A zero emission vehicle (ZEV) mandate and CO_2 emissions regulation for new cars and vans in the UK

24 May 2023

Summary

- Logistics UK strongly supports the UK Government introducing a UK wide regulatory framework to avoid unnecessary complexity. For logistics operators that work on a national basis, this will be particularly important to ensure there is consistency in targets and vehicle supply.
- Logistics UK agrees with the central trajectory proposed for new zero tailpipe emission vans. While this is ambitious, we agree with the Government that higher ZEV shares are required to drive decarbonisation in the 2024 – 2030 period.
- Logistics UK supports the proposed minimum range requirements for ZEVs. Feedback from our members on vehicle range suggest this is still a concern and while a shorter range would be suitable for vehicles doing shorter journey patterns, the additional range would avoid the need for daily charging, thus reducing power requirements at depots.
- Logistics UK strongly supports the proposal to keep the regulation under review. Logistics UK believes there should be review points set from the outset to ensure the impact of the regulation is closely monitored.

About Logistics UK

Logistics UK is one of the country's largest business groups, supporting, shaping and standing up for safe and efficient logistics. We are the only organisation representing the entire logistics sector.

We represent a sector delivering an increasingly innovative, productive and sustainable system of essential national infrastructure. This system ensures the availability of the products that households, businesses and public services rely on every day, and is supporting the UK's transformation for the future. Our membership of over 20,000 includes global, national and regional businesses and SMEs spanning the road, rail, sea and air industries as well as the buyers of freight services, such as retailers and manufacturers.

Response to consultation

Logistics UK welcomes the opportunity to respond to the consultation on the zero emission vehicle (ZEV) mandate and CO_2 emissions regulation for new cars and vans in the UK. We have responded to those questions relevant to vans given many of our members will have them within their vehicle fleets.

Question 1:
(a) Do you agree or disagree with the UK Government's preference to introduce a UK wide regulatory framework?
(b) Or, do you agree or disagree with the introduction of different trading schemes with separate requirements in one or more of the nations, different from the rest of the UK?

Logistics UK strongly supports the UK Government introducing a UK wide regulatory framework to avoid unnecessary complexity. For logistics operators that work on a national basis, this will be particularly important to ensure there is consistency in targets and appropriate vehicle supply.

Question 2:
(a) Do you agree or disagree with the UK Government's preference to introduce UK wide annual targets?
(b) Or, do you agree or disagree with year-on-year targets having to be met within each nation of the UK annually?

Logistics UK strongly agrees with the UK Government's preference to introduce UK wide annual targets, again to avoid complexity. For logistics operators that work on a national basis, this will be particularly important to ensure there is consistency in targets and appropriate vehicle supply. However, additional support will be needed where uptake of zero-tailpipe emission vehicles is lower. For example, in Northern Ireland where EV charging infrastructure is less developed or in the islands and rural parts of Scotland. Both the mandate and a UK approach will also be crucial to help support the second-hand market, which is relied upon by many SME logistics operators.

Question 4: Do you agree or disagree with the proposal for the central trajectory for new zero emission vans set out in Table 2?

Logistics UK agrees with the central trajectory. While this is ambitious, given the phase-out date for petrol and diesel vans is less than seven years away and with limited plug-in options, we agree with the Government that higher ZEV shares are required to drive decarbonisation in the 2024 – 2030 period.

Logistics UK's recently published Electric Vehicle Report 2023[1] shows promising developments, with 58% of those members interviewed adopting electric vans in the past two years and 62% committed to decarbonising their van fleets by 2030. However, the report highlights the recent challenges faced by operators, such as increasing acquisition costs, volatile energy prices and most significantly, a lack of charging infrastructure. Public infrastructure for vans is significantly lagging behind that of cars (many chargepoints are too small for commercial vehicles or not in the right locations) and the need for increased power at depots is holding back further investment.

Future legislative changes, such as the plug-in grant being ended once current funds are exhausted and the introduction of VED on electric vans from April 2025 may also have an impact on total cost of ownership. Regardless of the final trajectory, further action on charging infrastructure, addressing the high costs required to upgrade power supplies at depots and measures such as tax allowances to support capital expenditure will be critical to support ambitious uptakes of battery electric vans ahead of the 2030 and 2035 phase-out dates, particularly - as highlighted in the consultation document - there are limited plug-in hybrid vans.

We would also support the mandate being extended to L-category vehicles to encourage their use in suitable locations.

Question 6: Do you agree or disagree with these proposals for the inclusion or exclusion of SPVs? If you disagree, please state your reasons for specific SPV categories.

Logistics UK agrees with the proposals for SPVs to be excluded from inclusion in the mandate.

Question 9: What are your views on the proposed minimum requirements for ZEVs (emissions, minimum range and warranty)?

Logistics UK supports the proposed minimum range requirements for ZEVs. Feedback from our members on vehicle range suggest this is still a concern and while a shorter range would be suitable for vehicles doing shorter journey patterns, the additional range would avoid the need for daily charging, thus reducing power requirements at depots.

However, we are concerned by the proposed battery warranty requirements given at this time, data from electric vans is minimal and given the average daily mileage of vans will be higher than that of cars and the higher likely use of rapid charging, battery degradation may be higher. Therefore, consideration should be given to a lower capacity requirement for a battery replacement.

Question 11: Do you agree or disagree with the proposal to provide additional credits to ZEVs used in car clubs? Are there any additional criteria or provisions that can increase the effectiveness of these incentives? Please explain your reasoning.

Logistics UK would support consideration to this proposal being applied more broadly to shared mobility providers, which would include rental operators of both cars and vans.

Question 24: Do you support or oppose the proposal to keep the regulation under review?

[1] https://logistics.org.uk/research-hub/reports/ev-report

Logistics UK strongly supports the proposal to keep the regulation under review. Given the short timescales and the significant challenges our members still face in adopting electric vans, it will be critical to ensure there are not unforeseen consequences that result in constrained vehicle supply and lack of appropriate vehicle options for our members. Logistics UK believes there should be review points set from the outset to ensure the impact of the regulation is closely monitored and to allow any changes needed to the mandate to be made quickly to address unintended consequences.

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