



TRA CONSULTATION AS0067 - APPENDIX TO SUBMISSION PROVIDED BY THE SUSTAINABLE BUSINESS CONSORTIUM ON 5 JANUARY 2026

HVO CASE STUDIES FROM SBC MEMBERS:

STATEMENT FROM [redacted commercially sensitive]

We have expanded HVO use quickly since introducing it with fleets in Feb 2022. Indeed, 2022 saw around 5% of our fuel demand moving to HVO with this increasing last year to almost 25%. In terms of vehicles, HVO is used primarily in arctic and some rigids (this is very client specific in the main as our approach has tended to be introducing HVO into a client's operation and expanding this to 100% of their [redacted commercially sensitive] operated fleet over time). Journeys can thus be anything from trunking operations between major client hubs / DCs to radial delivery operations (out and back) and can easily range between 200 and 400 miles per day (with multiple drops on radial delivery operations).

For [redacted commercially sensitive] our trials of HVO started in Feb 2022 and these were 100% blends from the outset. Indeed, to date, we haven't done any blending of HVO with B7 other than allowing trucks to refuel with B7 on the road on the rare occasion they have been running low on HVO and would not make it back to one of our HVO bunkered locations (very rare). Further, we have found that HVO bunkering is pretty straightforward and has required minimal tank cleaning of B7 prior to receipt of HVO deliveries. Indeed, our [redacted commercially sensitive] operation in 2024 had some local issues with B7 availability and was able to drop HVO directly into existing tanks without any cleaning with no detrimental impacts witnessed.

We have never used biodiesel in this way; there have been trials of biodiesel over recent years (in depth trials from 2018, but were also earlier trials too). One of the main drawbacks from blends we've come across have been the increased maintenance requirements (filter changes, etc.) which created additional cost and vehicle downtime

We have chosen to use HVO as it provides immediate carbon savings using existing assets (drop in fuel compatibility with ALL of our current fleet), to meet the needs of our client base seeking to move on decarbonisation of their transport-related emissions.

STATEMENT FROM MENZIES DISTRIBUTION SOLUTIONS

Menzies Distribution Solutions use HVO in our 44 tonne arctic fleet for on a variety of customer contracts across food, packaging and healthcare clients. We use around 233,000 litres of HVO per year (2024 data), this is around 1.2% of our total diesel fuel usage. The proportion is increasing year on year as more customers work with us to adopt it.

Where we use HVO it is 100% blend HVO from our own bulk tanks. However, we will fuel up vehicles that primarily run on HVO with B7 when needed to fuel "on the road / public forecourt" Also for one client we have operated a 50/50 approach whereby trucks fill with 100% blend HVO from own bulk tank 50% of the time and from public forecourt B7 at other times. This was an option to mitigate cost impact of full HVO adoption for that client but still giving ca. 50% CO2 savings.

We have never used biodiesel, only ever used HVO. Truck manufacturers warranties are not compatible with biodiesel (they are with HVO). The main driver for using HVO is CO2 saving to help our clients reduce their Scope 3 CO2 emissions. HVO also brings flexibility as no changes to, or impact on, fleet type/spec, payload, fuel storage conditions etc.

STATEMENT FROM HOWARD TENENS LTD

Howard Tenens Ltd is one of the largest privately owned logistics companies in the UK, owning over four million square feet of warehousing and operating a fleet of approx. 200 commercial vehicles. The majority of our vehicles are 44 tonne HGVs.

Howard Tenens has a long history of operating low emission HGVs, starting in 2009, when we were one of the first companies to convert a 44 tonne HGV to run on dual fuel CNG. In 2015 we had one of the largest dual fuel CNG fleets in the UK. Today our fleet operates on a range of different fuels and technology, including B7 diesel, biomethane, HVO and battery electric.

HTL began using HVO of 100% blend in 2021 as part of our decarbonisation strategy, starting initially as a trial on a few HGVs, but quickly scaling up to multiple depots. Other fuels and technologies were evaluated, but HVO stood out as being the most cost-effective solution with the lowest risk and least impact on our operations. The key benefit of HVO is that it is a drop-in fuel, even at 100% blends, meaning that no modifications are required to fuel tanks or vehicles. All the motor manufacturers were also actively supporting the use of HVO and there were no issues with engine warranties. This makes HVO very low risk and low cost to conduct a trial, as it incurs no additional cost other than the premium cost of the fuel itself. There are no other solutions on the market for HGVs that can offer the same carbon savings without the need for additional infrastructure or vehicle costs.

The use of biodiesel incurs an additional cost for the vehicle to be retrofitted to run on B20/30 of up to £2000, and in the case of 100% biodiesel blend, the cost of modification increases to £8000 per vehicle. Vehicle maintenance costs are also higher, up to £2000 per annum (Ref: ZEMO Partnership The renewable fuels guide 2023).

Another advantage of HVO is that it is less hygroscopic than B7, so bacterial growth in fuel tanks is minimised. Long term storage of B7 poses a risk, whereas HVO can be stored up to 10 years. Biodiesel on the other hand is *more* hygroscopic than B7 and so there would be additional cost involved in terms of adding anti-microbial products. As 100% biodiesel needs to be temperature controlled, there is also additional cost for heated fuel tanks, heated lines and dispensing pumps.

Logistics operators work on very small margins, typically 2-3%, so careful consideration is given to the total cost of ownership of any new fuel or technology introduced. The fact that HVO avoids any additional cost to vehicles or infrastructure is extremely advantageous.

Switching between B7 diesel and HVO is also extremely easy and allows us to be flexible and respond quickly to customers who want to reduce their GHG emissions. Likewise, it is easy to switch back to B7 when contracts have ended or the price of HVO increases beyond what a customer is willing to accommodate. It also means we can refuel with HVO and B7 interchangeably, such that we might fill up with HVO from our bunkered HVO supply at the start

of a shift but then fill up with B7 at a public forecourt later in the day if we do not have the range to return to base on one tankful of HVO.

Last financial year over 50% of the fuel used in our commercial fleet was HVO (approx. 3.3 million litres), leading to a dramatic reduction in our GHG emissions. Until battery electric HGVs become commercially viable, HVO will continue to play an extremely important role in our carbon reduction strategy.

We are surprised by the TRA's conclusions that biodiesel and HVO are considered interchangeable. From a logistics operator perspective we do not believe this to be the case.

KINAXIA LOGISTICS

Kinaxia uses 100% blend HVO (EN15940) within a limited number of high-mileage HGVs operating on dedicated customer contracts, where fuel supply and operational control allow. In 2024, approximately 949,000 litres of HVO were used across the fleet.

HVO is deployed specifically to deliver immediate carbon savings for large, committed customers, providing significant lifecycle CO₂e reductions while allowing existing vehicles to remain in service and maintaining operational flexibility, which is key to our business. We have trialled other low carbon solutions but HVO has provided the most cost-effective solution to date.