Rapid charging fund: scheme design consultation

Summary

- Government must do more to ensure that adequate public rapid charging is planned for and will be ready to meet the demand of zero tailpipe emission vehicles, especially HGVs.
- HGV ultra-rapid charging needs to be ready and available at MSAs as soon as possible now that battery electric HGVs are available on the UK market.
- Seed funding from the government may be required to encourage the roll out of suitable rapid charging for commercial vehicles and HGVs, especially in rural and remote areas.
- Barriers to the deployment of EV charging infrastructure on SRN A-roads include: high vehicle acquisition and energy costs, grid capacity constraints, planning regulations, chargepoint space constraints and availability, rapidly changing technology leading to equipment obsolescence - all of which damage operator confidence for investing in zero emission tailpipe vehicles, especially HGVs.
- Connections at motorway service area sites must be future proofed to meet demand from HGV drivers wishing to charge their vehicles rapidly, en route.
- A reliable booking system, that is kept up to date with sanctions enforced on drivers who flout the rules, together with chargepoints that operate to high levels of reliability, is essential for efficient and sustainable fleet operations.

About Logistics UK

Logistics UK is one of the country's largest business groups, representing the entire logistics industry and supporting, shaping and standing up for safe and efficient logistics. Our membership of more than 20,000 includes global, national and regional businesses and SMEs spanning road, rail, inland waterways, sea and air as well as the buyers of freight services, such as retailers and manufacturers. As an organisation, we deliver services, representation and thought leadership, helping members and policy makers to seize new opportunities for the sector and the economy as a whole, right across the country.

What we represent

Logistics is a sector delivering an increasingly safe, sustainable and efficient system of national infrastructure – creating opportunities across the UK and linking the UK to the global trade network. Spanning land, water and air, it delivers for everyone, everywhere, every day.

- Logistics delivers big public value on small margins, ensuring the availability of the products households, businesses and public services rely on. It moves goods more than 200 billion tonne-km within the UK per year and enables the trade of more than £1 trillion of goods, while working hard to avoid adding pressure to the cost of living. This is a challenge with fuel and energy costs at a historic high and restrictions on logistics growing.

- The sector delivers smart, green, resilient growth and jobs. It contributes £163 billion to the economy each year (12% of UK non-financial GVA), employs 2.7 million people (8.2% of the UK workforce), pays £5 billion in revenue to Treasury through Vehicle Excise Duty (VED) and Fuel Duty, in addition to other taxes. It is becoming ever more innovative and integrated – within businesses and between logistics sites and transport modes. Its key hubs provide a catalyst for further growth and investment, helping places to thrive.

- Logistics delivers for the future, as an essential system for growth. It underpins the whole economy, with an economic footprint three times larger than its direct GVA contribution, with the public sector and other private sector businesses spending 15% of their total input-related spending on logistics services per year.

Consultation response

Do you think that the RCF is or is not required to part-fund uncommercial grid connection costs on the SRN A-roads?

Logistics UK would expect most of the energy infrastructure to be owned and operated by the private sector, but as energy infrastructure develops should market failure become apparent (potentially in remote or rural areas), we would expect the Government to intervene and part-fund uncommercial grid connections on the SRN A-roads.

The government's Rapid Charging Fund was welcomed by Logistics UK to encourage installation of more rapid chargepoints at motorway service areas (MSAs) and we are seeing private sector providers rolling out more public charging points.

While the uptake of electric HGVs is currently low, government must do more to ensure that adequate public rapid charging is planned for and available for use by HGV fleet operators. It is imperative that government does more to ensure public charging will be ready to meet the demand of zero tailpipe emission HGVs so that operators have the confidence to decarbonise their fleets and to avoid inhibiting widespread deployment of these vehicles. This may require seed funding from the government to encourage the roll out of suitable rapid charging for HGVs.

In your view what, if any, market barriers are holding back deployment of EV charging infrastructure on SRN A-roads?

Barriers to the deployment of EV charging infrastructure on SRN A-roads include:

- **Costs**: As chargepoint technology is changing at pace, operators report that the costs of vehicle acquisition and total cost ownership calculations are not yet viable when compared with the cost of a conventionally fuelled vehicles. Additional to this is costs for using the public chargepoint network can be disproportionately higher than charging at depot or drivers' homes. Chargepoint installers may also be reluctant to install rapid chargepoints where there are power supply constraints, due to the high costs of increasing energy supply. Logistics UK is calling for a fair and equitable approach for funding electricity supply increases and transparency on available grid capacity to help inform investment decisions, together with DNOs adopting common approaches to costs and service agreements, as well as increasing their own capacity and accepting load balancing options.

- **Planning regulations:** The current planning system in unhelpful for delivering strategic infrastructure including that required to support EV charging and needs urgent reform.

- **Grid capacity constraints:** There must be greater transparency on available grid capacity to help inform investment decisions, together with DNOs adopting common approaches to costs and service agreements, as well as increasing their own capacity and accepting load balancing options.

- **Chargepoint space constraints:** The rapid chargepoint network must be designed with sufficient space for logistics vehicles to enable operators to maximise the efficiency of fleets. An electric charging and refuelling infrastructure roadmap designed with businesses to work for logistics vehicles, backed with clear guidance and incentives for local authorities will help to provide confidence to commercial vehicle operators that the rapid public transport network will be in place to meet their future needs.

- **Chargepoint availability**: Our members report that using the public chargepoint network can be challenging with operators reporting difficulties in locating an available chargepoint in working order that can be used by commercial vehicles. Even when the chargepoints are available and operating, the space is often too small to accommodate larger vans. Logistics UK wants to see a centralised and standardised public chargepoint system operating to high reliability standards providing accurate live availability updates and information about chargepoint space size and suitability for use by large electric vans now and for electric trucks in the future.

- **Rapidly changing technology:** Technology advances are currently happening faster than the life span of the equipment and members are concerned about investing and being left with stranded asset or diminishing residual values, so are taking a cautious approach to investing in vehicles. This in turn could hinder usage of rapid chargepoints, which could result in the rate of rapid chargepoint installations slowing.

Do you agree or disagree with the proposal to oversize connections at motorway service area sites, so they are future-proofed to meet demand in the long-term? Please explain your rationale.

Connections at motorway service area sites must be future proofed to meet demand from HGV drivers wishing to charge their vehicles rapidly, en route. Ensuring they can top up their batteries as quickly as possible will be important to ensure efficient route planning, reliable delivery timings and that HGV drivers' hours regulations are not compromised. Ensuring the land and adequate access routes are safeguarded and laying additional cabling that can handle higher voltages ready to be connected to appropriate chargepoints should be incorporated into the plans for electric vehicle charging at MSAs.

What evidence and variables do you think we should consider when forecasting annual battery electric car, van and HGV charging demand at motorway service area sites, to inform the connection size required to meet future demand out to 2050? Please supply any supporting evidence.

Logistics UK is working with the Department for Transport's Freight Energy Forum to facilitate collation of expected energy demand across the supply chain. This work is at the early stages but will help assess future energy demands from road freight as part of this work.

The results from the recently launched ZEHID trials will also be helpful to understand how ZE HGVs will perform, which in turn will provide information about charging patterns.

There should also be regular engagement with the vehicle manufacturers as plans are developed for charging requirements at MSAs. Considerable numbers of vans and HGVs that will use MSAs are from European OEMs, who will also be able to provide insight on electric vehicle roll out and their likely future energy demand on the continent.

What, in your view, would be the impact if the rapid charging fund did not include additional capacity for zero emission HGV charging infrastructure at motorway service areas as part of its scope?

It is vital that the rapid charging network also includes chargepoints that will serve HGVs; if there is no clear plan for rolling out eHGV rapid charging, this could have significant impacts on the heavy-duty vehicle sector's transition to zero tailpipe emission vehicles. This will limit UK growth and productivity, hampering the reduction in carbon emissions and ultimately, result in a real possibility that the UK will miss its decarbonisation deadlines.

Operators need to have confidence that the public charging network will be available and accessible to their drivers across the country. However, the sector currently has concerns regarding the pace of the roll out of public charge points, as it reflects a lack of sufficient urgency and a lack of consideration of the needs of the logistics sector. The focus for many local authorities has been on providing charge points for private cars, therefore the average charging bay is not designed with commercial vehicles in mind. As of 1 January 2023, there were a total of 37,055 public electric chargepoints in the UK, only 7% more than 1 October 2022, and as a result, monthly installations will need to rise by 288% to meet the 300,000 by 2030 target set by the Department for Transport (DfT).

In your view, in what timeframe should the rapid charging fund require HGV ultra-rapid charging to be available at motorway station areas?

Whilst the exact timeframes are uncertain, HGV ultra-rapid charging needs to be ready and available at MSAs as soon as possible now that battery electric HGVs are available on the UK market. This will provide confidence to operators considering electrifying their vehicle operations and those who have already started to introduce some battery electric vehicles into their fleets.

Logistics UK is calling for an agreed and co-created logistics roadmap to net zero and the phase-out of fossil fuels, based on the availability of technology, infrastructure investment, regulatory reform and tax incentives. This emission reduction plan should include the role of zero tailpipe emission technology for road vehicles and charging, and include rail electrification and shore power at ports, as well as the role of low carbon and sustainable aviation

fuels across freight transport modes to ensure the aggregate energy needs for the freight sector can be properly co-ordinated.

What, if any, other comments and concerns do you have that you would like to share regarding the RCF?

Commercial vehicle drivers work to tight timescales on their duty routes, and in the case of HGV drivers, they are bound by stringent drivers' hours regulations. It is vital that drivers of commercial vehicles can rely on being able to charge their vehicles when they arrive at the MSA.

A reliable booking system, that is kept up to date with sanctions enforced on drivers who flout the rules, together with chargepoints that operate to high levels of reliability, is essential for efficient and sustainable fleet operations.

As work is planned to install charging provision for commercial vehicles, especially HGVs, there is also an opportunity to improve truck parking and driver welfare provision to provide secure spaces for the vehicles that includes CCTV, security staff and security fencing, and facilities for the drivers that are clean and safe, with hot food and showers.

Denise Beedell, Senior Policy Manager, Logistics UK
dbeedell@logistics.org.uk

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