UK Electric Fleets Coalition

Policy Position Statement
The UK Electric Fleets Coalition brings together the following businesses in support of this policy position statement:
Introducing UK Electric Fleets Coalition

The UK Electric Fleets Coalition, led by the Climate Group in partnership with BT Group, including Openreach, is a group of leading UK businesses advocating for an accelerated transition to electric vehicles (EVs) in the UK ahead of the crucial COP26 climate summit in Glasgow next year. This includes UK-based members of the Climate Group’s global corporate leadership initiative on electromobility EV100.

Key messages

2030: Meeting the ambition of business

The business community is ready to lead the transition. Companies are the main buyers of new vehicles and have a crucial role to play in accelerating the transition to electric transport. In the UK, three in five new cars go straight into corporate fleets before then entering the second-hand market after typically three to five years. The second-hand market will be crucial in increasing the uptake of EVs among the wider population.

EV100 members, for example, have already made combined commitments to fleet electrification that will see over 4.8 million vehicles switch to zero emissions by 2030, plus commitments to company-wide EV charging roll-out for staff and customers that will see charge points deployed at over 5,000 company locations. In the UK this includes over 700,000 vehicles and over 1,000 company locations. Government must match this ambition by taking positive policy decisions.

This updated version of the UK Electric Fleets Coalition Policy Position Statement, published in September 2020, reflects new corporate signatories. The first version was published in July 2020.
Leading companies are eager to change, but need clear signs that government will support them.

2030 is an achievable target to end the sales of the vast majority of internal combustion engine (ICE) vehicles, where it is economically and technically feasible, but, barriers remain to achieving this. The longer these barriers are in place, the more difficult it will be to achieve even the current targets. It is both crucial, but also beneficial for the UK to be a leader in this field, and the government will be supported by the UK Electric Fleets Coalition if it decides to act.

The UK opportunity

Transport is the UK’s biggest source of greenhouse gases (GHG), accounting for over a quarter of total emissions. In order to achieve the Government’s binding target of net-zero GHG emissions by 2050 (and tackle the air pollution crisis), the Committee on Climate Change recommends ending the sale of petrol and diesel cars, vans and motorcycles “ideally by 2030”.

This ambition has the support of a broad group of stakeholders across the UK, including the National Infrastructure Commission, The Times, Conservative Environment Network, the Labour Party, and more than a dozen mayors. The Government is currently consulting on ending the sale of petrol and diesel vehicles by 2035, ‘or earlier if a faster transition appears feasible’.

Electromobility is now available as a vital and viable solution that not only eliminates tailpipe GHG and particulate emissions, but also offers significant growth potential, and presents manufacturing and employment opportunities for our country. If the UK strengthens its EV policy framework, it could actually grow its automotive industry. 89% of jobs and value in UK automotive are directly transferrable to, or already invested in, EV production. Stronger EV policy could boost overall UK automotive employment from 170,000 today to 220,000 by 2040.

Global leadership

The COP26 climate summit offers a major opportunity for the UK to take a global leadership role on electromobility. It is vital to the success of the UK COP26 Presidency that the UK is seen as leading domestically if we are to convince other countries to up their ambition on Clean Road Transport, one of COP26 President Alok Sharma’s key priorities. By pursuing ambitious policies domestically, the UK can set a strong international example, and leave behind a strong legacy.
Clearing the barriers to business EV uptake

Ambitious policy frameworks are required to address the current barriers to EV uptake. While the demand from both business fleets and private owners is growing, the supply is slow in coming forward, infrastructure is lagging, and the business case for many companies remains challenging. Significant additional policy support is needed to overcome these hurdles.

Investing in the EV transition could support economic recovery

The COVID-19 pandemic is first and foremost a public health crisis, but it is also an economic crisis. Calls from academic, business and political leaders, in the UK and around the world, to align economic recovery planning with the transition to a net-zero economy, are gaining traction. In his Summer Statement, the Chancellor committed to “a green recovery, with concern for our environment at its heart”.

Net-zero and economic recovery can go hand in hand. For example, demand stimulus for fleet EV procurement could help protect workers in auto manufacturing, while a nationwide EV infrastructure roll-out could be a jobs-rich and shovel-ready national effort to put the country back to work again.
Policy recommendations

While there is significant activity within Government and industry to promote EVs and green fleets (such as the existing phase-out commitment and EV purchase grants), further action is required to accelerate EV deployment in line with the Government’s net-zero commitment.

Long-term vision

2030 phase-out

Time to be ambitious, end the debate and create certainty

The original UK phase-out date was ambitious when it was announced, but industry, the public and technology has already moved on. A 2030 date is aligned with the requirements of the Paris Agreement and the UK’s net-zero goal, as well as being a necessity for meeting the 5th Carbon budget.

- Introduce a 2030 target for 100% of new car and van sales to be full battery electric, with exceptions made for specific vehicles where it is not feasible, either economically or technically, to do so.

Stimulating supply

Lack of supply and choice of electric commercial vehicles is the leading barrier cited by EV100 members that is limiting EV uptake. Manufacturers need to accelerate the release and development of electric commercial vehicles if any phase-out target is achievable.

Zero emission vehicle mandate

Underpin the accelerated ICE phase-out with a clear trajectory to increase supply of zero emission vehicles

- Introduce requirement for all manufacturers to ensure an annually increasing percentage of vehicle sales is zero-emissions.

- The positive impact of a clear trajectory is already demonstrated in the policy examples set by California and China, the two biggest global markets for EVs.
Emissions standards

The UK needs to stay competitive with EU vehicle CO2 regulations

- EU emission standards have been a key driver in making vehicles more efficient and pushing electric vehicle supply.
- Ambitious standards set a clear direction for car makers to shift investment and bring forward new technologies.
- The UK must provide certainty to the market post Brexit and maintain standards of at least the same level of ambition.

R&D investment

Prioritise EVs within the Industrial Strategy

- Make EVs, charging, grid infrastructure, and electric commercial vehicles a major pillar within the UK’s commitment to invest 3% of GDP in R&D.

Driving demand

Upfront cost remains a significant barrier to uptake, with the capital cost of electric vans as much as double that of ICE alternatives. We need to commit to bridge the gap in cost until the tipping point has been achieved.

Incentive schemes

Shift the purchasing habits of companies

- Continue grants for electric vehicles and charging installations until price parity is reached.
- Extend incentives for electric vans (including more attractive grants for more expensive vans) and maintain capital allowances for companies.
- Introduce financial incentives for second hand EVs, such as the lifetime tax-free measures in Norway.

Fiscal measures

Send clear signals that the future is electric

- Fleets operate on a three to seven year cycle, and need certainty to plan.
- Set long-term incentives for EV uptake by guaranteeing the continuation of favourable vehicle excise duty and emissions-based company car tax regimes.
- Give long term certainty for the Benefit in Kind relief for company vehicles.
Investing in the UK’s infrastructure

The UK’s energy infrastructure is already undergoing a radical overhaul as renewables have become cheaper and technologies are becoming smarter, but the grid infrastructure still lags behind.

The next two years will see decisions that will shape the next two decades. We need a smart and flexible grid that facilitates the change we are seeing across energy, heat and transport. Specifically, for EVs, there remain significant barriers to home and street charging, interoperability and capacity.

Charging networks

Ensure seamless access to infrastructure across the whole country

- Focus support for charging infrastructure, such as the £500 million announced at Budget 2020, to areas that will have the biggest impact, such as interoperable charging infrastructure, fast charging, access to overnight charging, and roll-out to areas where the commercial case is harder to make.

- Ensure greater coordination across local authorities and devolved administrations, to create an easier-to-navigate environment for planning, funding and infrastructure decisions.

- Cut red tape that inhibits the roll-out of charging at leased premises and extend incentives to support customer charging at retail locations.

- Introduce a ‘presumption of approval’ for EV charging on leased properties, and ensure fairer charging for installation costs to avoid a perverse lottery on companies unlucky enough to be the installation that tips capacity.

- Ensure wide interoperability over charge-points to provide universal coverage.

- Bring forward the update to Building Regulations to ensure new properties, developments and offices have sufficient fast-charging integrated to be fit for the future.

Pursuing policies towards a smarter grid could save money for consumers and businesses, and reduce emissions from power generation.

Smart charging and vehicle to grid could add £2bn value to the GB electricity system under a 2030 100% EV sales target.
Grid readiness

Ensuring we have an electricity system fit for the future

- EVs have the potential to add flexibility and resilience to the grid, smooth out demand, utilise excess renewable generation, and provide power back to the system through vehicle to grid.

- Pursuing policies towards a smarter grid and other smart technologies should be a priority and will save consumers money.

- The electricity system and distribution network operators should introduce a ‘flexibility first’ approach when looking at upgrades to capacity, before resorting to expensive grid infrastructure.

- Working with business, ensure funding streams for the electricity system and distribution network operators to ramp up the delivery of the charging network and make installation of fast-charging less onerous.

- Working with the regulator, ensure that the appropriate mechanisms are in place for electricity network owners to make the required anticipatory network investment needed to facilitate the uptake of EVs.

Smart charging and vehicle to grid could add £2bn value to the gb electricity system under a 2030 100% EV sales target

References

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5 https://www.wwf.org.uk/sites/default/files/2018-03/Final%20-%20WF%20-%20accelerating%20the%20EV%20transition%20-%20part%201.pdf#page=14
6 https://faraday.ac.uk/publications/ev-economics-study/
The UK Electric Fleets Coalition brings together the following businesses in support of this policy position statement:
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**EV100**

EV100 is a global initiative by the Climate Group bringing together forward-looking companies committed to accelerating the transition to electric vehicles (EVs), to make electric transport ‘the new normal’ by 2030. Electric transport offers a major solution to climate change, as well as curbing air and noise pollution. Businesses can lead through their investment decisions and influence on millions of staff and customers worldwide. By joining EV100 they increase demand, drive mass roll-out, and make electric cars more rapidly affordable for everyone. In driving corporate EV uptake, the Climate Group works closely with regional engagement partners Ceres and Japan Climate Leaders Partnership.

Visit [TheClimateGroup.org/EV100](https://www.theclimategroup.org/)

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For more information, visit [www.openreach.co.uk](http://www.openreach.co.uk)

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