

Rt Hon Chris Grayling MP
Secretary of State for Transport
Department for Transport,
Great Minster Houss,
33 Horseferry Road,
London, SW1P 4DR

21st May 2018

Dear Secretary of State

Energy industry call for greater ambition on electric vehicles

Energy UK is the leading 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 for domestic and business consumers.

We are writing to express our support for the Government's commitment to end the sale of internal combustion engines (ICE) vehicles and commend it on the leadership it is providing in this area. Government policy has supported significant progress, with over 130,000 electric vehicles on the roads and 15,000 charge points installed across the UK. However, we believe, as highlighted in the Committee on Climate Change (CCC) assessment of the Clean Growth Strategy, more needs to be done if we are to meet the 2050 target of nearly all cars and vans being zero emission.

Given the urgency of air quality improvement and the range of potential benefits of decarbonising transport, Energy UK believes that the UK could be more ambitious and proactive in its efforts. We are, therefore, calling on you to commit to phasing out the sale of conventional ICE vehicles entirely by 2035 at the latest, and to extend that target to the sale of new hybrid vehicles and plug-in hybrids with less than a 50-mile zero emission range, in line with the position of the Secretary of State for the Environment, Food and Rural Affairs. In addition, as a minimum interim target, Energy UK believes that Government should commit to achieving a market share for electric vehicle sales of at least 30 per cent by 2030 by signing up to the EV30@30 campaign.

The UK energy industry welcomes the Government's commitment to electric vehicle uptake and, if taken forward, stands ready to support an even higher level of ambition, delivering benefits to society, in cleaner air, and the environment, by reducing carbon emissions. The energy industry has an important role to play in supporting the uptake of electric vehicles and Energy UK members are already taking a lead in this area, maintaining the already significant progress made in decarbonising energy supply and developing new tariff and product offerings that bring together energy and transport services. We are confident that the energy system will be able to deliver a more ambitious target to phase out ICE vehicles and are committed to ensuring that the power sector can support the decarbonisation of transport.

Bringing forward the 2040 vehicle target

Bringing forward the 2040 commitment to at least 2035 would further reinforce the Government's ambition on electric vehicles as laid out in the Clean Growth Strategy and Industrial Strategy and strengthen the delivery of the UK's climate change targets and help contribute to the decarbonisation of the UK economy. This would also offer the UK the chance to become a world leader in clean transport technology, enabling industry to deliver on the economic and environmental opportunities that e-mobility presents.

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Whilst a 2035 target would allow the minimum time for the approximate 15-year turnover period for the stock of cars and vans to run its course before 2050, a 2030 phase-out date also warrants significant consideration. Recent analysis undertaken by Vivid Economics for WWF estimates that bringing the target forward to 2030 delivers an additional £2.1bn of GVA, increases the UK's share of the EU light electric vehicle market from 36 to 47 per cent and increases UK electric vehicle production by 210,000 vehicles a year.

Ending the sale of new hybrid vehicles

Beyond bringing forward the date of the target, the target itself needs to be robust and ambitious in its scope. Energy UK believes that phasing out the sale of new hybrid vehicles and plug-in hybrid vehicles with less than a 50-mile zero emission range, along with conventionally fuelled vehicles, is achievable and proportionate. A 50-mile zero emission range is already possible with existing electric vehicle technology, as such we believe this should be set as a minimum level of ambition as part of the phase-out target.

The UK already has significant strengths when it comes to electric vehicles with an established automotive supply chain, a history of engineering excellence, a dynamic business environment and world leading research centres, such as the government-funded Faraday Institution. Building on these strengths with ambitious and measurable targets offers a way for the UK to demonstrate leadership and create advanced industries rich with jobs, in line with the ambition outlined in the Industrial Strategy.

The EV30@30 campaign

As we work towards phasing out conventionally fuelled vehicles, Energy UK believes that Government should sign up to the EV30@30 pledge, thereby committing to achieve a market share for electric vehicle sales of at least 30 per cent by 2030. The UK is part of the International Energy Agency's Electric Vehicles Initiative, a multi-government policy forum dedicated to accelerating the introduction and adoption of electric vehicles worldwide. But in 2017, when the initiative launched its EV30@30 campaign, setting a goal for supportive nations to collectively reach a 30 per cent sales share for electric vehicles by 2030, the UK did not sign up.

The Clean Growth Strategy set an ambition for between 30 and 70 per cent of new cars and up to 40 per cent of new vans to be Ultra Low Emission Vehicles (ULEVs) by 2030. The CCC recommends that a more ambitious 60 per cent of new car and van sales should be ULEVs by 2030 and the Scottish Government has set its own ICE vehicle phase-out date of 2032. As such, we would like to see the Government join Canada, China, Finland, France, India, Japan, Mexico, Norway and Sweden in participating in the EV30@30 pledge as a minimum interim target. In signing up to the EV30@30 pledge, the Government would further signal its intent to industry and international partners of its commitment to progressing the decarbonisation of transport.

We would be happy to discuss the issues raised in this letter in more detail and would welcome the opportunity to collaborate further with Government in supporting in the uptake of electric vehicles.

If you have any questions please contact me at Lawrence.slade@energy-uk.org.uk.

Yours sincerely,



Lawrence Slade
Chief Executive, Energy UK

Cc.

Greg Clark MP, Secretary of State, Business Energy and Industrial Strategy
Claire Perry MP, Minister for Energy and Clean Growth
Baroness Sugg, Parliamentary Under Secretary of State, Department of Transport