

19th July 2024

Rt Hon Louise Haigh
Department for Transport
Great Minster House
33 Horseferry Road
London
SW1P 4DR



Dear Minister,

SUPPORTING THE COLD CHAIN TO KICK START UK TRANSPORT DECARBONISATION

May I take this opportunity to congratulate you on your appointment. As the CEO of the Cold Chain Federation, I am eager to work with you and HM Government to support the country's growth, security and future prosperity.

The cold chain sector is a cornerstone of the UK economy. In 2023, it contributed a staggering £14 billion in gross value added, supported 184,000 jobs, and generated £3.7 billion in tax revenue. The cold chain's primary role is to ensure the safe and efficient delivery of essential goods such as food, plants, and medicines across the nation. It is a critical service that all UK citizens rely on each day.

Crucial to the cold chain's resilience is the fleet of approximately 100,000 specialist refrigerated vehicles required to safely transport perishable products on the road network, from farm or manufacturer to the consumer via warehouses, shops, restaurants and homes. These vehicles come in all shapes and sizes from small vans to the largest articulated trailers, but they are all critical to our ability to access safe and secure perishable products at any time of the day.

Like the wider transport sector, refrigerated transport is predominantly diesel powered. In fact, a refrigerated vehicle typically carries a secondary diesel engine to independently power its refrigeration unit, as well as refrigerant gases both of which create additional carbon and other harmful emissions. Carbon emissions from UK registered TRUs have been estimated at around 2 MtCO₂e.

The good news is that we stand on the cusp of a revolution in transport refrigeration with rapid innovation driving new diesel free solutions which are ready to hit the roads now. The decarbonisation of transport refrigeration units (TRUs) is poised to act as a pioneer for wider transport decarbonisation, kickstarting the march to net zero in this crucial part of our economy.

The industry is ready to move, but I am writing to you to ask for your support to help us as we break new ground in establishing an industry led initiative to drive down emissions from refrigerated transport.

DEPARTMENT FOR TRANSPORT OWNERSHIP OF TRANSPORT REFRIGERATION DECARBONISATION AND SUPPORT FOR INDUSTRY LED SCHEME TO REDUCE EMISSIONS

Historically, transport refrigeration units have suffered from a lack of ownership from a single Westminster department, but we have been hugely encouraged by your Department's recent moves to take responsibility for overseeing the decarbonisation of transport refrigeration units. There is a strong basis for this, as whilst TRUs are technically categorised as non-road mobile machinery (NRMM) they operate exclusively on the UK's roads and contribute to the overall emissions from transport.

The Cold Chain Federation has been supporting your Department's research to analyse the emissions from TRUs and to map out the barriers to rapid uptake of alternatives to diesel. This has highlighted some key challenges:

1. There is no current requirement to register a TRU in the UK, so basic information on how many operate on UK roads, or how many of the older, more polluting, units are still in circulation is currently unknown.
2. There is currently no mechanism for tracking the emissions reductions from TRUs which are already being achieved by our members.
3. Whilst new technologies have become technologically feasible, there are barriers to their adoption, specifically infrastructure challenges and the high capital cost when compared to diesel

It is worth also highlighting that when the eligibility for TRUs to use red diesel was removed by the previous Government in 2022, it was promised that the extra tax revenues generated for HMRC would be reinvested into the sector to fuel decarbonisation. This support never materialised and whilst we are not looking for significant Government handouts from your Government, we do require Departmental backing for a pioneering industry scheme to drive decarbonisation of transport refrigeration units.

Working with our members and drawing on our experience administering the Climate Change Agreement Scheme for cold storage on behalf of the Government for over 20 years, we are developing an industry led voluntary accreditation scheme to register and track TRU decarbonisation. This has the potential to fill many of the knowledge gaps identified by your Department and to ensure the industry drives down its emissions in line with the Government's own net zero and air quality reduction ambitions.

I would like to invite you and your officials to a meeting to be arranged at your convenience to discuss pioneering scheme and how we can work in partnership to deliver it.

Yours



Phil Puck
Chief Executive