

Driving Towards a Sustainable Future: the Expanding Landscape of e-LCVs

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The electric light commercial vehicle (e-LCV) market is enjoying a boom, experiencing a staggering 69% growth since 2021 – compared to the European ICE LCV market, which has fallen by 21%. Of course, the e-LCV subsector started from a lower base than either its ICE equivalent or the broader EV market, given the significant numbers of such vehicles already on the road. Nevertheless, this represents an impressive expansion, following on from that enjoyed by EVs in recent years. With car manufacturers increasingly turning their attention to e-LCVs, which now account for 5.2% of the market in Central and Western Europe, in the context of a 23% market share enjoyed by electric passenger vehicles and 20% for electric vehicles as a whole. In this article, we'll explore the multifaceted reasons for this growth on a number of levels, predict future developments, and delve into the implications for transition – looking at why, when and above all, how?

Charging ahead: what has sparked the growth of e-LCVs?

This growth is driven by three influential forces: EU legislation, national government decisions, and corporate policies.

At the European level, the game-changing "Fit for 55" measures were introduced by the European Commission. With the aim of reducing greenhouse gas emissions by at least 55% for passenger vehicles as against 50% for LCVs by 2030 compared to the 2021 baseline, these regulations are effectively pushing for zero CO2 emissions on all new vehicles by 2035 thus, targeting a 100% reduction in emissions from new cars and vans compared to 2021. See [here](#) for more details on the legislation.

On the national front, governments establish low-emission zones (LEZ) and ultra-low-emission zones (ULEZ) in densely populated areas, accompanied by grants and incentives. The implementation of these measures varies across countries, with leaders like Norway and the Netherlands paving the way. The number of LEZ in Europe is expected to surge by 58% to 507 zones by 2025. National tax benefits and purchase incentives reflect the market's electric vehicle uptake, as the EU allows flexibility for country-level adoption of alternative fuel vehicles to encourage e-LCV use, for example in the stipulation whereby B Licence holders are allowed to drive 4.25t e-LCVs, whereas they would need an Operators 'O' Licence for the equivalent ICE LCV.

Additionally, companies themselves are undergoing transformations. EU law mandates large companies to disclose ESG information and set comprehensive targets. With transportation responsible for a quarter of the EU's greenhouse gas emissions, companies have a strong incentive to gain in-depth insights into their fleet operations, as Tony Greig, Fleet Consultant at ALD Automotive | LeasePlan UK explained in a recent [blog post](#).

With the combined impact of legislation, national policies, car manufacturer activities, and corporate ESG agendas, the continued growth of the e-LCV market is assured. The question remains: at what scale will it unfold?

Looking ahead to growth forecasts

Transition lies ahead for all of us, but the real question is "when?" and it all comes down to growth estimates. Analysts have crunched the numbers and reached a consensus of a [25% compound annual growth rate](#) across Europe between 2017 and 2025. However, each country has its own unique dynamics. The Netherlands, for instance, could experience growth rates as high as 80% due to factors like LEZ and a mix of grants and tax incentives that are pushing car manufacturers and customers to act. In contrast, some governments are dragging their feet despite manufacturers advocating for change. Geographical variations and differing speeds of charging infrastructure implementation also play a role. Regardless, all countries are implementing measures, albeit at their own pace.

How to get started?

If you're managing a fleet, we have a 6-point plan that serves as a useful roadmap:

1. Analyse fleet mileage to understand where and how far your fleets operate.
2. Evaluate the payloads carried by your vehicles and compare them to available market options.
3. Assess operational areas, considering the LEZ in your region.
4. Conduct driver surveys to understand vehicle usage patterns, including whether drivers take vehicles home and if they could have access to charging infrastructure if operating a return-to-home fleet.
5. Compare the Total Cost of Operation (TCO) of diesel and EVs, factoring in maintenance and charging downtime, providing a greater scope than purely Total Cost of Ownership.

6. Ensure stakeholder engagement throughout the organization, involving departments from HR to site managers to facilitate a smooth transition, but led by the Board, in a top-down manner which ensures buy-in from all.

With the market's complexity, ALD Automotive | LeasePlan is dedicated to supporting customers on their e-LCV journey. We provide a "pre-life" model, assisting in defining plans towards a net-zero strategy. This involves scenario analysis, transition tracking (involving a full fleet analysis in line with a net zero strategy), measuring current and desired data around transition, and ensuring they are in line with company objectives, and adopting a phased approach. Detailed model analysis, telematics installation, and data crunching help determine the best-fit models based on your specific needs. Factors like battery improvements and expanding vehicle ranges also come into play, and driver training is crucial.

Our advice is that if you're not already operating with telematics at present, you should have telematics installed on your current fleet. This will enable accurate reporting of distances driven and the use of vehicles (when and where), based on a minimum analysis period of three to six months.

From there you can look to identify vehicles that could possibly be switched and prioritise those operating in and around existing or planned Low Emission Zones, as well as those that are completing mileages where in work time charging is kept to a minimum. All of this will eliminate downtime for charging.

Our experts will be able to help analyse all this information to make the best choices for your fleet.

The road to change

Clearly, this complex change cannot happen overnight and a phased transition is the ideal approach. Rest assured, ALD Automotive | LeasePlan is always in the driver's seat, ready to steer and provide expert guidance throughout this transformative journey.

Tags: e-LCV
