ZEV Mandate Review Team
Department for Transport

Date: 23rd October 2026

By email: zevmandate@dft.gov.uk

Dear ZEV Mandate Review Team,

USS response: Zero Emission Vehicle Mandate Review

Thank you for the opportunity to respond to the review of the Zero Emission Vehicle (ZEV) Mandate (the Mandate).

We support the government's commitment to transition towards zero-emission vehicles and recognise the important role that transport decarbonisation can play in reducing long-term climate-related risks

However, we are also aware of wider challenges and uncertainty faced by the UK automotive sector, and we recognise that support may be warranted where there are evidenced delivery challenges. We believe any relevant support measures can have the greatest long-term benefit if they encourage investment in future capabilities, productivity and competitiveness. This can help strengthen the conditions for sustainable investment, economic growth, reindustrialisation and regional employment over time.

Therefore, where lower-than-expected EV uptake is creating challenges in meeting the mandate's trajectory, we would encourage the Government to prioritise interventions that address underlying demand-side barriers, including charging availability, grid delays and cost parity between public and home charging, as set out in this letter.

About USS

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We have £2.4bn invested through our private markets portfolio in renewable energy and clean technology, including onshore and offshore wind farms, solar farms and hydrogen gas.[1] We are also the majority shareholder in Moto, the UK's largest motorway services operator.

We therefore see the road transport transition both as an investor in companies exposed to it and as an owner of the infrastructure needed to deliver it.

We are a long-term, responsible investor with a legal duty to invest in the best financial interests of our members and beneficiaries. We believe climate change is a significant financial risk that could affect our ability to pay pensions in the future, and it is a system level risk that we are exposed to as a Universal Owner[2]. The transition to a low carbon economy will have an impact across all the assets that we invest in, and we would like to see a rapid and orderly transition, with predicable and appropriate long-term policy to support it.

You will see that we have not responded to the consultation question individually. Instead, this response sets out our investor perspective in three areas: policy certainty, coordinated delivery across government, and enabling infrastructure, where we draw on our experience as majority shareholder in Moto.

Our asks for the ZEV Mandate Review:

Please find below a summary of our views and recommendations.

1. **Policy consistency: treat the transition as one programme**

The Mandate's success depends on decisions owned across several departments and regulators, covering charging infrastructure, electricity networks, consumer incentives, planning, skills and industrial policy. We ask the government to manage these as a single transition programme rather than as separate interventions.

In practice, we would like to see the Carbon Budget and Growth Delivery Plan treated as a shared, cross-departmental commitment, with clear ownership, joint milestones and central oversight of interdependencies. This would reduce the risk that progress under the Mandate is undermined by delays elsewhere and give investors the clarity needed to commit capital across the wider transport transition.

Two examples where join up is needed are:

1) The Mandate depends on charging infrastructure and electricity networks keeping pace. The National Audit Office has highlighted that obtaining a grid connection can involve long waits where network capacity needs improving, particularly for rapid charging sites. A joined-up approach on planning processes, grid reinforcement and transport objectives could help ensure the Mandate trajectory informs network investment plans and connection priorities, so that charging capacity develops in step with vehicle demand.

[1] At 30 September 2026

[2] This means we have a highly diversified and long-term investment portfolio that, by virtue of its large size, is broadly representative of global capital markets

2) The Mandate also relies on aligned industrial strategy, skills policy and investment in domestic supply chains. From 2027, EU–UK rules of origin will require higher shares of battery packs and cells to originate in the UK or EU for tariff-free trade. Considering the Mandate alongside gigafactory support, industrial energy costs and skills could help the UK capture more of the manufacturing and jobs opportunities the transition creates.

2. Public charging pricing gaps constrain adoption

We also welcome the Government's ongoing review of public EV charging costs. Delivering the ZEV Mandate depends on sustained consumer demand as well as supply-side targets. The disparity in cost gap between home and public charging risks slowing adoption among households that rely on the public network, which could constrain market growth just as the Mandate's targets become more demanding. The review is an opportunity to remove this barrier. Aligning VAT on public charging (20% VAT) with the domestic rate (announced to be cut to 0% VAT) would relieve a pricing gap that penalises drivers without home charging and could broaden help EV adoption. Committing to this alignment over several years, as Ireland has done with its reduced rate to 2030, would also give investors the policy stability they need to deploy capital at scale in charging infrastructure and the wider transition.

3. Make motorway charging interventions deliverable

USS is the majority shareholder in motorway services company, Moto, which has set a goal of becoming the UK's number one enroute charging destination. It has invested in sustainable infrastructure, including eHGV charging capabilities and ultra-rapid vehicle chargers, and is working to expand the number of these at its sites across the UK. Moto faces difficulty getting power to its sites, which by their nature are not close to major conurbations, making upgrading grid connection capacity prohibitively costly and complicated at certain locations.

We therefore welcome the Department for Transport's acknowledgement that, at some motorway service areas, "high electricity connection and network reinforcement costs make rapid-charging rollout commercially unviable". We support targeted public intervention where there is a clear market failure, including through the Strategic Charging Infrastructure Scheme and the additional £10 million to address grid constraints referenced in this consultation.

To get the most from public and private capital, we recommend that:

- Support is directed to the locations where it adds most to charging availability, network resilience and EV uptake, informed by continued engagement with industry
- The Department for Transport works with Ofgem and network operators so that grid capacity along the Strategic Road Network is planned ahead of demand, rather than negotiated site by site.

Finally, we'd like to call your attention to our report published in November last year entitled 'The Policy Challenges of the Energy Transition'. In this paper, authored by USSIM with support from Transition Risk Exeter[3], we make the case for stronger action from the UK government to provide clear policy frameworks to support each stage of the transition. What is needed in the very early stages of the transition will not be the same as at later stages, nor will it be the same across different sectors.

We believe regulation can be powerful in driving the reallocation of investment into new technologies on a large scale. However, regulation cannot succeed in isolation. Demand remains constrained by

[3] **Transition Risk Exeter (Trex)**: A commercial spin-out from Exeter University that bridges climate science and finance, it provides non-linear climate intelligence for financial resilience and competitive advantage.

charging availability, inconsistent fiscal measures, upfront and insurance costs, and uncertainty over whether grid infrastructure will be delivered at the pace required.

I hope you find our views on this topic helpful. Please let us know if we can provide any additional information or input.

Yours sincerely

Simon Pilcher
USSIM Chief Executive Officer