POWER2DRIVE EUROPE TREND PAPER

THE TIME FOR ELECTRIC VEHICLE FLEETS HAS COME
Why a growing number of companies are relying on e-mobility

The total cost of ownership over the course of a year of electric vehicles is lower than that of vehicles with internal combustion engines. The falling prices of electricity, consistently advantageous company car taxation, a wider choice of vehicles and, above all, vehicle fleet limits prescribed by the EU-are providing the right impetus for e-mobility in 2025.

EU directives and national laws are providing crucial impetus

The requirements of the EU Corporate Sustainability Reporting Directive (CSRD) and the Energy Efficiency Act (EnEfG) are binding for vehicle fleet limits. According to the CSRD, more than 15,000 German alone companies have an obligation to provide sustainability reports and implement appropriate sustainability measures. Many of the companies required to report have now set themselves the strategic goal of fully electrifying their fleet by 2030, or by 2035 at the latest. In many cases, the fleets concerned are large. A large German telecommunications company, for example, is currently converting its fleet of around 19,000 cars to electric drive. The new legislation also impacts these companies' suppliers, requiring them to demonstrate their compliance efforts and implement necessary measures to maintain their orders.

The Energy Efficiency Act (EnEfG) also affects many more companies in the same way. Initially, the German Federal Office for Economic Affairs and Export Control (BAFA) estimated that the EnEfG would affect around 2,400 companies with en energy consumption in excess of 2.5 GWh, which would obligate them to implement energy-saving measures. The Federal Ministry of Economic Affairs and Climate Action has recently revised its estimate to 55,000 affected companies. This is because, for many of them, the largest energy consumer is the vehicle fleet, and for small and medium-sized companies, this accounts for an average of over 50 percent of their total energy consumption.

As a consequence, more than 30,000 corporations and large companies will have to take measures to decarbonize their fleets in 2025. If they replace just 20 motor vehicles each, this will mean that 600,000 new e-vehicles will be bought. In 2025, OEMs will be required to reduce their fleets' carbon emissions by 15%[1]. At the same time, an emissions limit of 93.6 g/km CO_2 and a penalty of 95 euros per gram, per vehicle will apply with immediate effect if this limit is exceeded. For some SUVs, these penalties could exceed 10,000 euros. The OEMs will do everything they can to avoid having to make such high penalty payments. The fact that car manufacturers are making their internal combustion engines more expensive and pushing e-cars onto the market at a lower price is a reaction to this.

The right strategy for e-mobility includes employee involvement

[1] According to information dating from March 2025, the President of the EU Commission is planning to relax the rules for CO_2 vehicle fleet limits, which may mean that fleet operators will be given three years to meet the limits.

E-mobility is here to stay. The critical hurdles of limited range and a lack of charging stations have been overcome. As role models within society, companies are going green to boost their image with potential applicants, customers and partners. The fleet structure should be well thought out. Currently, companies have little flexibility in terms of vehicle variability. Vehicles are assigned, used and expected to cover every conceivable need. This is the wrong approach. In fact, companies rarely analyze what the vehicles are used for and what average distances they cover.

The introduction of e-mobility should be planned strategically. This includes setting targets, defining the introduction phases and taking industry needs into account. Concrete measures and targeted employee communication must also be defined. After all, it is not about the cars or the charging infrastructure as such; it is about involving users, understanding their mobility profiles and habits, and, ultimately, offering them suitable, individualized solutions.

E-mobility is one of the keys to the future viability of corporate mobility as a whole, with a focus on the three factors of sustainability, economic viability and innovation. Restricting or reducing e-mobility will unlikely ever be possible again. This is because Germany is a fundamental part of the overall European Union structure, which includes all the requirements and decrees that have been adopted, and global competition that is clearly committed to e-mobility.

Expand markets with range analysis and renewable electricity

One example of the strategic introduction of e-mobility is a major company known for manufacturing passenger elevators. The company and its 4,000 employees operate around 3,000 vehicles, and its carbon footprint is largely determined by its vehicle fleet.

The company had set itself the goal of achieving a 100 percent electric fleet by 2030. A business case was defined at the beginning of 2021. This was used to calculate how the investment will pay off and determine which vehicles (internal combustion engine or electric vehicle) are suitable for which employees or business areas. From the outset, a holistic approach to e-mobility was taken, including e-bikes, cargo bikes, subsidized public transport tickets and car sharing. A range analysis determined which cars and vehicles are suitable for which purpose. This enabled a steady expansion of the group of employees for whom an electric vehicle could be a viable option. Employees who charge their vehicles at home were provided with a second meter to ensure that only green electricity was used for charging.

The German Federal Government’s decision to cut funding from one day to the next was a challenge for the company and meant that the business case had to be recalculated. At that time, it was also more difficult than expected to get hold of suitable e-vehicles. Nevertheless, one third of the fleet has now been electrified. The company is confident that it will succeed in achieving its stated goal of full electrification by 2030.

Uncertainty regarding fleet electrification jeopardizes the economy

If a group of experts[2] consisting of representatives from industry, trade media and associations were to be asked about the challenges surrounding the electrification of vehicle fleets, they would say that the global transformation towards e-mobility is in full swing. The question is to what extent the new technology will also become part of our own economic value chain. Politicians play a key role in the progress of e-mobility within companies, as their statements on technological openness and a potential return to internal combustion engines create investment uncertainty. However, with the Green Deal, among other initiatives, the EU has provided a clear timeline, mandating that only carbon-neutral vehicles can be registered from 2035 onward. It is now the responsibility of national governments to create planning certainty for companies so that their investments pay off while maintaining economic performance and jobs. To this end, electricity should become cheaper. According to the CEO of a French energy company, this means increasing investments in renewable energy systems, as they are the most cost-effective electricity supply option[3]. There should also be more competition at the charging stations and intelligent solutions for the home. Furthermore, administrative relief from the many reporting requirements, i.e. debureaucratization, is necessary.

Politicians need to stop undermining e-mobility at the national level, as this only creates uncertainty for the public. By clearly committing to e-mobility and developing a low-cost electricity supply based on renewable energies, governments create planning security for the domestic economy, in particular for automobile production and companies operating a vehicle fleet. Indeed, electrifying vehicle fleets helps to contain the climate crisis and contributes to tomorrow's economic strength.

[2] The "Die Zeit ist reif für den elektrischen Fuhrpark" (The time for electric fleets has come) expert group at the 44th edition of the electrive LIVE conferences (February 19, 2025)
[3] Vincent Verbeke, CEO of the French energy group engie