REA Members Briefing on DfT Road to Zero Strategy document, July 2018

The DfT published the long-awaited "Road to Zero" strategy today. High-level takeaways are more funding for home and destination charging, a consultation for new regulations for on-street infrastructure and new build homes, plans to replace EV grants with tax breaks post 2020, and to mandate a "uniform" method of access to charge points to end the various membership-based schemes.

DfT are setting up of a new government group, the "Road Transport Emissions Advice Group" and there was also a host of low-hanging fruit, with a total of 46 new policy announcements.

NGOs and campaigners will no doubt focus on the 2040 low-carbon emission sales target remaining, and the selection of the consulted upon middle option of 50% for the 2030 interim target.

There is still no definite decision on E10, although there was some very positive language used about Biofuels in the consultation.

A full run-down of the proposed policies is outlined below, which will entail dedicated consultations, the REA will keep members updated on these and will be feeding in comments.

The REA has issued the following press comment this morning. Loko out for further reports and analysis from the REA shortly –

Encouraging starting point for electric vehicles
James Court, Head of Policy & External Affairs, Renewable Energy Association said:
"The Road to Zero strategy is a very encouraging starting point which will address some of the most immediate challenges for electric vehicles. Charging infrastructure is consistently stated as one of the biggest hurdles for consumers, and this strategy promises very welcome funding and new regulations for home, work and motorway charging.

"Electric Vehicles and charging infrastructure are key to the future decentralised energy system that will lead to a smarter, cleaner and cheaper market, but we need to make sure we are having a no regrets revolution, and that starts with ensuring we are putting in smart chargers that will give homeowners and the grid flexibility.

"The government also needs to make sure we are not overlooking easy and cost effective solutions for better air quality and climate targets available right now, with biofuels able to provide significant reductions in road transport immediately, starting

with the introduction of E10 which would double the amount of renewable fuels currently in the fuel mix."

Policy proposals at a glance

Government say their "*mission is to put the UK at the forefront of the design and manufacturing of zero emission vehicles, and for all new cars and vans to be effectively zero emission by 2040. As set out in the NO_2 plan, we will end the sale of new conventional petrol and diesel cars and vans by 2040. By then, we expect the majority of new cars and vans sold to be 100% zero emission and all new cars and vans to have significant zero emission capability. By 2050 we want almost every car and van to be zero emission. We want to see at least 50%, and as many as 70%, of new car sales and up to 40% of new van sales being ultra-low emission by 2030. We expect this transition to be industry and consumer led, supported in the coming years by the measures set out in this strategy. We will review progress towards our ambitions by 2025. Against a rapidly evolving international context, we will seek to maintain the UK's leadership position and meet our ambitions, and will consider what interventions are required if not enough progress is being made."*

Biofuels references, DfT Road to Zero Strategy

The Strategy states that: *There is also an opportunity to increase the amount of bioethanol in petrol, from up to 5% today to up to 10%. This is known as E10. E10 has been part of the industry standard for petrol since March 2013, and became the mandated reference fuel for official testing of fuel consumption and emissions for new models in March 2016.*

Bioethanol offers greenhouse gas savings compared to fossil fuels, even when taking other factors such as indirect land use change into account. A vehicle using E10 would emit around 2% less CO2 than one using E5 (petrol with up to 5% bioethanol) for the same distance travelled.

Suppliers have the option of introducing E10 today, but there are some challenges to deployment, in particular incompatibility with some older (pre-2000) petrol vehicles. The Government is working with industry to facilitate any future introduction of E10 petrol to ensure that it is managed carefully, avoiding unreasonable cost rises for consumers, and ensuring ongoing availability of fuel suitable for older petrol vehicles.

Policy Proposals in the DfT Road to Zero Strategy

Government will reduce emissions from the vehicles already on UK roads by:

1. Increasing the supply and sustainability of low carbon fuels in the UK through a legally-binding 15-year strategy to more than double their use, reaching 7% of road transport fuel by 2032.
2. Taking action against garages offering the removal of emissions reduction technology, working with the DVSA, VCA and industry to ensure our regulatory and enforcement regimes give us the levers we need to tackle this problem.
3. Extending the Clean Vehicle Retrofit Accreditation Scheme (CVRAS) beyond buses, coaches and HGVs to include vans and black cabs.

4. Taking steps to accelerate the adoption of fuel-efficient motoring by company car drivers, businesses operating fleets, and private motorists.

Government will drive uptake of the cleanest new vehicles by:
5. Pursuing a future approach as we leave the European Union that is at least as ambitious as the current arrangements for vehicle emissions regulation.
6. Continuing to offer grants for plug-in cars, vans, taxis and motorcycles until at least 2020. The plug-in car and van grants will be maintained at the current rates until at least October 2018. Consumer incentives in some form will continue to play a role beyond 2020. The Road to Zero: Next steps towards cleaner road transport and delivering our Industrial Strategy 2
7. Consulting on reforming Vehicle Excise Duty to incentivise van drivers to make the cleanest choices when purchasing a new van.
8. Leading the way by ensuring 25% of the central Government car fleet is ultra-low emission by 2022 and that all new car purchases are ultra-low emission by default. Committing to 100% of the central Government car fleet being ultra-low emission by 2030.1
9. Launching a 2018/19 Go Ultra Low campaign and continuing to work with industry on consumer communications about ultra-low emission vehicles until at least 2020.
10. Setting up a new Road Transport Emissions Advice Group, bringing government, industry and consumer groups together to help ensure clear and consistent consumer messaging and advice on fuel and technology choices.
11. As set out in the Clean Air Strategy consultation, legislating to enable government to compel vehicle manufacturers to recall vehicles for an environmental nonconformity or failure, and to make tampering with emissions control systems a legal offence.
12. Supporting the early market for used ultra-low emission vehicles by producing guidance, funding training and making appropriate changes to the DVLA V5 documentation.
13. Launching a call for evidence on particulate emissions from tyre, brake and road wear to improve our understanding of these emissions and consider options for how they might be reduced.
14. Continuing to take a technology neutral approach to meeting our ambitions.

Government will reduce emissions from heavy goods vehicles (HGVs) and road freight by:
15. Introducing a new voluntary industry-supported commitment to reduce HGV greenhouse gas emissions by 15% by 2025, from 2015 levels.
16. Launching a joint research project with Highways England to identify and assess zero emission technologies suitable for HGV traffic on the UK road network.
17. Working with industry to develop an ultra-low emission standard for trucks.
18. Undertaking further emissions testing of the latest natural gas HGVs to gather evidence that will inform decisions on future government policy and support for natural gas as a potential near-term, lower emission fuel for HGVs. 3 Policies at a glance

Government will put the UK at the forefront of the design and manufacturing of zero emission vehicles by:
19. Making the biggest increase in public investment in R&D in our history (towards a target for total R&D investment of 2.4% of GDP by 2027) and increasing the rate of R&D tax credit to 12%.

20. Fulfilling our commitment to provide £246 million to research next generation battery technology through the Faraday Battery Challenge.
21. Working with industry to set an ambition for a UK content target for the ultra-low emission vehicle supply chain that is at least as ambitious as for conventional vehicles, as we look to secure investment in battery manufacturing in the UK.
22. Launching a new supply chain competitiveness and productivity improvement programme targeting areas where key businesses need to improve to match the best in Europe.
23. Working with the Institute of the Motor Industry to ensure the UK's workforce of mechanics are well trained and have the skills they need to repair these vehicles safely, delivering for consumers.
24. Working with the Office for National Statistics to extend their data collection to include jobs and exports attributable to both low and ultra-low emission vehicle technologies.
25. Making sustainable supply chains a key theme of our Zero Emission Vehicle Summit in September 2018.

Government will support the development of one of the best electric vehicle infrastructure networks in the world by:
26. Launching a £400 million Charging Infrastructure Investment Fund to help accelerate charging infrastructure deployment.
27. Taking powers through the Automated and Electric Vehicles Bill to ensure:
● that chargepoints are available at motorway service areas and large fuel retailers;
● that chargepoints are easily accessed and used across the UK. This includes powers to provide a uniform method of accessing public chargepoints and refuelling points; make certain information publicly available in an open and transparent format and set reliability standards; and
● that chargepoints are smart ready by giving government powers to set requirements prohibiting the sale or installation of chargepoints unless they meet certain requirements. The Road to Zero: Next steps towards cleaner road transport and delivering our Industrial Strategy
28. Ensuring the houses we build in the coming years are electric vehicle ready. It is our intention that all new homes, where appropriate, should have a chargepoint available. We plan to consult as soon as possible on introducing a requirement for chargepoint infrastructure for new dwellings in England where appropriate.
29. Future-proofing our streets. We want all new street lighting columns to include charging points, where appropriately located, in areas with current on-street parking provision.
30. Continuing to provide grant support through the Electric Vehicle Homecharge Scheme (EVHS) until March 2019, with installations becoming smart enabled.
31. Increasing the grant level of the Workplace Charging Scheme from £300 per socket to 75% of the purchase and installation costs of a chargepoint capped at a maximum of £500 per socket.
32. Reviewing the provision of residential chargepoint infrastructure for those who have communal parking facilities, or do not own their own home, as part of the Law Commission's work to review and reinvigorate the commonhold tenure in England and Wales.
33. Investing £4.5 million in the On-street Residential Chargepoint Scheme until 2020.
34. Consulting in summer 2018 on a proposal to increase the height limit for the Permitted Development Right in England for the installation of electric vehicle chargepoints in designated off-street parking spaces.

35. Ensuring local planning policies incorporate facilities for charging electric vehicles via the National Planning Policy Framework.
36. Consulting on amending Building Regulations to require relevant charging provision in new non-residential buildings.
37. Launching the process for a R&D programme of up to £40 million by summer 2018 to develop and trial innovative, low cost wireless charging and public on-street charging solutions that can be deployed across entire residential streets.
38. Continuing to future proof the Strategic Road Network by running a pilot to increase electrical capacity at a motorway service area working closely with Highways England.
39. Launching an Electric Vehicle Energy Taskforce to bring together the energy and automotive industries, in order to plan for future electric vehicle uptake and ensure the energy system can meet future demand in an efficient and sustainable way.
40. As part of the forthcoming call for evidence on last mile deliveries, gathering further evidence of any key network connection infrastructure barriers, which may prevent further uptake of ultra-low emission vehicles, specifically for fleet operators.
41. Launching an electric vehicle chargepoint design competition.
42. Monitoring market developments to determine whether any significant gaps in charging infrastructure provision appear over the medium term, and considering whether there may be a case for direct central government support in areas of market failure, which may include rural areas.

Government will support local action by:
43. Fulfilling a £48m ultra low emission bus scheme funding round to accelerate uptake and deployment of supporting infrastructure.
44. Launching a second round of funding for local authorities to roll out dedicated taxi charging infrastructure. We will make available a minimum of £6 million to support more local areas to make the switch.
45. Setting out definitions of ultra-low and zero emission vehicles that local areas may adopt.
46. Running a series of roadshows across the UK on best practice approaches to driving the uptake of ultra-low emission vehicles.

Government will support charging at home by:
● ensuring the houses we are building over the coming years are EV ready. It is our intention that all new homes should have a chargepoint available. We plan to consult as soon as possible on introducing a requirement for chargepoint infrastructure for new dwellings in England where appropriate and will look at how to achieve this in the most cost effective way, mindful of the Government's Housing supply objectives. Source: Go Ultra Low 83 Part 3: Infrastructure
● continuing the Electric Vehicle Homecharge Scheme (EVHS) to provide grant support for EV drivers installing a dedicated domestic EV chargepoint;
● maintaining the EVHS grant at £500 (capped at 75% of costs) until March 2019, or until 30,000 installations in 2018/19 have been supported, whichever is sooner;
● reviewing grant levels on at least an annual basis, with a view to removing grant support as uptake increases and the market becomes self-sustaining;
● working with industry to set requirements for smart chargepoints, so the impact of EV charging on the electricity system can be managed; and
● considering how to best ensure all types of residential property owners, including leaseholders or legal occupants with private off-street car parking are able to access a chargepoint for their plug-in

On-street charging support

● DfT will make £4.5 million grant funding available to 2020 for the On-street Residential Chargepoint Scheme (ORCS) for local authorities who remain best placed to support infrastructure roll-out on publically owned residential streets;

● future-proof our streets: we want all new street lighting columns to include charging points, where appropriately located, in residential areas without off-street parking provision. To help local authorities deliver this, we will update the Well Managed Highway Infrastructure Code of Practice and the Network Management of Traffic Equipment Code of Practice – that highway authorities refer to as part of the management and maintenance of their assets – to include a section on the benefits of introducing EV lamppost charge points. We will also work with local authorities and the local government Association to raise awareness of the updated codes and encourage best practice;

● fund the Energy Saving Trust to assist more local authorities, share more knowledge and expertise and directly support the development of more EV infrastructure delivery plans and applications to the on-street scheme;

● launch the process for a R&D programme of up to £40 million by summer 2018 to develop and trial innovative, low cost wireless charging and public on-street charging solutions that can be deployed across entire residential streets; and Source: Go Ultra Low 85 Part 3: Infrastructure

● make available a minimum of £6m of funding to support more local areas to install dedicated on-street infrastructure to support ultra-low emission taxis.

Work based charging support

● DfT will increase the levels of the Workplace Charging Scheme (WCS) to provide up to £500 off the installation costs of charging sockets deployed at workplaces for consumers and fleets. A further £4.2m commitment could see over 8000 sockets installed before the end of March 2019. *Source: Go Ultra Low The Road to Zero: Next steps towards cleaner road transport and delivering our Industrial Strategy*

● DfT will legislate so that no benefit in kind liability arises for employees who charge their own electric and plug-in hybrid vehicles at work. Although the legislation will not be introduced until Finance Bill 2018-19, the policy has been in effect since 6 April 2018, to provide certainty for employees and remove a barrier for employers who are currently considering the installation of chargepoints.