einride

2023-09-25

Response to the consultation for the AanZET amendments

Who we are:
Einride is a freight technology company pioneering a new era of road freight by building a sustainable, safe and smart end-to-end shipping solution. Founded in Sweden in 2016, Einride is expanding to the rest of Europe and the United States. Einride operates Europe's largest fleet of battery electric trucks - a fleet of both manned and autonomous electric trucks. Einride is present in Sweden, Norway, Germany, Belgium, Netherlands, the UK and the U.S. and has worked with subsidy schemes for electric trucks in more than 7 countries.

General comments
Einride are thankful for the opportunity to comment on the proposed AanZET amendments and we welcome that the Netherlands stay firm on its political ambition to decarbonise its heavy duty transports.

The subsidy scheme for the purchase of zero-emission trucks, AanZET, is an important contribution from the government to speed up the uptake of zero-emission heavy-good vehicles, ZE HGVs, in the Netherlands. Einride is one of the companies that has received funding to purchase ZE HGVs, which would not have been possible without the subsidy. Higher purchase price also leads to higher Total Cost of Ownership (TCO), which is expected to decrease as the purchase price of zero-emission HGVs decreases. However, until the TCO of ZE HGVs decreases to the level of fossil fuel HGVs, incentives that help to bridge the gap are needed. Einride is therefore very happy to see that several incentives supporting the transition towards zero-emission freight transport are relevant in the Netherlands, not least AanZET and the implementation of zero emission zones.

Level of the subsidy system
HGVs and Several European countries have implemented subsidy schemes targeting the purchasing of ZE HGVs, which have significantly accelerated the uptake of zero emission trucks. In Germany and Austria companies can receive subsidies of up to 80% of the price difference between an electric HGV and the fossil fuel equivalent while in Sweden companies can receive up to 40% of the price difference in subsidies. Common for all these subsidy programs is that they are all heavily oversubscribed and high in demand. This can partly be explained by subsidies that are large enough to make a real difference in the TCO calculations short term until the purchase price of electric trucks is level with fossil fuel trucks.

This can be put in contrast with the UK where the Plug-in grants can provide companies subsidies of up to GBP 25,000 (approx. EUR 28,800) per truck. Unlike other European subsidy schemes, the Plug-in Grant is heavily undersubscribed. During 2022/2023, only 13% of the total budget of the scheme was utilized which can most likely be partly explained by the lower subsidy amounts per truck compared to other countries. With the current price levels of electric HGVs, labor, energy etc. the TCO of driving electric HGVs is 15-25% more expensive compared to the fossil fuel equivalent. Therefore, purchasing incentives for an N3-truck up to a value of maximum EUR 38,100 is simply not enough to make a profitable business case, no matter the company size.

The need for a subsidy system that is predictable and without necessary red-tape
In addition, one important aspect of subsidy schemes is the structure and application process. Ideally, the subsidy scheme should be easy to apply for with clear guidelines on how the applications will be judged. With experience from subsidy applications across several European markets, it is very time consuming and administratively burdensome to apply for subsidies. The previous calls for AanZET have been based on a first-come-first served basis, where applicants already on the first application day have been selected through lottery. In the proposed amendments, with one application and truck per day, it will be more time consuming for the applicants as well as result in more administrative burden. This in combination with lower subsidy amounts, poses the risk of making AanZET less attractive and slow down the uptake of zero emission trucks in the Netherlands.

It is worth mentioning that in other countries, such as Germany and Austria, purchase incentives for trucks are awarded based on saved CO2-emissions/per invested EUR. This ensures that subsidies are utilized for the cases where they will have an optimal effect on saved CO2 emissions. This is another way of awarding subsidies and should be considered in the proposed amendments to AanZET.

Conclusion
To conclude, Einride, is one of the leading companies in electrifying heavy duty transports in Europe and is willing to contribute with our learnings and data also to the Dutch Authorities on scaling the role of out of an electrified road transport system at scale.