

## **EVC3 DPD Group**

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Senedd Cymru | Welsh Parliament

Pwyllgor Newid Hinsawdd, yr Amgylchedd a Seilwaith | Climate Change, Environment and Infrastructure Committee

Gwefru cerbydau trydan | Electric vehicle charging

Ymateb gan DPD | Evidence from DPD

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### **1. What are your views on the Action Plan?**

DPD is the UK's leading domestic B2C parcel carrier with a 22,000-strong team delivering over 350 million parcels each year. This makes us a key player in the transport industry, which currently accounts for around a quarter of the UK's annual CO2 emissions. We take our role in the decarbonisation of the UK very seriously and fully support the Committee's Action Plan for the ramping up and improvement of the country's EV charging infrastructure.

As a company, DPD is taking concrete steps to decarbonise its operations, focusing mainly on city areas where the availability of EV charging infrastructure allows for a full transition away from vans running on petrol and diesel. A 'Vision 30' strategy has been put in place which commits to deliveries in 30 cities across the UK being fully net-zero by the end of 2023.

In Cardiff, for example, DPD has 205 vans in operation currently, out of which 71 are electric. A further 24 electric vans will be in circulation next year to deliver the city fully electric as quickly as possible. We estimate that our overarching EV strategy in the UK will deliver 100m parcels via electric vans in 2023, compared to just 1.3m in 2019, and we want our drivers across Wales will play a key role in achieving this.

The key concern of our company, which will be highlighted in the relevant sections below, is the lagging expansion of the UK's public EV charging infrastructure. In Cardiff, only 25 chargers suitable for vans are currently at the disposal of residents, including many DPD drivers who lease their vans with our support. Improving provision needs to be the main priority for both central and local government going forward in order to ensure the delivery sector can speedily decarbonise.

DPD cares deeply about the decarbonisation of transport in towns and cities across the UK, especially those where we have decided to go above and beyond what is being demanded by authorities to deliver our service without any emissions. Our aim is to ensure citizens across Wales and the United Kingdom can live in cities and rural communities that are greener, with cleaner air, and where parcels can be delivered quickly through environmentally friendly means.

As we hope this submission shows, we have a lot of experience and expertise to share and would like to work more in tandem with the Senedd and Welsh Government on this going forward. It would be a pleasure to meet with you to hear about your transport decarbonisation plans in more detail and discuss how we can collaborate effectively to speed up efforts when it comes to EV charging and more.

## **2. What are your views on progress made against Action 1: Charging infrastructure?**

As mentioned above, the lagging expansion of the UK's public EV charging infrastructure is a sincere concern for our company. We have consulted with the Government on this matter and support the continued increase in funding for the expansion of the network over coming years, while recognising much more is needed. We are continuing to push the Central Government for more funding for Local Authorities to ensure a comprehensive charging infrastructure.

Most of our drivers are self-employed through choice. In order to enable them to provide net-zero delivery, DPD provides them with the support necessary to drive EVs which are leased out from us. While we provide grants for those able to set up chargers at home, many drivers cannot do so due to lack of space and therefore rely on the public infrastructure in their area like any other resident. They, therefore, require access to charging points in various places: on-street charging infrastructure in residential areas, off-street charging infrastructure in residential areas, and non-residential public charging infrastructure that they could access while on delivery routes and away from the home.

The aim should be that no professional driver intent on driving electric should have to opt out of doing so due to how or where they live. A key priority therefore needs to be the construction of more electric hubs throughout Wales' Road network, as this would allow the usage of longer and heavier vehicles for longer journeys given electric versions of these kinds of vehicles have a limited range. While this is an issue that needs to be fixed for both private and fleet drivers, the latter use their vehicles in a dramatically different way. According to estimates in 2020, fleet drivers do as much as six times as many miles per year, covering around 70 miles per day consecutively across the working week. This requires overnight charging from powerful charging points in a safe environment.

We are acutely aware that expanding charging infrastructure is associated with major costs. At our depots, the cost of installing suitable charging equipment is at least £750,000, compared to installing a diesel tank which is around £50,000. Nonetheless, we are working hard to upgrade our infrastructure at pace, but we are acutely aware this will not help self-employed drivers who do not live close to our depots.

### **3. What are your views on progress made against Action 2: Optimisation of energy provision?**

DPD recognises the importance of improving the provision of energy as a first step to allow for rapid expansion of EV charging infrastructure and supports the idea that central and local government should work closely with Distribution Network Operators and charge point providers on this. The proposed timescale of “roughly within 2 years” to establish a Connections group bringing these actors together does however seem long given the scale of the challenge and the transport decarbonisation targets set by both the Government and more ambitious actors in the delivery and transport sector.

### **4. What are your views on progress made against Action 3: Enhanced rapid charging provision?**

DPD welcomes the Welsh Government’s commitment to deliver the provision of rapid charging every 20 miles on the strategic trunk road network of Wales by 2025. This is especially important to facilitate the transition to EVs across rural areas of Wales, which is currently not possible due to the lack of efficient infrastructure suitable for the longer trips associated with rural deliveries.

As it relates to Cardiff, which is the only location currently deemed suitable for a wide-ranging transition to EVs, DPD has 71 electrically run vehicles. While some drivers have been assisted with the installation of chargers at their homes, many do not have that option and therefore rely on the city’s current infrastructure which is made up of only 25 >50kw chargers.

We would very much welcome being given the opportunity to work with Transport for Wales on overseeing the implementation of rapid charging expansion and share more detailed data about expected demand going forward.

### **5. What are your views on progress made against Action 4: Welsh quality standards?**

DPD stands behind the Welsh Government’s commitment to influence the development of the UK Government’s upcoming national standards for the quality of charging provision, and

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strongly believes that roadside facilities should be as accessible as possible for all drivers, and that there should be minimal driving time between each facility.

A specific point we think is currently not getting enough attention is the one relating to payment platforms at chargepoints and hubs across the UK. A patchy and unaligned payments system for EV charging is currently taking shape in the UK, which risks complicating the use of EVs for commercial purposes due to drivers not being able to seamlessly pay for their charging at each and every electric charging point.

Not knowing whether your vehicle is compatible with the nearest charging point inevitably leads to range anxiety and can prolong journeys and working hours for drivers having to pass by several charging hubs to find one that matches. Considering this, DPD is in agreement with large parts of the delivery and logistics sector about the need for a centralised billing system for commercial operations that can make payment for business as seamless as possible.

## **6. What are your views on progress made against Action 5: Regulatory facilitation?**

DPD fully supports the Welsh Government's plan to review building regulations to support the provision of home and workplace charging across Wales for both refurbishment and new build projects.

## **7. What are your views on progress made against Action 6: Partnership and collaboration?**

Collaboration between government and the private sector is paramount to speed up the improvement of the UK's EV charging infrastructure. DPD fully supports the initiative to establish a Charge Point Operator working group in pursuit of this aim and would be delighted to take part when suitable to make sure the needs of the delivery sector are taken into account in decision-making and that companies such as ours contribute to the improvement of EV infrastructure in Wales.

## **8. What are your views on progress made against Action 7: Increase public awareness?**

DPD supports the Welsh Government's ambitions when it comes to public awareness of electric vehicle charging infrastructure across Wales as this will aid public understanding of electric vehicle charging. The move towards EVs needs to be seen as a national project involving both private drivers and those using vehicles for work in the transport and delivery sectors.

For DPD specifically, it is important to raise public awareness about the situation of a majority of our drivers when it comes to using EV charging infrastructure, especially on-street chargepoints in cities such as Cardiff. As mentioned above, most of them are self-employed through choice and receive support from DPD to provide net-zero delivery through the leasing EVs from us. While we provide grants for those able to set up chargers at home, many drivers cannot do so due to lack of space and therefore rely on the public infrastructure in their area like any other resident. They, therefore, require access to charging points in various places that are also used by private drivers of EVs, which has previously led to negative reactions given the demand for chargepoints is not met with sufficient supply in a majority of the UK.

## **9. What are your views on progress made against Action 8: Encourage investment opportunity and innovation?**

DPD is in agreement that more research and development is needed in order to speed up the viability of all-electric deliveries around the UK in the future.

A priority area is the improvement of battery technology to maximise the range and lifespan of individual EVs. The typical charging time for an electric van is over 6 hours, meaning several vehicles will be idle at any one time, requiring larger fleets and additional charging points, and the faster you charge an EV, and the more often, the faster you wear down its batteries. This means that if the frequency and length of trips increase, the lifespan of each vehicle decreases meaning more cost. Government investment into innovation surrounding battery and vehicle life will have a large and sustained impact.

## **10. What are your views on progress made against Action 9: Create synergies?**

DPD fully supports having charging infrastructure considered in all relevant new and emerging local and regional development plans. As mentioned above, a lot of work is still needed to facilitate use of EVs in rural areas specifically so any initiatives that can help provide power and chargepoints to communities outside of cities, including businesses, would be greatly welcomed. This includes identifying cross-sectoral synergies through place-making opportunities around localised services and high street retail.

## **Do you have any other points you wish to raise within the scope of this inquiry?**

DPD think it is important that consultations such as this are part of ongoing, ambitious and result-focused engagement between government and the private sector, and welcome initiatives from the Action Plan aimed at achieving this. As a company we have a lot of

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experience and expertise to share in this area and would like to work more in tandem with you on this going forward. It would be a pleasure to meet with you to hear about the Committee's wider transport decarbonisation plans in detail and discuss how we can collaborate effectively to speed up efforts.