

Electric Canyonero!

The astonishing popularity of pick-up trucks has been a disaster for emissions. But if drivers – particularly in the US – embrace the new generation of electric trucks, the (positive) impact could be enormous.



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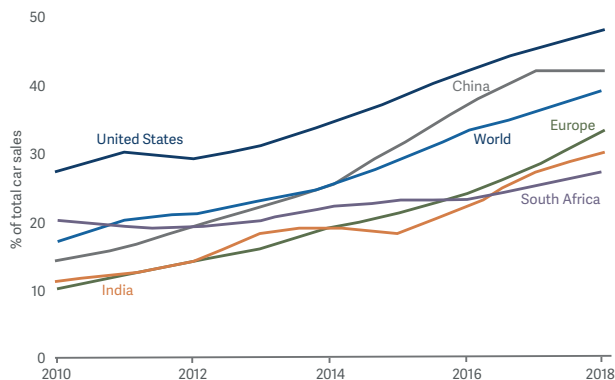
- SUVs (including pick-up trucks) have been the second-largest contributor to the global increase in CO2 emissions since 2010
- US consumers are ideologically wedded to their trucks
- Electric trucks are a necessary evil if America is to embrace the energy transition

“Twelve yards long, two lanes wide,
65 tons of American pride! Canyonero!”

The Simpsons, 'The Last Temptation of Krust' (Episode 15, Series 9)

Travel to the US, and one of the first things you'll notice is the size of the vehicles on its roads. The pick-up or light truck (the largest, heaviest type of 'sports utility vehicle' or SUV) holds a unique place in American culture that foreigners find hard to fathom. And while a growing preference for SUVs has been a global phenomenon over the last decade, the US leads the world when it comes to the market share held by these types of vehicles.

SUVs (including pick-up trucks) account for a larger proportion of vehicle sales in the US than they do anywhere else – and their popularity shows no sign of fading.



Share of SUVs in total car sales 2010-2018. Source: IEA

For those of us whose memories reach back that far, The Simpsons parodied America's obsession with trucks in its ad for the 'Canyonero', an oversized truck, way back in 1998.

*Can you name the truck with four-wheel drive,
smells like a steak and seats thirty-five?
Canyonero! Canyonero!
Well, it goes real slow with the hammer down,
It's the country-fried truck endorsed by a clown!
Canyonero! Canyonero!
12 yards long, two lanes wide,
65 tons of American pride!
Canyonero!*

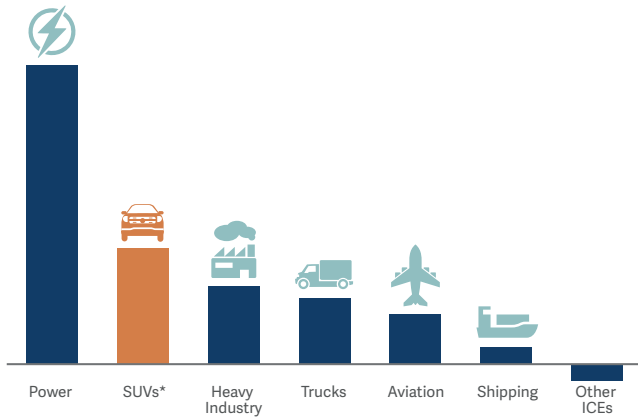
Little did The Simpsons' writers know that trucks would only get bigger, heavier and more powerful over the next 20 years. The average model year 2020 pickup in the US weighed 2.5 tonnes, although there are models that can weigh up to 4 tonnes.

This obsession with trucks has directly contributed to the climate crisis

Over the last 50 years, the pick-up truck has morphed from rural workhorse to lifestyle statement. In 1975, vehicles that could be classified as a 'truck SUV' were only a small part of US vehicle production; by 2020, they accounted for 39% of production.

Over that time, all vehicle manufacturers have achieved greater fuel efficiency – but larger, heavier vehicles require more energy (horsepower) to move than smaller, lighter vehicles. All other factors being equal, that means lower fuel economy and higher CO2 emissions...

SUVs – including pick-up trucks – have been the second-largest contributor to the increase in global CO2 since 2010, lagging only the power sector



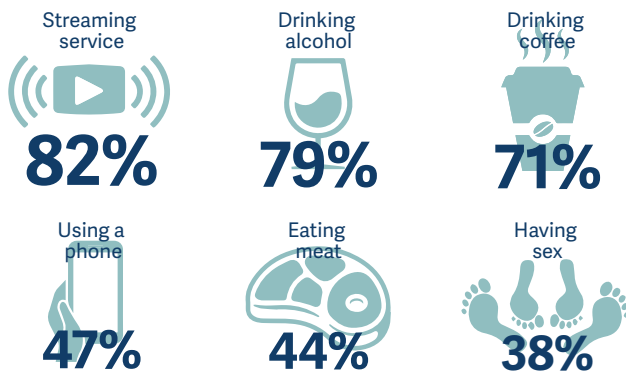
Source: IEA. * includes pick-up trucks

(As an aside, quite apart from the obvious aerodynamic inefficiencies, the trend towards ever-larger trucks with ever-taller front-end grills has also meant that, despite the introduction of a variety of safety technologies like cameras, sensors and automatic brakes, pickups present a particular risk to pedestrians and other road users; it's more difficult to avoid hitting something if you simply can't see it.)

How likely are US consumers to abandon their trucks?

Given their inherent inefficiency and the safety concerns it may seem hard to understand America's obsession with ever-larger pickups. The fact is, however, that these vehicles are firmly embedded in the American psyche...

Keep your hands off my truck! In 2020, Ford commissioned Penn Schoen Berland to ask 2000 US truck owners how they felt about their vehicles; truck owners were asked which activities they would give up instead the keys to their truck



Source: Classic Cars Journal

Politicians in the US well understand voters' infatuation with their trucks, with the result that fuel economy standards in the US have tended to lag those elsewhere: relative to Europe, China and Japan, vehicles in the US, on average, remain woefully inefficient. Transportation is the largest source of greenhouse gas emissions in the US (29%).

Solving America's emissions problem will mean making electric vehicles attractive to today's truck purchasers, many of whom are ideologically wedded to them. Successfully launching the next generation of electric truck equivalents is therefore critical if the US is to reduce its transport emissions.

Electric pick-ups are a necessary evil

Tesla Cybertruck – Electric Canyonero?



Source: Tesla

Time is the critical constraint here. The electric transition needs to happen quickly and we simply don't think it is realistic to expect truck drivers to switch to smaller vehicles. That transition already seems to be underway: the race between incumbents to launch the first electric pickups in the US has begun in earnest. Ford was the first to offer an electric truck in the form of its F150 Lightning; GM's Silverado EV is expected soon.

For GM, Ford and Fiat Chrysler (who collectively share 80% of the market), making trucks is a profitable business - and they sell vastly more trucks than they do cars. This gives them two advantages in their electrification journey versus legacy automakers who focus on smaller 'sedans'; their existing, more profitable product mix can fund a capital-intensive transition while also allowing them to perform the rather cynical manoeuvre of stopping selling the smaller, more fuel-efficient but lower-margin models in their ranges. Why? Because a relatively low number of new electric pick-ups will offset a lot of their regulatory responsibilities to keep emissions across their product range down (this offset is the only reason they have kept making small cars for so long).

This is another reason why we support Tesla's foray into the pick-up truck market with its unconventional looking Cybertruck, which will be built (uncoincidentally) in Texas and which is due to launch sometime next year. For reasons we have explained before, we believe Tesla's advantages (its relative production experience, its focus and its vertical integration from cell design, battery-pack design, motor design through to BEV assembly and software) mean it should be a prime beneficiary of the transition to electric trucks.

Rapid decarbonisation of America's transport system is critical. Not only will powering trucks using batteries rather than internal combustion engines reduce emissions of CO2, it will also bring a huge reduction in the consumption of raw materials. Sales of electric vehicles in the US are still a fraction of those in Europe's (3x in 2021) and China (4.5x). **So if the country is to embrace electric vehicles, successfully transitioning consumers to an electric 'Canyonero' is a must.**

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