



Business, Energy and Industrial Strategy Committee

House of Commons, London SW1A 0AA

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Nadhim Zahawi MP

Parliamentary Under Secretary of State (Minister for Business and Industry)

Department for Business, Energy and Industrial Strategy

1 Victoria Street

London SW1H 0ET

17th
March 2020

Dear Nadhim,

I welcome the Government's recent series of policy announcements to support the electric vehicle (EV) market. The transition to EVs is essential to meet the UK's Net Zero target, and has the potential to play a key role in the levelling up agenda. However, the relatively high cost of these vehicles - alongside patchy provision of charging infrastructure around the country - means that motorists need support to invest in EVs at present. It will be essential to increase consumer demand for EVs if the private sector is to deliver on the Government's ambitions for a national plug-in network.

Date to end sales of new petrol and diesel cars and vans

The Government's proposal to bring forwards the end date for sales of new petrol and diesel cars and vans is long overdue. Industry has been calling for a target that is sufficiently ambitious to drive the EV transition for several years, so it is welcome that the new Government is heeding these calls. The commitment to including hybrid vehicles in the ban, ensuring that new vehicles will be truly 'zero emission', is commendable.

Nonetheless, I am concerned that messages subsequent to the initial announcement have been confused. Ministers have put forwards a variety of alternative target dates, and the formal consultation itself does not make fully clear the Government's intentions. In 2018 the BEIS Committee recommended that the UK's ambition be aligned with that of Scotland, bringing forwards the ban for sales of new petrol and diesel cars and vans to 2032. Since then, the Government has adopted the Net Zero target, and the Committee on Climate Change (CCC) has recommended a 2030 phase out date, advising that this would lower financial costs, lower cumulative CO₂ emissions and lead to better air quality. The Government's proposed 2035 target is a marked improvement on the existing 2040 deadline, but it continues to trundle behind the live industry debate.

Plug-in Car Grant

The Budget announcement to continue the Plug-in Car Grant is also good news. However I was disappointed by the decision to only extend the grant until 2022-23 with no visibility on its future thereafter, and to do so just three weeks before the grant was scheduled to expire. This is just the latest in a long series of short-term and last-minute extensions to the Plug-in Car Grant. These repeated temporary fixes have failed to provide affected businesses with any visibility of the conditions under which support for EVs will ultimately be phased out. This makes it much harder for vehicle manufacturers, charge point providers and electricity networks to anticipate and justify investment in the products, services and infrastructure which will be critical for delivery of the 2050 Net Zero target, but which themselves can take years to develop.

In light of the above concerns, please could you provide the following information:

- 1) With regards to the ongoing consultation for ending sales of new petrol and diesel cars and vans:
 - a) Under what conditions would the Government adopt a 2030 phase out date?
 - b) Would the Government accept a phase out date later than 2035?
 - c) What is your schedule for announcing the new phase out date, and how will you ensure that this announcement is sufficiently early to demonstrate the UK's leadership on net zero and therefore support the ongoing diplomatic efforts for COP26?
- 2) Please set out your timetable for providing updates to confirm the future of the Plug-in Car Grant, ahead of its current expiration in 2023.

An answer by 3 April would be helpful.

A handwritten signature in black ink that reads "Rachel Reeves". The signature is written in a cursive, flowing style.

Rachel Reeves MP
Chair of the Business, Energy and Industrial Strategy Committee