The voice of the energy industry

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*Sent via email to TDP@dft.gov.uk*

## Energy UK submission: Transport Decarbonisation Plan

Energy UK welcomes the opportunity to contribute to the development of the Transport Decarbonisation Plan. Please see below the key points from our submission, an introduction to Energy UK and our full response.

Key points that we would like to emphasise from our response include:

- **Zero emissions cars and vans:** battery electric vehicles (BEVs) are the way to cut emissions from cars and vans. Their rapid uptake over the next decade must be a top priority to meet our fifth carbon budget and our 2050 net zero target.

- **An ambitious phase out date**: Energy UK supports phasing out the sale of new internal combustion engine (ICE) vehicles and plug-in hybrid vehicles by 2030 in light of the significant environmental, economic and financial benefits of an ambitious electric vehicle uptake. Our full positioning on this can be found in the Energy UK 203X submission.

- **Power sector readiness:** Providing that the appropriate frameworks are in place to support low carbon generation, deliver flexibility markets and incentivise smart charging, we do not anticipate any problems in delivering the additional electricity that will be required with a 2030 phase out target and the rapid electrification of road transport. Government should however set a policy objective within the Energy White Paper for deployment of flexibility as an enabler of meeting net zero at least cost.

- **Targeted Government support:** A rapidly growing EV market over the next 3-5 years is absolutely critical if we are to decarbonise road transport. We will also continue to need an effective package of support to increase EV sales, in particular in relation to their upfront cost and to address market failures in the provision of EV charging sector in some geographic areas. We acknowledge, however, the need to phase out support over time as the cost of EVs comes down and the chargepoint network develops.

- **Heavy Goods Vehicles** (HGVs): Unlike for cars and vans there is not yet a clear winner for HGVs. Trials and pilots of zero emission HGV technologies and refuelling/charging infrastructure, alongside other electrical infrastructure such as overhead lines, will be important to develop the evidence base, as argued by the Committee on Climate Change. Alongside this, technology neutral policies and regulations need to be put in place, in tandem with our European neighbours, to incentivise the switch away from fossil fuels and start delivering tangible progress.

Please do get in touch if you have any questions or would like further information.

Sincerely,

Joseph Cosier
Policy Manager
Energy UK
Joseph.Cosier@energy-uk.org.uk
26 Finsbury Square (1st Floor)
London
EC2A 1DS

# Energy UK submission: Transport Decarbonisation Plan

## Introduction to Energy UK

Energy UK is the trade association for the GB energy industry with a membership of over 100 suppliers, generators, and stakeholders with a business interest in the production and supply of electricity and gas.

Our membership covers over 90% of both UK power generation and the energy supply market for UK homes. We represent the diverse nature of the UK's energy industry – from established FTSE 100 companies, right through to new, growing suppliers, generators and other market participants including aggregators, software providers and electric vehicle (EV) chargepoint operators.

Energy UK members are fully committed to the uptake of electric vehicles, which are powered by increasingly low carbon electricity. They are very active across the EV space, offering EV tariffs, smart charging and vehicle to grid, leasing EVs either directly or in partnership with other companies, and installing chargepoints in homes, businesses and in the public domain.

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**What do you think government should be doing to reduce the greenhouse gases that are produced from:**

- **cars?**
- **buses and coaches?**
- **vans and lorries?**
- **passenger rail?**
- **aviation?**
- **freight?**
- **maritime?**
- **other transport?**

For **cars and vans**, BEVs already offer a compelling proposition for private and commercial cars and vans, a trend that is set to continue as their upfront cost drops, more models are brought to market and charging infrastructure continues to improve. To ensure that the UK is able to seize the opportunities of BEVs and reduce emissions for cars and vans, Energy UK believes that Government should:

- Bring forward the phase out date for internal combustion engine vehicles and plug-in hybrid electric vehicles to 2030.
- Link the Plug-in Car Grant (PICG) to the market share of EVs, communicating in advance the milestones that will trigger a gradual reduction to zero, and provide a timeline for removal of the OLEV chargepoint grants, such as the EV Home Charging Scheme and the Workplace Charging Scheme
- Take forward the Rapid Charging Fund / Project Rapid and the strategic review of charging infrastructure without delay and commit to support the deployment of EV charging where it is not viable for the market to do so but where there is an unmet need, recognising that access to charging has an important public good element to it. Ultra-rapid chargers in strategic locations and on-street charging in particular are likely to need support.
- Introduce a robust regulatory and taxation framework that encourages drivers to adopt zero emission vehicles and deters the purchase and use of non-ZEVs, including through fuel duty, vehicle excise duty (VED), company car tax and $CO_2$ standards. This framework should work hand-in-hand with the grant schemes, all of which should be pulling in the same direction. Please see the Energy UK responses on VED (which will be submitted shortly) and $CO_2$ standards for further details.
- To identify and address EV charging infrastructure gaps, local authorities should be resourced to develop local EV chargepoints plans within Local Area Energy Plans. This would enable a more cost-effective development of electricity distribution systems and local flexibility options.

As well as empowering local authorities to help accelerate transport decarbonisation, heat zoning could also be included with LAEPs to deliver similar benefits for heat decarbonisation.

- In its recent annual report to parliament the CCC[1] noted that EV charging infrastructure should aim to fulfil 'something approaching a universal service expectation'. This should be explored further to assist the delivery of the necessary EV charging infrastructure at home, in transit and at destination to give drivers the confidence to make the switch to an EV, especially in light of the points above on LAEPs, on-street charging and ultra-rapid chargers.

Our positioning on these points is laid out in more detail in the Energy UK response to the 203X consultation, which you can find here.

For **larger vans and lorries**, it is less obvious at present which technology or technologies offer the best way to decarbonise. Different usage patterns will likely work better for different technologies, for instance battery electric vehicles could be suitable for fixed route use cases whereas very long-distance trucking may require a different solution. In line with the Committee on Climate Change's recommendations in its Net Zero report[2], we believe Government should set out a full programme of zero emission HGV and charging/refuelling infrastructure trials and pilots to build up a full picture of their capabilities and emissions reduction potential. A timeline for this activity will need to be clearly laid out. Consideration should also be given to the potential of transition fuels, providing that their usage is consistent with the rollout of zero emissions HGVs that comes later.

The CCC states that a decision will be needed by the late 2020s on the preferred solution(s) to ensure deployment during the 2030s however we cannot wait until then to start making progress. Where available, no regret options such as upgrading network connections to future proof the grid should be explored. Technology neutral policy levers, including support and regulation, should also be used to kickstart the transition away from fossil fuels. Technology-neutral levers ensure that the most appropriate technologies for the circumstances are deployed, enabling progress to be made without Government having to pick a winner.

Government will need to put in place a full policy package, at least as comprehensive as what we currently have in place for cars and vans. Grants for vehicles and charging/refuelling infrastructure, vehicle taxation and regulatory levers will all need to be applied and will need to be consistent with those in place for cars and vans.

The **bus** market is already seeing progress with low and zero emission vehicles actively being rolled out across the country. As with ultra-rapid charging, the connection cost to install chargepoints for buses can be a significant barrier and will need to be addressed to successfully scale up the rollout of electric buses. The supply of buses, as with cars and vans, is currently slowing down the transition. If this continues beyond the very short-term Government should keep all options on the table to ensure the UK market is adequately supplied with zero emissions vehicles. Buses are a source of pollution in urban areas and often across lower socio-economic areas where the effects of pollution upon health seem to be higher, switching to low and zero emissions buses can therefore deliver significant benefits and should be a priority as part of the Transport Decarbonisation Plan.

For the **maritime** sector there will be both hydrogen (and related fuels) and electrification options which will require significant charging/refuelling infrastructure in and around ports for use in shipping as well as onward freight transport. Given the size for the respective energy demands, a strategy for port/freight decarbonisation should be considered to ensure the charging and refuelling infrastructure can be in place for shipping and its onward freight transport via road and rail. In addition, given the development of low carbon hydrogen in and around some of the biggest ports in the country, there should be greater coordination between the work with the work of BEIS on industrial decarbonisation.

[1] https://www.theccc.org.uk/publication/reducing-uk-emissions-2020-progress-report-to-parliament/
[2] https://www.theccc.org.uk/publication/net-zero-the-uks-contribution-to-stopping-global-warming/

For all of the sectors noted above, there is question of the value that targets for new and operational vehicles can provide in providing clarity in developing appropriate charging and refuelling infrastructure, and end dates for corporate fleets, taxis, buses and trains should be considered.

## Local journeys

**What, if any, changes to reduce the greenhouse gases produced by your local transport, would you like to see made?**

While zero emission vehicles will be essential to meeting our net zero target it is clear that we should also proactively seek to reduce passenger miles where possible, promote active travel and encourage the use of public transport. Others are better placed than Energy UK to advise on the best policy measures to deliver these outcomes but they will undoubtedly be an important part of meeting our decarbonisation targets, alongside the switch from ICE vehicles to ZEVs.

Supporting active travel and public transport, including by rolling out low and zero emission buses to ensure the latter is as clean as possible, will be important for improving local air quality, cut carbon emissions and health outcomes. Clean air zones can complement this work, to cut emissions from the journeys that can only be made in a private vehicle.

**What, if any, examples of good transport initiatives in your local area do you have (with a particular focus on low or zero emission initiatives)?**

Please see member responses.

## Longer journeys

**What changes would you like to see that will help to reduce the greenhouse gases produced from longer journeys?**

Please see our comments above on decarbonising heavy goods vehicles.

For passenger vehicles it will be important to provide drivers with the confidence that charging facilities will be available for their longer journeys. The Rapid Charging Fund will be an important part of that, to support the deployment of ultra-rapid chargers at strategic locations.

As argued in our 203X response, Government intervention into the EV charging sector should be limited to instances where commercial provision is not currently viable but where there is an unmet need. Targeted intervention where there is such a market failure is absolutely the right approach. Blanket support for public charging infrastructure is not needed or appropriate. Ensuring adequate coverage of ultra-rapid chargers in key locations is a public good and support for the connection cost is appropriate and will support the EV uptake. The Energy UK Electric Vehicle Working Group is currently developing its thinking on the Rapid Charging Fund which will be shared with OLEV in due course to help inform its thinking.

## Purchasing goods

**What action do you think government should take to reduce the greenhouse gases produced from the: distribution of goods across the country? delivery of goods to shops or residences?**

Please see member responses.

## Travel choices

**Do you find it:**

- **easy to make informed travel choices in relation to the emissions produced?**

- **difficult to make informed travel choices in relation to the emissions produced?**

No response.

## Information to inform travel choices

**What information would you find helpful in making those choices?**

- **The approximate measurement of greenhouse gases emitted as a result of your journey**
- **A comparison of the greenhouse gases emitted as a result of your journey relative to other forms of transport**
- **A comparison of the greenhouse gases emitted as a result of your journey relative to other lifestyle choices**
- **Don't know?**
- **Other:**

No response.

## Final comments

**What other views do you have on how to decarbonise the UK transport network? Any other comments?**

The interplay between the transport sector and energy system is a vital part of cutting transport emissions. Energy sector emissions have been cut by 72% since 1990. There is now an important opportunity to leverage that progress and cut emissions in the transport sector through battery electric vehicles. To do so, Government must set out an ambitious set of policies to encourage their adoption, as set out in our response to the first question.