Supercharging the EV transition

30 January 2026

Summary

- Research by Logistics UK found that the energy requirements from logistics road freight vehicles if they all transitioned to electric by 2050 could be 32 TWh.
- Logistics underpins the UK economy, and its decarbonisation feeds heavily into the scope 3 reporting requirements for thousands of UK businesses.
- Logistics UK calls for the funding of a nationwide rollout of rapid/ultra-rapid public charge points suitable for vans and HGVs, coordinated with logistics operators and local authorities.
- Schemes such as the plug-in grants, the depot charging scheme and Zero Emission HGV Infrastructure Demonstrator programme (ZEHID) have helped early adopters begin the transition and have helped build understanding and confidence in zero-emission technologies.
- While Logistics UK understands that the government does not currently plan to include commercial vehicles within the scope of eVED, we would strongly advise against any future inclusion until the market is fully mature.

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.

Logistics underpins our economy and is fundamental to our way of life. It supplies our hospitals, schools, factories, construction sites, shops and homes with everything they need, everywhere, every day – nothing moves without it.

The efficiency of logistics and the productivity of the economy are completely intertwined. Due to this relationship, Oxford Economics found in 2023 that getting the policy and infrastructure environment right for logistics would unlock up to £8 billion a year in productivity-led growth.

However, we are not currently going in the right direction. The UK fell from 4th to 19th place in the World Bank Logistics Performance Index over the past decade, largely as a result of border friction and underinvestment in transport corridors.

Logistics is a major sector in its own right. It contributes more than £170 billion to the economy each year (12% of UK non-financial GVA), is one of the UK's largest employers, providing good jobs with strong career progression – 2.7 million people (8% of the UK workforce) are employed in logistics roles, and the sector's key hubs provide a catalyst for further growth and investment, helping places to thrive.

Response to call for evidence

How effective have Government policies been in driving EV adoption to date, and what further action is required to accelerate take-up?

Government policy has played an important role in creating initial momentum for the uptake of electric light commercial vehicles (LCVs) and heavy good vehicles (HGVs). Schemes such as the plug-in grants, the depot charging scheme and ZEHID have helped early adopters begin the transition and have helped build understanding and confidence in zero-emission technologies.

However, these measures have not yet gone far enough to enable widespread fleet transition across the sector. Logistics UK therefore welcomes the recent update to the plug-in grant but continues to highlight that additional support is needed alongside an extension of both the depot charging scheme and plug in grant. Concern around short application windows created uncertainty for operators planning long-term investments. Greater clarity and longer timescales with sustained funding is needed to give operators the confidence required to scale up investment in zero-emission vehicles. Logistics UK urges government to continue funding until at least 2030.

Further action is required to accelerate take-up, including addressing the serious regulatory misalignment between 3.5t ICE vans and their heavier 4.25t electric van counterparts which Logistics UK has long been calling to be remedied.[1] These additional regulatory requirements on the heavier electric options are placing additional administrative and financial burdens on operators who have chosen to move to these vehicles. Logistics UK strongly welcomed the introduction of legislation into Parliament to remedy this misalignment, which will mean implementation of legislative changes for zero-emission vehicles up to 4.25t.

In a recent Logistics UK report, *Powering Change: building a credible plan for decarbonising road freight*, respondents to our survey shared how barriers including higher vehicle cost, range anxiety and insufficient charging infrastructure for larger commercial vehicles is preventing the increased uptake of electric commercial vehicles. When asked, 79.3%[2] of respondents said that the introduction of a HGV mandate would have major negative impacts on their business, and could lead to the closure of the business.

In 2025, research by Logistics UK on behalf of the Department for Transport's Freight Energy Forum found that the energy requirements from logistics road freight vehicles if they all transitioned to electric by 2050 could be 32 TWh[3]. This equates to over 85% of the UK's current nuclear energy output. Despite the launch of the National Energy Systems Operator (NESO), connection queues are not prioritising strategic logistics infrastructure, for example ports and depots, which is preventing the logistics industry from electrifying. As 95% of goods enter the UK by sea, and are redistributed to road or rail, it is crucial that ports are prioritised for grid connections and upgrades to enable logistics decarbonisation whilst ensuring that the UK economy continues to operate productively. The UK's Industrial Strategy recognises the need for more efficient road and rail connections to ports but does not reference the need for UK ports to be identified as Critical National Infrastructure (CNI), and to be first in the queue for obtaining the essential grid connections and upgrades required to support EV users of the ports.

How robust is the current rate of EV take-up relative to the Government's targets?

Demand for electric LCVs has been growing over the past few years, reaching 8.7% of new LCV registrations in 2025[4]. However, this number is still well below the 16% required by the Zero Emission Vehicle (ZEV) mandate for new zero emission van sales for 2025. The ZEV mandate for LCVs in 2026 requires 24% of new vans sold by manufacturers to be zero emission.

[1] *Driving licence changes will remove barriers to adopting electric vans, says Logistics UK. February 2025.*
[2] *Powering change: building a credible plan for decarbonising road logistics. Logistics UK. November 2025.*
[3] *Exploring current and future energy demand from road freight. Produced by Logistics UK on behalf of the Department for Transport's Freight Energy Forum. June 2025.*
[4] *Van market shrinks in 2025 despite EV growth. SMMT. January 2026.*

Demand for electric HGVs has also seen growth, although much smaller. Logistics UK has regularly raised that charging infrastructure remains a key concern for fleet operators who can face waiting times for new grid connections to their operating sites running up to 15 years, with costs exceeding £1.5m. However, Logistics UK's survey responses published in our recent report *Powering Change: building a credible plan for decarbonising road freight* highlight concerns from operators, with nearly 80% not confident the government's phase-out dates for diesel HGVs will be met.[5] This lack of confidence is reflected in the slower uptake of zero emission commercial vehicles relative to the government targets.

To support further uptake of ZEVs, government must address some of the key barriers for operators. One of these challenges is that price parity between battery-electric vehicles (BEVs) and internal combustion engine (ICE) models has not yet been achieved, which means the real and expected costs of investing in ZEVs is significantly higher. In a Logistics UK survey published in our aforementioned decarbonisation report, survey respondents highlighted vehicle cost as the main barrier to electric LCV (71.4%) and electric HGV (67.9%) adoption.

Progress on electric vehicle cost has been made, with the average additional cost of a BEV over an ICE vehicle dropping from 53% in 2018 to 22% in 2024.[6] However, for an industry which operates on margins of 1%-2%, this price difference remains significant. Not only is the upfront cost still significantly higher for BEVs but given the challenges around weights and dimension restrictions for the vehicles, operators will almost certainly experience payload challenges due to BEVs being heavier and sometimes longer vehicles, meaning operators are effectively penalised twice. Extending the increased plug-in grant beyond March 2026, and at least until 2030, would alleviate some of the huge financial cost, and could support a faster EV take-up rate, helping to achieve government targets.

There are also some use cases where unpredictable routes, exceptionally heavy loads, LCVs based at home without home charging, and double-shifting vehicles, can often present practical restrictions on the uptake of BEVs regardless of cost. In these difficult use cases, the use of low carbon fuel is a more appropriate alternative to reducing emissions immediately.

How effective are existing incentives (such as the Electric Car Grant) in influencing EV take-up, and to what extent might further or different forms of support be required?

Existing incentives, including the plug-in grants, ZEHID, and the depot charging scheme are critical in supporting and influencing logistics operators to transition fleets, where possible, to EV. Logistics UK welcomed the increase in fiscal support through the plug-in grants until March 2026 but urge government to extend this funding until 2030 and beyond. The depot charging scheme was also limited in its capacity, although welcomed. Logistics UK urges the government to increase the availability of grants through the depot charging scheme and increase the fiscal support available. The process of allocating funding through the depot charging scheme could be improved through more transparency, as many members have highlighted the challenge in understanding the timelines associated with obtaining the funding they have applied for. In addition, members also raised concern about the application window. With it being only 3 months, operators felt this was not sufficient time to submit an application. In particular, delays in responses from Distribution Network Operators (DNOs) continue to create uncertainty and are holding back investment decisions, as they were not subject to the same timeline requirements as the operators who applied for the funding.

Additionally, the electric-vehicle discounts for low emission zones (LEZ) must be maintained. These existing incentives are critical to operators who support efficient logistics operations within cities where LEZs are in operation. In London, from 2026, EVs have been subjected to the congestion charge (from which they were previously exempt) further damaging the cost of operating electric commercial vehicles. To signal support for ZEV operations in London, Logistics UK would strongly support the exclusion of electric HGVs from the London Lorry Control Scheme (LLCS), which prohibits movements of vehicles greater than 18t on specified roads at specified times, notably evenings and weekends. The LLCS needs to be fully reviewed by London

[5] *Powering change: building a credible plan for decarbonising road logistics. Logistics UK. November 2025.*
[6] *Closing the gap: the progress towards affordable EVs and the rising competition from China. Jato. January 2025.*

Councils to help rebalance the situation and allow cleaner, quieter vehicles to move during hours that are currently restricted to take these vehicles out of peak traffic in the day.

Logistics UK calls for the funding of a nationwide rollout of rapid/ultra-rapid public charge points suitable for vans and HGVs, coordinated with logistics operators and local authorities. Although the UK has a significant number of charging points, these are not always suitable for larger LCVs and HGVs. To encourage further adoption of EVs, ensuring public charging infrastructure is suited to the needs of commercial operators is key to unlocking further growth.

What are the likely implications of the introduction of Electric Vehicle Excise Duty (eVED) for the wider EV transition, and what factors should guide the Government's approach to its implementation? What has been the effect of the introduction of VED on zero-emission cars since April 2025?

While Logistics UK understands that the government does not currently plan to include commercial vehicles within the scope of eVED, we would strongly advise against any future inclusion until the market is fully mature. Logistics UK calls for the government to work closely with our sector on plans for road pricing including eVED to encourage goods to be moved in the safest, most sustainable, and efficient way.

Vehicle total cost of ownership (TCO) includes all costs associated with purchasing, operating and maintaining an asset over its full lifecycle. Accurate TCO forecasting is essential for UK logistics businesses as it directly underpins commercial viability and long-term competitiveness. Operators rely on TCO calculations to determine whether an investment in ZEVs is financially sustainable. TCO analysis is particularly critical in a low-margin sector like logistics where new vehicles represent significant capital expenditure. The government has signalled its understanding of the challenge facing operators on higher EV vehicle costs through its increase in available funding through the plug-in grants, which was welcomed by Logistics UK.

Ultimately, achieving cost parity for ZEVs will depend not only on market maturity and technology, but also on policy support, including strategic investment in grid and charging infrastructure, competitive energy pricing and capital grants. This would support the sector to transition competitively and sustainably.

Logistics operators are already facing multiple challenges with the electric models for both LCVs and HGVs, and face penalties in terms of payload loss and generally higher upfront vehicle costs. Issues with the range of vehicles, and the inability to double-load operations effectively also prohibit uptake of EVs.

For logistics vehicles covering tens of thousands of miles each year, this could amount to several thousand pounds per year per vehicle. There is apprehension that new costs to electric vehicle ownership may be introduced after purchase, undermining the current incentives and adding uncertainty to investment. Logistics UK therefore strongly advises against extending the eVED to commercial vehicles (LCVs and HGVs) without extensive engagement with industry when the market has matured.

How should the Government support further development of the second-hand EV market?

The UK's commercial BEV market is still small, with just over 1000 e-HGVs on the road out of a total of around 400,000. Therefore, the second-hand BEV market for e-HGVs is particularly new. Many smaller logistics operators rely on a healthy and reliable second-hand market to procure their vehicles. BEVs are often sold at a price premium to their ICE counterparts, and so the upfront investment for these vehicles is higher. Many operators can cover these upfront costs for their new ICE vehicles because the residual value of the vehicles has stabilised, and operators can be confident in its future sale price. This is not currently the same situation for BEVs, and concerns over the unstable residual value of electric vehicles is delaying operators from investment. Additionally, battery health is a concern due to unknowns with the technology, and although limiting high power charging and keeping the state of charge between 20-80% can contribute to battery health, it is too early to tell how widespread these practices are. Logistics UK therefore supports a government commitment to support a battery health certification scheme, including through the roll out of the Euro 7 standard.

Logistics operators also face higher lease costs for BEVs because of uncertain residual values (RVs) for EVs, which is unsurprising as ZEVs are much newer to the market. Factors that feed into the RV include how valuable different parts of the vehicle will be at resale, including the large battery required for an HGV powertrain. The Green Finance Institute (GFI) has presented a position on the development of a residual value guarantee.[7] Logistics UK recommends the introduction of a residual value guarantee programme to stimulate the second-hand EV market for both LCVs and HGVs.

What are the most significant factors affecting consumer confidence in EVs, including purchase and running costs, chargepoint availability, concerns about battery longevity, safety and fire risk, and what are the best steps Government and the sector could take to address them?

BEV options do have limitations in comparison to their ICE counterparts which impact the commercial viability of the vehicles. For example, our members voice concerns around the range and payload for BEVs, particularly for larger vehicles (40t-44t). In 2025, Logistics UK's research highlighted that 40% of operators have concerns about the limited range and payload issue for electric HGVs.[8] The range capabilities advertised by manufacturers are often a best-case scenario, at optimum temperature, no incline and unloaded. Recharging time for BEVs is also significant, especially in comparison to the time required for refuelling ICE vehicles. This challenge also extends to the availability of public charging points and depots. An additional challenge faced by commercial vehicles is their size, with many public charging points being predominately accessible to smaller vehicles like cars and not being accessible to larger vehicles.

UK electricity prices are higher than in all but three EU states (Germany, Denmark and Ireland).[9] In the UK, electricity prices were 19% above the EU average in the second half of 2024. This is hindering the competitiveness of UK businesses whose operations rely on electricity and is impacting those logistics operators who have chosen to decarbonise through electrification. Electricity bills in the UK are heavily impacted by policy costs, including environmental taxes and subsidies which can be responsible for around 25% of the total cost. While these measures are important to support the green transition, they raise prices and are subsequently deterring the transition to greener technologies. For a cost-effective transition, the sector requires a 'logistics tariff' comparable to those available to Energy Intensive Industries preventing disproportionate cost for early adopters.

To address all these challenges, we seek a joint industry and government logistics decarbonisation roadmap, to give the sector greater certainty to invest and reduce the risk of stranded assets. It would also assist with equipping workers and communities with the skills needed to succeed as the sector decarbonises, by creating clear demand for new technical skills in areas such as electric vehicle maintenance, battery diagnostics, charging infrastructure and energy management. By linking investment in fleet decarbonisation and depot charging to training support, opportunities can be created not just in major cities but also in rural and port communities where logistics hubs are located. Initiatives such as Generation Logistics, a careers awareness campaign, already demonstrate how targeted outreach can attract under-represented groups, ensuring the transition is fair and inclusive. With the right investment, existing workers can be reskilled, while apprenticeships and short, flexible training programmes can help young people and career-changers enter the sector with strong green skills.

What further action is required to ensure that the rollout of EV charging infrastructure facilitates transition at the necessary rate?

The current planning process for installing EV charging infrastructure is widely seen as slow, opaque, and under-resourced. Delays in securing planning approvals increase costs for businesses and deter investment. To aid the delivery of the statutory targets, the government must continue its planning reforms to address

[7] *Residual value guarantee (RVG). Green Finance Institute. October 2025.*
[8] *Exploring current and future energy demand from road freight. Produced by Logistics UK on behalf of the Department for Transport's Freight Energy Forum. June 2025.*
[9] *Gas and electricity prices during the 'energy crisis' and beyond. House of Commons Library. November 2025.*

commercial vehicle specifications and prioritise grid connections for logistics facilities critical to transport decarbonisation. Despite the launch of the NESO, connections queues are not prioritising strategic logistics infrastructure, for example ports and depots, which is hindering the logistics industry from electrifying.

The Freight Energy Forum report published in mid-2025 highlights how the operators surveyed plan for the majority of any battery electric charging of their HGV s (76.7%) and vans (79.1%) to take place at their operating sites or depots.[10]

Therefore, the planning process must be reviewed and logistics infrastructure prioritised. One potential avenue to address these concerns would be for government to amend the Nationally Significant Infrastructure Projects (NSIP) regime to include large-scale EV charging hubs and hydrogen refuelling stations as eligible for NSIP status; and clarify that renewable energy generation/storage linked to logistics operations can qualify as infrastructure of national significance. This would be instrumental in supporting the decarbonisation of logistics that depends on the rollout of such energy infrastructure, which is often delayed under local planning.

Additionally, combined solar and EV charging applications should benefit from simplified planning procedures and improved coordination. Logistics requirements should be embedded into Spatial Development Strategies and permitted development rights expanded for renewable energy installations at logistics facilities.

How effectively is the Department for Transport addressing issues in the rollout of charging infrastructure such as affordability, geographic equity, accessibility, administration of funding, and the availability of grid connections?

The Department for Transport (DfT) engages with industry, including with Logistics UK, through the Freight Energy Forum. However, the DfT must prioritise engagement with other key government departments and bodies, including the Department for Energy Security and Net Zero (DESNZ), Department for Business and Trade (DBT) and NESO. Securing energy will be paramount to successfully decarbonising logistics and enabling operators to electrify fleets and wider operations smoothly and efficiently. A joined-up approach between DfT, DBT and DESNZ is lacking.

Additionally, the logistics industry must be prioritised and considered alongside the conversation on decarbonising passenger vehicles, which receive much more policy attention. Logistics underpins the UK economy, and its decarbonisation feeds heavily into the scope 3 emissions reporting requirements for thousands of UK businesses.

What lessons should be learned from other countries' successes or setbacks?

The EV transition has its challenges which are impacting the roll out of these technologies. Some countries have therefore taken steps to remedy these challenges.

To meet the obligations of the Climate Change Act, more flexibility to explore multiple transition pathways is required. For example, in the EU, some hydrogen combustion engines are classed as ZEVs under new heavy-duty vehicle CO2 regulations, which define ZEVs as vehicles emitting below a set threshold (e.g., <3gCO2/tkm).[11] The UK government should consider categorising hydrogen combustion vehicles as ZEVs to encourage decarbonisation and ensure alignment with the EU, as well as alignment with the progression and development of vehicle-aligned technologies which can help the UK decarbonise the transport sector. The logistics industry must be supported to continue to run efficiently and cost effectively whilst decarbonising.

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[10] *Exploring current and future energy demand from road freight. Produced by Logistics UK on behalf of the Department for Transport's Freight Energy Forum. June 2025.*
[11] *Lorries, buses and coaches. European Commission.*