agreement, which is an annex to and an integral part of Charging Network Agreement, is between Trugo, Shell and Shell dealers for the operation of the charging stations to be established by Trugo.

The Service Supply Agreement, on the other hand, which is intertwined with the Charging Network Agreement, aims to provide Shell with the Charge Post Operator Management Platform (“**CPO Management Platform**”) established by Trugo for electric vehicle charging stations and various points and Mobility Service Provider (“**MSP Software**”), as well as the Call Centre Customer Services (“**Call Centre**”) planned to be offered to customers in relation to charging services.

In the decision, Trugo and Shell were considered as competitors since they already have the necessary licence to provide charging services for electric vehicles. Therefore, the Charging Network Agreement is considered as a horizontal agreement.

In addition, the Network Operation Agreement to be signed between Trugo, Shell and the dealers is considered to be a vertical agreement. As a result, although there are vertical elements within the scope of the application, it is understood that there mainly is a horizontal co-operation agreement.

Therefore, considering the competitive concerns present in the agreements, an assessment was made as to whether an exemption could be granted to this agreement.

**Exemption Assessment**

In the decision, the relevant product market is defined as “*installation and operation of public electric vehicle charging stations*” and “*market for the provision of subscription services for customers to access public electric vehicle charging stations*”. The relevant geographical market definition is left open.

As summarised above, since an exemption assessment was made by the TCA, Article 5 of Law No. 4054 regulating exemption (which is the equivalent of Article 101(3) of the Treaty on the Functioning of the European Union) was taken into consideration.

Accordingly, firstly, it was analysed whether new developments and improvements or economic or technical progress has been achieved in the production or distribution of goods and the provision of services.

The agreement concerned aims to provide the consumers with the highest quality and state-of-the-art electric vehicle charging service at the lowest price. The parties will provide cost advantage by utilising each other’s technical knowledge, know-how and dealer network. In addition, the widespread use of electric charging stations will also popularise the use of electric vehicles. Thus, emission and noise pollution will decrease with the increased use of electric vehicles. Therefore, it is decided that the first condition is fulfilled.

Secondly, it was assessed whether consumers benefit from the agreement.

The availability of sufficient number of charging stations within the range is effective in the widespread use of electric vehicles. Establishing enough stations to meet the charging demand is an obligation in this respect. In addition, the legislation requires charging network operators to provide continuous, high quality and uninterrupted charging services. It was assessed that the agreement within the scope of the application will provide better quality and efficient service to the consumers.

Thirdly, the condition that competition should not be eliminated in a significant part of the relevant market was assessed.

It was observed that there are currently 152 undertakings holding charging network operator licences, 77 of which entered the market in 2023. Therefore, it was concluded that there is no significant entry barrier in the market.

Moreover, the two largest players in the market (ZES Dijital Tic. AŞ and Eşarj Elektrik Araçlar Şarj Sistemleri AŞ) are vertically integrated with the undertakings operating in electricity distribution in Türkiye. Therefore, the co-operation between the parties will not eliminate effective competition.

Accordingly, it was assessed that the transaction subject to the notification does not significantly restrict competition.

Finally, the condition that competition should not be restricted more than necessary to achieve the objectives of the transaction was analysed.

It was assessed that the restrictions imposed by the Charging Network Agreement are reasonable for the parties to obtain a return on their investments and do not restrict competition more than necessary.

The risk of information exchange between competitors within the scope of the services to be provided by Trugo to Shell was also assessed. It was reported that Shell will log in to the interface created for the services in question with usernames and passwords specialised only for Shell employees. In order to provide continuous, high quality and uninterrupted services to the end consumer, it was decided that information exchange is taking place due to the nature of the agreement and that this is at a level that does not restrict competition more than necessary.

**Conclusion**

As a result, the Charging Network Agreement signed between Trugo and Shell and its annexes were granted exemption. In the decision, it was stated that the market for the installation and operation of electric vehicle charging stations is a new and developing market.

This developing market of charging stations is the most important element that will increase the number and utilisation of electric vehicles which are deemed more efficient and eco-friendlier than their counterparts. The co-operation of two important players, namely Trugo and Shell, in the market under the agreement subject to the application will indeed increase the number of charging station service points and thus contribute to consumer welfare.

The TCA’s decision to exempt the Trugo-Shell charging network agreement underscores the authority’s commitment to facilitating infrastructure for electric vehicle adoption while maintaining fair competition. By allowing collaborations that advance technological progress and consumer access, the TCA has set a precedent for future partnerships in emerging sectors, balancing regulatory oversight with innovation support. This ruling could encourage further growth in the electric vehicle charging market in Türkiye, fostering an environment conducive to sustainable transportation solutions.

It is observed that the TCA has adopted a relatively more conservative attitude in granting exemptions in recent years, and has asked the applicants to prove the efficiency gains with concrete data. Nevertheless, it is observed in the concrete application that the TCA made a mild assessment despite the fact that the agreement subject to the application contains provisions restricting competition, which can be interpreted as market sharing between direct competitors.

**Footnotes**

[[**1**](https://www.concurrences.com/en/bulletin/news-issues/december-2023/the-turkish-competition-authority-conducts-an-exemption-assessment-in-the#nh1)] See TCA’s decision dated 21.12.2023 and numbered 23-60/1159-414 (Accessible through: <https://www.rekabet.gov.tr/Karar?kararId=81043ea7-410f-4d1c-9cb2-39c6af38f910>).