

Sustainability and cost savings? Yes, it's possible!

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As we all know, urgent action is needed to meet climate goals: cars and LCVs represent 15% of total CO2 emissions in the EU, while fleets represent up to 50% of our clients' internal emissions. With sweeping changes affecting the automotive industry already and more in the years ahead, sustainability is on everyone's mind, and the time to act is now. Nevertheless, the realities of business dictate that we must also keep an eye on TCO, and cost savings generally. How can these two driving forces be reconciled? A recent presentation by Amélie de Valroger, Head of Business Intelligence & Consultancy at ALD Automotive, and Frederic Wagner, Manager Fleet Partnerships at Chargepoint explores the issues and highlights the key support and advisory role in helping our clients map out the journey...

The wider context: present and future

Electrification is happening fast: it's not a question of "if" anymore, but of "when" – and a number of factors are contributing to this transition all at once:

Pressure from employees who want to make a positive impact

- Carbon footprint reduction programmes designed to optimise sustainability

- New EV models entering the market, while older vehicles are being phased out
- Tax benefits for both employers and employees
- Increasing fuel costs.
- The introduction of low-emission zones and other regulatory pressures.

Indeed, 2020 was a breakthrough year in terms of electric vehicle sales and corporate fleets are ahead of the curve, because they have younger cars than the general market. Against that background, it is useful – as we begin to formulate strategies – to subdivide emissions as follows:

- Scope 1: emissions from onsite generation and fleet fuel consumption (direct emissions)
- Scope 2: emissions from power plants providing purchased electricity (indirect emissions)
- Scope 3: emissions from indirect sources, such as company travel and supply chain management (supplemental emissions)

While the second of these is beyond our control, it is clear that the decisions we make and policies we implement can affect the first and third. In doing so, it is imperative that we devote attention both to the use of electric vehicles and to the question of infrastructure if we are to optimise costs.

Advisory support on energy transition

Of course, switching to electric is about much more than simply buying in new EVs. ALD Automotive offers support on several fronts via a five-step methodology:

- Fleet analysis, marketing, intelligence
- Driver profiling using telematics
- Green scorecard to model TCO and CO2 projections and provide optimal vehicles and charging solutions selection
- Mobility policy recommendations and optimisation
- Follow-up and operations, including monitoring tools and infrastructure optimisation.

Despite this, the journey ahead often seems confusing to mobility managers. Where to start? How fast should I make the transition? Which countries should be my priority? How can I calculate CO2 emissions? How to comply with my sustainable objectives?

My Net Zero Programme developed by ALD provides an answer to such questions, offering CO2 baseline, CO2 projections over the next years to reach CSR targets and order plan with powertrain mix per year.

TCO: one of the main barriers to electrification.

Nevertheless, amid the general enthusiasm for the transition, fleet managers are also concerned about the impact on TCO, and justifiably perhaps, as the calculations are complex. Traditionally with ICE vehicles, the main determinant has been the monthly rental. With electric vehicles, however, several other factors should be taken into account to have a full TCO approach and compare apples with apples:

- Energy costs
- Wall box and other charging costs
- Taxation & tax incentives
- Fringe benefit for the employee

In light of such complexity, the Green Scorecard provides customers with a comprehensive decision-making basis for their optimal vehicles and fuel type solutions. Available in France and the Netherlands from March 2022, it will be rolled out to other European countries as the year continues.

Optimising charging costs via technology

Once new fleets are in place, there are several follow-up and operational actions that come into play.

In addition to working out the economic cost, and seeking the most efficient solutions for the transition, the process also requires fleet managers to look at behavioural change. Managers need, for example, to understand how charging can be spread across home, workplace and public chargers – all of which imply significant cost differentials (public chargers, for example, being demonstrably more expensive). Alongside tracking EV fleet growth, we can also incentivise the desired type of charging behaviours.

Home charging is of course a new concept for EV drivers. It needs to be fully integrated into the driving experience – home being the most convenient place to charge for many. And of course, drivers need to be reimbursed for the energy they consume in charging company vehicles.

In this respect, smart charging is a key tool, allowing access to chargers to be monitored, alongside generating reports on pricing and waitlists for charging points – and all this can be done remotely.

ChargePoint software solutions also enable you to track emissions avoided, intelligently manage available electric capacity, shave peaks and track power dispenses to EVs, thus optimising the hours in which charging takes place, aligning peak charging with the lowest-tariff timeframes for energy consumption, and thus helping save energy and lower electricity costs.

There's a lot to take on board when it comes to the transition to electric vehicles, but you're not alone. Our tools, products, service and advisory support systems are designed to facilitate the process and offer maximum guidance to fleet managers. Don't hesitate to reach out to us if you need help.

The future of mobility is electric, and we'll be alongside you every step of the journey.

[Watch the replay of our webinar with our partner ChargePoint on the topic](#)

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