Transport for the South East (TfSE) draft response to the DfT Consultation on the New HGV CO2 Emissions Regulatory Framework issued on 6 January 2026.

1. Introduction

1.1 Transport for the South East (TfSE) welcomes the opportunity to contribute to DfT's consultation on the new HGV CO2 Emissions Regulatory Framework. This is a draft officer response that will be presented to our Partnership Board on 19 March 2026 for approval. Therefore, a further iteration may follow.

1.2 TfSE is the sub-national transport body (STB) for the South East of England. Our principal decision-making body, the Partnership Board, brings together representatives from our 16 constituent local transport authorities, district and borough authorities, protected landscapes, business representatives, Highways England, Network Rail and Transport for London.

1.3 We have a vision-led Transport Strategy in place to influence government decisions about where, when and how to invest in our region to 2050. Decarbonisation is one of the five core "missions" set out in the strategy, alongside Strategic Connectivity, Resilience, Integration, and Sustainable Growth.

1.4 Our Strategic Investment Plan, which is currently being refreshed, provides a framework for delivering our Transport Strategy, setting out transport infrastructure and policy interventions needed in our region over the next three decades. This is also being refreshed, with development work due to be completed by the end of 2025.

1.5 We have also published a Freight, Logistics and Gateways Strategy in 2022, and several freight-related studies. These include: the TfSE Lorry Parking Study, the TfSE Warehouse Provision Study and the TfSE Intermodal Rail Freight Interchange Study. We also manage the Wider South East Freight Forum, whose members include representatives from the freight and logistics sector, England's Economic Heartland, Transport East, ports and airports, DfT, National Highways and local authorities.

1.6 Our responses to each of the consultation questions are set out below.

Q1 – Do you think the Certification Regulation (EU) 2017/2400 should be amended within the UK to align with the 2nd and 3rd amendments, as adopted in the EU?

TfSE supports aligning the UK's certification framework with the EU's 2022 and 2025 amendments to (EU) 2017/2400. This will ensure that Zero Emission (ZE) technologies and any additional categories can be certified consistently across manufacturers supplying heavy goods vehicles (HGVs) to both Europe and the UK. It will provide regulatory continuity and reduce administrative friction for manufacturers operating in both markets. It also improves the transparency of ZE eligibility criteria when carbon dioxide (CO_2) based restrictions apply.

Q2 – What are your views on Option 1 regarding a strengthened and expanded CO_2 standard for HGVs?

Option 1 will allow manufacturers to reduce vehicle CO2 emissions through either ZE HGVs or incremental improvements in engine efficiency. The contribution of CO_2 emissions reductions from HGVs could also be weighted proportionally to the vehicle's characteristics, such as payload, mileage, average lifetime, or CO_2 emissions. This will ensure that the vehicles that contribute most to CO_2 emissions meet higher CO_2 standards.

However, it is unlikely that this option alone will enable manufacturers to meet the government's net-zero target by 2040, particularly as it does not cover all HGV types. It will mean that many operators will put off purchasing ZE vehicles because they can meet the CO2 standards by improving diesel engine performance, for example, through aerodynamics, tyre resistance, and engine efficiency. It also ignores the stricter European standards that most UK-based ZE HGV manufacturers must meet to sell ZE HGVs in Europe. This could lead to confusion and cause manufacturers to invest less in ZE HGVs destined for the UK market, as there is uncertainty about future, stricter regulations that will require the production of ZE HGVs. It could also result in less investment in ZE HGV charging and fuelling infrastructure, as investors also assume less operator take-up of ZE vehicles.

Q3 – What are your views on Option 2 regarding the introduction of a ZEV mandate limiting the sales of non-ZE HGVs and

Q4 – If you agree with using Option 2 as a future framework, should the ZE HGV mandate be accompanied by a CO_2 standard for non-ZE HGV vehicles?

Option 2 establishes a new regulatory mandate that requires HGV manufacturers to increase their share of ZE HGVs by reducing their share of new non-ZE HGVs sold over a specified period. It will also apply to all HGV

vehicle categories. This is similar to the ZE regulations set out for EV car and van manufacturers in the UK.

Under this option, HGV manufacturers will benefit from the same flexibilities as those offered to car manufacturers, such as credit and debt, banking and borrowing, and trading mechanisms, and potentially some flexibility between ZE HGV and non-ZE HGV requirements.

This will provide manufacturers with some continuity in regulations for the decarbonisation of UK vehicles, and the certainty HGV manufacturers need to invest in ZE HGVs for sale in the UK. It will also encourage private-sector investment in HGV charging and fuelling infrastructure as operators scale up their demand for ZE HGVs. This is important because operators will only lease/buy ZE HGVs if there is sufficient cost-effective and well-sited infrastructure for them to recharge their vehicles. Without this complementary infrastructure, manufacturers may fall short of their targets because ZE HGV supply exceeds the operators' demand.

TfSE supports Option 2 because it will:

- encourage manufacturers to produce more ZE HVGs than those that meet the standard CO2 emissions standards alone, as set out in Option 1.
- set out clearer ZE HGV uptake trajectories across all HGV categories.
- encourage investment in both UK ZE HGV manufacturing and charging/refuelling infrastructure.

TfSE would also support implementing a CO2 emission standard with this option. This would preserve incentives for non-ZE HGVs to improve the residual diesel-fleet performance (through aerodynamics, tyres, and engine efficiency) without diluting the primary ZEV HGV target and provide a safeguard while ZE HGV supply scales up.

TfSE also notes that current uncertainties about future HGV demand may pose challenges for manufacturers in meeting their targets under this option and agrees that the government should consider including some flexibility in the final design to reflect these uncertainties.

Q5 – What are your views on Option 3 considering requirements for fleets to purchase or lease an increasing share of ZE HGVs?

While a targeted fleet mandate for very large operators could complement other supply-side measures and help seed a used-ZE market, any such mandate must avoid imposing disproportionate burdens on the SME sector, even though they may operate small fleets of no more than five vehicles. Given the dominance of small to medium enterprise (SME) operators in the sector, this option would need to be delivered with a coherent government

strategy setting out how it expects its target that all new HGVs to be ZE by 2035 for those under 26 tonnes (t), and by 2040 for those over 26t, to be met. This should set out a clear pathway and roles for all relevant stakeholders, including manufacturers, large fleet operators, small operators without fleets, energy suppliers, prospective investors, and developers of charging/refuelling infrastructure facilities. It should also include guidance for the public sector on how to work with stakeholders to support them in meeting the government's target, as well as wider sources of grant funding to support the pathway beyond those currently available. This would provide the certainty that the smaller SME operator market needs to invest in ZE HGVs. However, there has been little of this type of policy support and guidance from the government to date. Also, the current provision of local and public charging facilities is insufficient to support smaller operators who are not in a position, financially or logistically, to supply their own depot-based facilities. Without this support, Option 3 could risk imposing unrealistic expectations on smaller operators and undermining confidence in the wider transition framework.

Q6 – If you agree with using Option 3 as a future framework, what eligibility criteria should be set to include freight operators in a fleet mandate?

If introduced, Option 3 should be limited to the largest fleet operators, as they have the financial capacity to invest in ZE HGVs. This option could encourage larger operators to invest faster in ZE HGVs, thereby contributing to a greater reduction in CO2 emissions. It may also encourage operators with larger fleets to adopt ZE HGVs, thereby potentially creating a second-hand market for them in future. In addition, many of the larger fleet operators who would be better placed to comply with this option are already preparing to decarbonise their fleets by 2035 or 2040.

TfSE also notes that this option could include exemptions for operators subject to a fleet mandate who are unable to acquire ZE HGVs. The reasons for this include: a lack of availability of a ZE vehicle capable of performing the duties of a conventional HGV; a demanding duty cycle that a ZE vehicle cannot handle; unforeseen delays in installing charging infrastructure; or the need to replace a vehicle involved in an accident with a conventionally fuelled HGV.

However, Option 3 does little to encourage the uptake of ZE HGVs by SMEs and smaller operators. It may therefore not be appropriate for many of them, as they do not operate sizable vehicle fleets. Even if they operate small fleets, many have already faced financial challenges over the last few years due to driver shortages, supply chain disruptions, and rising fuel prices, leaving them with very little surplus income to invest in ZE HGVs or the required charging

facilities to support them. ZE HGVs also currently have higher initial and total operating costs than their existing diesel vehicles, so requiring small fleet operators to purchase ZE HGVs will create further financial pressures. Therefore, imposing Option 3 on smaller SME operated fleets could further hinder these businesses' ability to expand fleet decarbonisation beyond what is necessary.

Q7 – If you agree with using Option 3 as a future framework, should a purchasing requirement, fleet requirement, or a combination be established?

TfSE has no comment.

Q8 – Of the options presented, what is your preferred approach, or combination of approaches, for reducing emissions from HGVs and delivering a phase-out of new non-ZE HGVs?

TfSE's preferred option is Option 2, with the inclusion of a CO2 emissions standard. This will support private investment in UK ZE HGV manufacturing, including all types of HGV. It will provide a clear trajectory to meet the government's HGV net zero target by 2040 and encourage greater private investment in HGV charging infrastructure. The addition of a CO2 emission standard will also encourage manufacturers to reduce the CO2 emissions of vehicles still available for sale, until all HGV sales are ZE.

Q9 – Are there any alternative approaches that the government should consider to reduce CO_2 emissions from HGVs?

TfSE has no comment.

Q10 – Do you have any comments on the exclusion of ZE HGVs with a GVW between 3.5 tonnes and 4.25 tonnes from a future HGV regulation?

TfSE would support the future introduction of a ZE regulation for these vehicles, particularly given the existing strong market for them. TfSE recognises that conventionally fuelled vehicles of this type are harder to decarbonise due to their more demanding powertrain requirements. However, this should not preclude the requirement for these vehicles to be decarbonised. Therefore, more research should be undertaken to find ways to decarbonise these types of vehicles more quickly, even if this only extends to the use of HVO (or similar interim fuels) and potential use of hydrogen fuel cells rather than ZE vehicles in the future.

Q11 – Do you think a regulatory framework for reducing CO_2 emissions from the HGV sector should be extended to include coaches?

TfSE supports extending the framework to coaches, particularly as many HGV manufacturers also make coaches. However, greater investment in local

public charging infrastructure will be needed to support this, given the range and operational demands of coaches. Therefore, any regulation must be supported by government guidance and investment to expand local and public charging infrastructure, particularly in tourist areas.

Q12 – What are your views on a future regulation including CO_2 emission reduction targets for trailers?

TfSE supports the introduction of measures to reduce CO2 emissions from trailers, for example, through aerodynamic improvements and the use of low-rolling-resistance tyres. The use of e-trailers should also be encouraged.

Q13 – Should a derogation or an exemption be given to smaller volume HGV manufacturers in a regulatory framework? If yes, what should that threshold be?

TfSE supports proportionate derogations/exemptions for small-volume manufacturers with a sunset review to ensure innovation is encouraged. However, clear parity with the larger manufacturers should be maintained to ensure transparency and fairness.

Q14 – Should an exemption be given to smaller volume coach manufacturers? If yes, please elaborate why and explain what should that threshold be?

TfSE also supports proportionate, time-limited exemptions, recognising that smaller SME coach manufacturers may be less technology-ready than their counterparts and at a different stage of their transition to ZE manufacturing processes. TfSE does not have a view on the threshold.

Q15 – Should a sunset clause be set for any derogation? If yes, by what year should this be set?

If a sunset clause is used in any derogation, then the deadline should not be later than 2050. For each coach or HGV manufacturer, derogations should be reviewed periodically, in line with market information on ZE vehicle availability and the parity between the total operating costs of ZE and non-ZE vehicles. Any derogations should be published.

Q16 – Should any additional vehicles be exempt from the standards that we have not considered here?

TfSE has no comment.

Q17 – What criterion, or combination of criteria, should be used to set the eligibility of a ZE HGV?

TfSE supports regulations to set criteria to define ZE HGV.

TfSE would support the combined criteria of the first and third options as set out:

1) “A ZE HGV may be defined as any vehicle with no internal combustion engine.”

3) “Grams of pollutants per vehicle activity (g/km) – the Euro VI standards establish a testing procedure and limits for various pollutants, including nitrogen oxides, particulate matter, and carbon monoxide.”

This uses engine-technology criteria consistent with ZEV definitions for cars/vans, but extends them to include hydrogen fuel-cell engines. Battery-cell-powered HGVs are unlikely to meet the more demanding powertrain requirements, whereas hydrogen-fuel-cell-powered HGVs will. Therefore, any criteria will need to include both.

The third criterion would enable hydrogen fuel cell-operated HGVs to be included in such a way to ensure that the manufacturers can meet common criteria used by all the markets in which their vehicles are sold. This will provide certainty for HGV manufacturers, rather than forcing them to invest in different types of vehicle technologies depending on which market they sell to. This combination would also include all ZE vehicles, rather than leaving some excluded. This also makes the definitions consistent, transparent, clear, and easy to understand.

Q18 – For vehicles not covered under the scope of the Certification Regulation, what criterion, or combination of criteria, should be used to set the eligibility of a ZE HGV?

Where the Certification Regulation does not cover vehicles, TfSE would support the application of the technology-based definition above, for example, including battery- and fuel-cell ZE engines, to ensure consistency and administrative simplicity until certification methods are extended.

Q19 – For your preferred criterion, or combination of criteria, what eligibility threshold do you propose? Why?

TfSE’s preferred eligibility threshold for a ZE HGV is for battery-electric or monofuel hydrogen combustion vehicles. While the latter combusts hydrogen, we accept that they may also produce small amounts of CO2 emissions due to byproducts of the engine system and from the burning of lubricating oil. This threshold would ensure a substantial reduction in CO2 emissions and respect the diversity of ZE technologies.

Including a dual-fuel hydrogen-diesel combustion vehicle would lead to continued increases in CO2 emissions from diesel combustion. Therefore, these vehicles cannot be defined as ZE vehicles.

Q20 – Do you agree with maintaining the VECTO vehicle category segmentation? If not, what alternative segmentation would you suggest?

TfSE agrees that maintaining the Vehicle Energy Consumption Calculation Tool (VECTO)[1] categorisation will ensure continuity with manufacturer processes and complementarity with EU standards. However, a roadmap should be developed to incorporate those vehicle categories not already included.

Q21 – What metric should be applied as a weighting system for a particular vehicle grouping?

TfSE supports a weighting that, for example, accounts for the higher emissions of larger, high-mileage diesel-engined HGVs.

Q22 – Which flexibilities do you think should be established under a future HGV regulation?

TfSE agrees that there should be some flexibility in any regulation that depends on customer demand. However, we believe the extent of flexibility should be agreed between the manufacturers and the DfT. It should consider the manufacturers' prior experience with variable demand and the overall limited demand for HGVs. The detail needs to provide sufficient room for short-term changes in demand and serve as an incentive for manufacturers to produce sufficient ZE HGVs to reduce CO2 emissions. Some guardrails should be considered to avoid over-reliance on producing the less stringent ZE HGV categories and to allow cross-manufacturer ZE credit trading within set limits, thereby supporting compliance.

Q23 – What is your preferred option for credit transfer? If there is an alternative option you would like to have considered, please elaborate here.

TfSE supports asymmetric transfers that favour the hardest-to-decarbonise categories, for example, credits from heavier, long-haul HGVs could flow to lighter, short-haul vehicle groups, but not vice-versa beyond a predefined limit. This focusses attention on vehicles that emit higher CO2 levels.

Q24 – Do you have any comments on the level and provision of penalties and enforcement in a future HGV regulation?

TfSE supports penalties that are appropriate for the manufacturer's size, predictable, and set at a level high enough to ensure compliance.

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[1] Vehicle Energy Consumption Calculation Tool) is a mandatory European Commission software used to simulate and certify emissions and fuel consumption for HGVs. It categorises vehicles based on axle configuration, body type, and Gross Vehicle Weight Rating (GVWR) to apply appropriate simulation models. More information can be found here: VECTO.

Enforcement processes should be clear and published to ensure a common understanding across all manufacturers. Data on compliance levels should also be shared to maintain market confidence.

Q25 – Which VECTO groups should be included in the 2035 phase out dates, and which should be included in the 2040 phase out dates?

TfSE agrees that the government target for HGVs should be mapped onto the VECTO groups as set in the consultation document. This ensures clarity and consistency. The government's HGV target sets out that all new HGVs up to 26 tonnes must be net-zero by 2035, and all those over 26 tonnes must be net-zero by 2040.

Any exemptions for specialist vehicles should be clearly defined and regularly reviewed.

Q26 – For your chosen regulatory option, what target trajectory do you think should be set?

All major manufacturers have announced that between 45 and 60 per cent of their 2030 sales will be zero-emission HGVs, and three manufacturers have committed to selling only zero-emission HGVs from 2040. In addition, all major manufacturers have signed the ACEA pledge to end sales of fossil-fuelled HGVs by 2040. The market direction of travel is therefore clear.

Within TfSE's preferred Option 2, three broad trajectories could be adopted:

a) Maintain the existing UK trajectory, requiring all new HGVs up to and including 26 tonnes to be zero emission by 2035 and all new HGVs over 26 tonnes to be zero emission by 2040.

b) Align with the EU 27 staged CO_2 reduction targets, requiring reductions of around 45 per cent by 2030, 65 per cent by 2035, and 90 per cent by 2040 relative to the relevant base year.

c) Follow the Climate Change Committee pathway under the Seventh Carbon Budget, which implies around one third of the HGV fleet to be battery electric by 2035, rising to around two thirds by 2040.

Given the scale of manufacturer commitments and the need for regulatory clarity, we support adopting the EU-staged reduction trajectory, while retaining the UK's existing 2035 and 2040 end-of-sale commitments for non-zero-emission HGVs

The UK should therefore set reduction targets of at least 45 per cent by 2030, 65 per cent by 2035, and 90 per cent by 2040, alongside confirmation that the 2035 phase-out for HGVs up to and including 26 tonnes and the 2040 phase-out for all new HGVs remain fixed.

This approach provides three advantages. First, it aligns the UK with the principal regulatory framework facing manufacturers, reducing complexity and investment risk. Second, it preserves the clarity of the UK's existing phase-out milestones. Third, it introduces a meaningful 2030 milestone, which is essential to bring forward fleet renewal decisions and unlock timely investment in depot charging, grid reinforcement, and refuelling infrastructure.

There is a risk that interim ambition could outpace infrastructure readiness. However, that risk is better addressed through accelerated enabling measures and coordinated infrastructure planning than by weakening the regulatory signal.

Q27 – If a ZEV mandate is your preferred option, should a CO_2 improvement target also be set for the non-ZE HGV fleet? If so, please elaborate.

TfSE agrees that a CO2 improvement target should be included in the ZEV mandate. This could be the same as the current CO2 emissions set out by the government under the retained EU law (EU) 2019/1242). This would ensure continuity and consistency, and can be used while the market share of ZE HGVs increases. It also complements the government's current ZE HGV pathway.

Summary

In summary, TfSE supports:

- A framework centred on a ZEV mandate for HGVs, supported by CO_2 emission improvement targets for the remaining diesel fleet, and reflects operator readiness and financial constraints. This framework offers consistency, clarity, and common standards for the sector, thereby supporting compliance.
    - This option also offers a more ambitious framework for decarbonising HGVs than the CO2 emissions-target-only option,
    - provides stronger encouragement for ZE HGV and
    - recharging/refuelling infrastructure manufacturers to invest in the UK or export to it, and provides a framework applicable to all vehicle categories.
- A criterion for a net zero HGV vehicle is one which may be defined as any vehicle with no internal combustion engine, and a vehicle which only emits Euro VI standards for pollutants, including nitrogen oxides, particulate matter, and carbon monoxide, to allow the definition to include hydrogen fuel-cell battery-operated HGVs.

- The introduction of regulations for all HGV vehicles, including coaches and those that are harder to decarbonise, although the trajectory for both to deliver net zero emissions may be longer than that for HGVs.
- Reduction targets of at least 45 per cent by 2030, 65 per cent by 2035, and 90 per cent by 2040, alongside confirmation that the 2035 phase-out for HGVs up to and including 26 tonnes and the 2040 phase-out for all new HGVs remain fixed. This approach provides three advantages: first, it aligns the UK with the principal regulatory framework facing manufacturers, reducing complexity and investment risk; second, it preserves the clarity of the UK's existing phase-out milestones; and third, it introduces a meaningful 2030 milestone, which is essential to bring forward fleet renewal decisions and unlock timely investment in depot charging, grid reinforcement, and refuelling infrastructure.