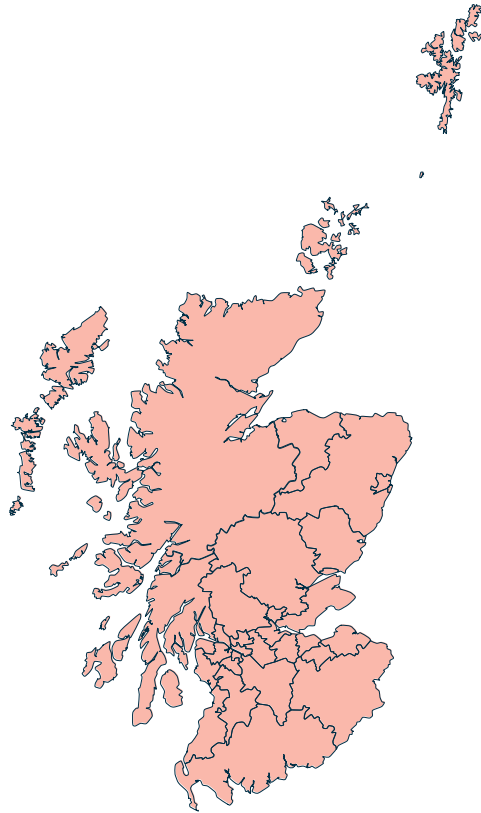


Powering the transition: preparing Scotland's HGV market for net zero



LOCATION: Scotland wide

DATE: ongoing

OUTCOME:  Strategy  Investment  Climate Change

The challenge

Scotland has ambitious climate change targets, but achieving them will require progress across every part of the transport system. Heavy Goods Vehicles (HGVs) represent one of the biggest challenges – and opportunities.

Although HGVs account for just 1.2% of vehicles on Scotland's roads, they produce 12.8% of surface transport emissions. Yet less than 0.1% of Scotland's HGV fleet is currently zero emission, reflecting a market still in its infancy and facing major questions around vehicle technology, charging and refuelling infrastructure, cost and financing.

If Scotland is to meet its legally binding emissions reduction targets, the transition away from diesel must accelerate.



12.8%

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Building the evidence

To better understand how that transition could happen, Transport Scotland launched the [HGV Market Readiness Fund](#), providing development support for industry consortia to gather data and



develop business cases exploring how future policy and programmes could accelerate the move to zero-emission HGVs.

Scottish Futures Trust supported Transport Scotland throughout the process, helping to develop the fund guidance and assessment criteria and evaluate bids. Six consortia were formed, bringing together organisations from across the sector, including multiple fleet operators and SMEs, which make up the majority of Scotland's fleet market.

By sharing telematics data, participating fleets helped build a clearer picture of the journeys, routes and operational requirements most suited to zero-emission vehicles at this early stage of market development.



Turning insight into action

SFT's role extended beyond the initial funding process. A key challenge for any future programme is ensuring public investment helps establish a sustainable commercial market rather than creating long-term dependence on subsidy.

SFT provided specialist commercial and financial advice to Transport Scotland, while acting as a strategic link between the public sector and industry consortia.

This involved exploring how government support could work in the short, medium and long term; identifying barriers across different parts of the market; and examining alternative funding and financing models for both vehicles and infrastructure.

SFT also carried out extensive engagement with financiers, leasing companies, fleet operators, charge point operators, hardware suppliers, distribution network operators and data providers. The insights gathered helped build a stronger understanding of the commercial, financial and technical barriers facing the sector.

Shaping the next phase

The Market Readiness Fund has created a much stronger evidence base for the next stage of Scotland's HGV transition. Drawing on the data and market intelligence gathered, SFT has taken a leading role in developing the commercial and financial business cases for a potential multi-year funding programme.

The proposed programme would support the deployment of zero-emission HGVs alongside the charging and refuelling infrastructure needed to operate them, including both depot-based and en-route solutions.

A range of approaches is being explored, including grant funding, consortium models, truck-as-a-service, charging-as-a-service, special purpose vehicles and different forms of guarantees.

Creating a sustainable market

The ultimate ambition is not simply to fund a small number of zero-emission trucks. It is to create the conditions for a viable, scalable and commercially sustainable market that can attract private finance and reduce its reliance on public subsidy over time.

By bringing together government, fleet operators, financiers and infrastructure providers, the programme is helping create a more coordinated, evidence-led pathway towards decarbonising one of Scotland's most challenging transport sectors.



SFT support has been of immense value as Transport Scotland design and deliver a programme to catalyse HGV decarbonisation in Scotland. They have brought commercial insight and broad stakeholder relationships across fleets, manufacturers and investors which have complemented our own engagement and shaped our understanding of the financial realities and opportunities in this area. SFT developed a robust evidence base for subsidy design and were indispensable in developing supporting information for business cases, subsidy control and application/ assessment materials.

KAREN GEEKIE, TEAM LEADER – ZERO EMISSION HDV ENERGY INFRASTRUCTURE, LOW CARBON ECONOMY AT TRANSPORT SCOTLAND