The Fleet Electrification Coalition (FEC) will speed up eTruck deployment at scale by leveraging the power of demand aggregation.

### Barriers to fleet electrification are addressed through coalition enabled levers

**High cost and low supply**
- TCO parity after 2030 in US and 2026 in EU
- Significant supply / demand gap based in both markets
- **Spec harmonisation** will speed up supply and reduce cost by reducing OEM R&D cost and supply chain dependency
- **Demand signals and commitments from FEC** will facilitate manufacturers’ investment in expanding eTruck production

**Lack of charging infrastructure**
- Estimated that charging infra will need to grow 180x to accommodate eTrucks at scale
- **Accelerate charging network deployment** by de-risking investments with easier access to capital and committed use
- **Reduce usage costs** by sharing capacity and increasing utilisation

**Capex restrictions for SMEs**
- SMEs carry >50% of road freight and don’t have easy access to financing mechanism to renew their fleets
- **Ensure timely access to early supply** for SMEs and third party suppliers in the coalition
- **Expanded access to financing mechanisms** by facilitating capital inflows from ESG investors and other mechanisms

### Benefits for participants

**Shippers**
- Ability to become a front-runner in sustainability through enabling subcontractors / LSPs in fleet electrification

**Carriers**
- Faster and cheaper (5-10%) access to eTrucks and charging
- Easier access to contract incentives and financing mechanisms for SMEs

**Logistic Service Providers**
- Faster and cheaper electrification of own fleets
- Enabling sub-contractors to electrify through collective access to eTrucks and charging infra.

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Introducing the SFBA

Fleet Electrification Coalition
Introducing the SFBA Fleet Electrification Coalition

To meet 2030 targets as well as regulatory and customer pressures, fleet owners need to act now. We will speed up large-scale e-truck deployment by leveraging the power of demand aggregation.

Our vision:

- Increase supply and reduce cost of eTrucks through a joint framework agreement to purchase 100k+ units
- Ensure roll-out of adequate charging network with joint investment, shared use and volume commitments
- Reduce entry barriers to facilitate electrification of 3rd party providers and SMEs

In this document:

1. Barriers to fleet electrification
2. Solution through demand aggregation
3. Impact for our members
4. Approach of the FEC
5. Next steps
1) The Challenge: Electrification of medium- and heavy-duty trucks faces 3 key challenges

High cost and low supply
- The eTruck market will experience a supply shortage in the future with large buyers taking most of the production volumes
- Low expected production volumes contribute to high fix costs and technology uncertainties, pushing TCO parity further back

Lack of charging infrastructure
- eTruck charging infrastructure needs to grow 180x to enable electrification at scale
- Current grid capacity and capital availability are also likely to limit pace of rollout

Capex restrictions for SMEs
- The majority of MHDV’s is operated by 3rd party providers and SMEs, resulting in complex subcontracting structures that hinder fleet electrification
- Capital constraints and benefit distribution discussions cause a major hurdle towards rapid adoption of e-trucks
2) **Demand aggregation** is the key to speeding up the adoption of e-trucks

The power of demand aggregation

Aggregated demand allows OEM’s to confidently scale up production volumes based on clear sales outlook and simplified vehicle specifications.

Aggregated demand allows charge point operators to better plan the required charging network design and required capacity.

Aggregated demand opens the door to contract incentives and new financing solutions. This reduces entry barriers for 3rd party providers and SME’s.

- OEM’s and CPO’s are currently working on investment plans for capacity, tooling, supplies for their pipeline 2026-2028.
- A “committed orderbook” based on standardized specifications will significantly help accelerate the production ramp-up.
- In addition, orders placed now (e.g., by the FEC members) reduces uncertainty and risks for OEM’s / COP’s.
Impact: Shippers can accelerate the transition to Net Zero by electrifying their fleet & helping their suppliers to do the same

### Impact

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<thead>
<tr>
<th>Cheaper, faster electrification of own fleet</th>
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<tbody>
<tr>
<td>• 5-10% cheaper eTrucks through joint procurement</td>
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<tr>
<td>• 5-10% cheaper charging infrastructure capex and opex</td>
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<tr>
<td>• Influence OEMs on <strong>harmonized specifications</strong></td>
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<td>• Share private charging infrastructure with other coalition members</td>
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<th>Become a sustainability leader</th>
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<td>• Accelerate Net Zero goals for transportation by <strong>up to several months</strong></td>
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<td>• ~ 6-8% consumer green premium for sustainability front-runners</td>
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<td>• Part of the <strong>leading coalition</strong> in fleet electrification</td>
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<th>Leverage the community toward constructive dialogues with LSPs/carriers</th>
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<td>• Supporting LSPs and carriers in their transitions by <strong>supporting the coalition and offering mechanisms to de-risk their investment</strong> (e.g., contract incentives)</td>
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<tr>
<td>• Align with LSPs and carriers on the <strong>most effective investments</strong> to make (e.g., network optimization for CO2) and explore collaborations on infrastructure</td>
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<th>Support SMEs in their electrification</th>
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<td>• &gt;50% volume carried by SMEs with limited resources to electrify</td>
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<tr>
<td>• Collective action on <strong>contract incentives, financing</strong> and <strong>vehicle access</strong> to support SMEs in a non-competitive way</td>
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Deep-dive next
Shippers can support transition of SMEs through direct contract incentives and coalition enabled solutions

**Shippers**
Shippers with large 3rd party fleets need to support sub-contractors in their transition

**Contract incentives**
Shippers can add electrifications incentives in contracts, but they need to ensure that their partners are able to meet this requirements financially and operationally

**Coalition enabled electrification mechanisms**

**Vehicle access, pricing**
Enabling SMEs to access faster and cheaper supply of e-trucks as part of Aggregated Demand mechanism in the FEC

**Access to financing**
The FEC as a group will be able to secure more favorable financing mechanisms for SMEs by de-risking investment with guaranteed demand and long term partnerships

**Sustainable Freight Buyers Alliance**
Fleet Electrification Coalition

Direct incentives for electrification
4) The approach: The FEC will work along 3 workstreams in the first 12 months

Detailed workstream plan available upon request / in backup

**Defining the partnership model**
- Set joint goals and define the action plan with all stakeholders
- Shape the coalition’s collaboration, operating and value creation model

**Building the fact base**
- Estimate members’ and market charging infrastructure needs
- Develop the TCO model
- Define potential financing solutions
- Compare demand needs with current supply side and estimate gap

**Bending the curve for eMHDV adoption**
- Engage OEMs and other parties to understand and tackle barriers
- Determine and prioritize supply acceleration and cost reduction levers
- Develop deployment plan for charging infrastructure
5) Next steps: The project will deliver significant savings but requires your commitment & support

**What you will get**

- **Faster and cheaper access to e-trucks**
  5-10% cheaper trucks due to collective bargaining means >500% IRR on FEC cost

- **Increase charging availability and reduce cost**
  Sharing of charging infrastructure can reduce installation cost by 5-10%

- **Reduced barriers to adoption by 3rd party contractors / SME**
  Buying alliance as early as possible can speed up access for smaller carriers by up to several months

**What you will give**

- **Be part of the founding community**
  • You help set the strategic direction, objectives of the coalition

- **Contribute necessary resources**
  • Leverage your internal organisation and network to help the FEC
  • Actively engage your 3rd party service providers in the project
  • Contribute to the total funding required for the first year (2/3 already funded) to cover PMO, legal, research, staff and external support cost

- **Commit as part of the group to reap the benefits**
  • Participate and commit in discussions with OEMs and infrastructure providers
Thank you!

For FEC membership discussions, contact Ruben van Doorn: ruben.van.doorn@smartfreightcentre.org

For any other questions, reach out to us at sfba@smartfreightcentre.org OR visit our website to explore more

Schedule an onboarding call with SFC

Begin collaborating!