

Transport Energy Task Force High Level Group

Monday, 29 September 2014, 10:30 - 12:30

Department for Transport, Great Minster House, 33 Horseferry Road, London SW1P 4DR

TE-HL-M-01

DRAFT MINUTES

Actions

Action: Secretariat to circulate presentation and paper setting out modelling assumptions.

Action: Secretariat to propose how to address under represented stakeholder groups.

Action: Secretariat to consider how to communicate activity of the Task Force with wider stakeholder community.

Action: The Secretariat to circulate a paper setting out common themes and suggested work packages for discussion at the next meeting.

Action: The Secretariat will be in contact to confirm the date of the next meeting.

Attending

Aaron Berry – DfT

Andrew Owens – Greenergy

Andy Eastlake – LowCVP (Vice Chair)

Catherine de Marco – DfT

Charlotte Morton – ADBA

Chris Malins – ICCT

Chris Mottershead – Kings College (Chair)

Clare Wenner – REA

David Baldock – IEEP

Doug Parr – Greenpeace

Emily Beynon – DECC

Frazer Campbell – DECC

Grant Pearson – Ensus

Helena Busby – Defra

Hugh Tucker – UKPIA

James Mills – NFU

Jennifer Hurley – DfT

Jeremy Tomkinson – NNFCC

John Baldwin – CNG Services/EU Skills

Jonathan Hood – DfT

Jonathan Murray – LowCVP

Keeley Bignal – DfT

Kenneth Richter – FOE

Leigh Hudson – BA

Michael Humphries – DfT

Neville Jackson – Ricardo/Auto Council

Patrick Lynch – Greenergy

Rawfiah Choudry – HMT

Richard Kneller – DfT

Richard Stark – British Sugar/LowCVP

Rick Taylor – Vivergo

Rob Wakely – DfT (Vice Chair)

Roy Murray – BP

Taj Gul – DfT

Tom Barrett – DfT

Apologies

Chris Hunt – UKPIA

Vikram Paul – Shell

1. Welcome

Rob Wakely (RW) welcomed and thanked stakeholders for agreeing to participate in the Transport Energy Task Force. The Task Force is a collaboration between DfT and the LowCVP to examine how the UK will meet the RED renewable energy target for transport by 2020 and how low carbon fuels could help reduce transport GHG emissions in the UK to 2030 and beyond.

He then introduced Chris Mottershead (CM) as chair of the Transport Energy Task Force. Chris Mottershead is Vice-Principal for Research and Innovation at Kings College London, a non-executive director of The Carbon Trust, a member of DECC's Science Advisory Group and previously worked for BP where he led on Energy Security and Climate Change.

There was a tour of the table and Members introduced themselves.

2. Purpose of the group

CM provided a short introduction to his background and why he has agreed to participate and chair the Task Force. His approach will be to give all members a voice and to encourage members of the Task Force to understand the landscape of transport energy policy in a neutral and constructive way.

It was confirmed that although the Task Force would seek a consensus where ever possible, although this might not always be achievable. The key was to identify what the group could agree on and if there were areas where there was disagreement then to understand what members' concerns are and what the consequences of actions, where there isn't agreement, might be. Members of the Task Force were asked to consider what issues they might be flexible on as well as what was crucial for them. The aim is to identify the best possible recommendations by March 2015.

To this end the initial meeting would focus on gathering members' views on the key things which are crucial for the Task Force to address in order to make progress. This would be summarised by the secretariat into a set of themes to be presented at the second meeting. The second meeting of the group will focus on what needs to be done to address these themes, from which a work programme would be developed.

DfT's perspective

RW set out what he hoped would be achieved by the Task Force, highlighting three points:

- 1. The time is right.** DfT's modelling shows that biofuels have a crucial role to play in reducing GHG emissions from road transport. There is an opportunity to advise ministers on low carbon fuel implementation for 2020; and set out a path to 2030 that industry can deliver cost effectively, therefore providing investors with the certainty they need and grasping the opportunities for sustainable growth and jobs, so that the wider public can buy in to the purpose.
- 2. Looking for ambition and realism.** Ambition because at best we have a chance to set transport energy policy in the UK to 2030. Realism that even if it is not possible

to agree a single set of options, the process should at least tell us what's not doable and understand why.

- 3. Conditions for success** start with a willingness to work together; to bring things to the table, to listen and to be constructive. To give ministers the best advice possible we need your support and expertise; so we can accurately identify what options and opportunities are available.

LowCVP's perspective

Andy Eastlake (AE) set out what he hoped would be achieved by the Task Force from LowCVP's perspective. LowCVP was established in 2003 by government to provide on-going stakeholder input to government. The mission of the LowCVP is to accelerate the shift to low carbon vehicles and fuels and create opportunities for UK business from that shift.

Making progress in the area of fuels has been more complex but LowCVP feel there is an opportunity to have a fresh view on what we want to achieve and how we wish to do it. The automotive sector has developed a consensus on the technologies which will deliver lower carbon vehicles and government has aligned policy to promote these technologies. This collaboration has had significant success both in driving down tailpipe emissions whilst simultaneously encouraging growth in the UK automotive sector.

LowCVP would like to see similar consensus around a transport energy roadmap and to look at pragmatic ways in which we can move forward so that the UK could benefit from lower carbon fuels and industrial growth potential. Additionally LowCVP has always focussed on the whole impact of road transport. This approach requires a holistic view of the combined benefits of both low carbon fuel and vehicle technology.

LowCVP would like to see the development of common ground between stakeholders to provide long term stability from an environmental and growth perspective. Part of that will be agreeing what fuels will be used, what feedstocks are encouraged and focusing on Well-To-Wheel emissions, rather than treating tail pipe and targets for renewables separately.

3. Policy context

Aaron Berry provided a presentation to set out the policy context to inform the discussion of the Task Force. Attach presentation.

The presentation highlighted that the overriding objective was to tackle climate change and went on to consider what could be achieved in the period to 2020 with the existing RTFO, or using the proposed EU agreement. In order to provide the group with a basis for discussion, alternative trajectories to meet the RED target were outlined, including a steady slope, and a late ramp up, together with the implications of a 7% cap on crop based fuels, with the balance being supplied by waste-based and advanced fuels. In addition potential future shares of crop, waste and advanced feedstocks were presented.

It was highlighted that there is an opportunity to influence EU agreement and develop policies in the UK to deliver genuine carbon savings, growth and jobs. It was highlighted that

to be effective, policies would need support from not only government and industry, but also environmental groups, consumers and to provide confidence to investors.

The presentation concluded by asking whether consensus was possible and setting out specific areas where the Task Force could provide help. These were:

- Review and critique DfT's modelling, data and assumptions.
- Identify fuel mixes that would command wide stakeholder support.
- Identify what policies would deliver cost effective, sustainable fuel mixes over the period.

There were a number of questions of clarification which covered the following issues:

Clarification on the proportion of carbon emissions from biofuels which is assumed in the Carbon Plan was requested. It was confirmed that the Carbon Plan, published in 2011, assumes biofuels would provide 8% of energy from transport by 2020 and that this proportion was assumed to remain the same until 2030.

It was noted that the cost of mitigation was mentioned during the presentation and it was asked what was meant by this. It was explained that the analysis detailed in the charts included the use of iLUC factors. As a consequence, where crop biodiesel (which increases emissions under the ILUC modelling) was part of the mix the overall cost of carbon abatement increased significantly.

Action: Secretariat to circulate presentation and paper setting out modelling assumptions.

4. Task Force operation

The chair asked for comments on the terms of reference and the makeup of the Transport Energy Task Force.

It was proposed that the square brackets around the objective 'Potentially provide advice and input to further work commissioned by DfT, other government departments or LowCVP with respect to road transport energy policy.' should be removed and that other Government departments would welcome the groups views and input to work they might commission relating to transport energy policy.

It was proposed that the automotive sector was under represented and that this might be rectified by the inclusion of engine manufacturers, particularly heavy duty engines. Suggestions welcome.

It was proposed that the terms of reference be extended to include 'whether UK should meet the RED target?' Although this was felt to be too wide it was agreed that the analysis should include an assessment of the full impacts, both positive and negative, of hitting the current target under various policy scenarios.

It was requested that in all the discussions the group has, it should make clear the difference between food prices and commodity prices.

It was noted that BIS weren't present at the meeting. It was reported that BIS had been approached and that the recently announced BIS bio economy champion would make a suitable point to engage with.

It was noted that the terms of reference are articulated in terms of the RED, rather than the FQD. It was noted that the two directives were originally in line with each other but have evolved independently causing additional complexity. In considering the longer term and what comes after 2020 it was recommended that a simpler approach should be taken.

It was questioned whether the involvement of other Government Departments in the Task Force might require an amendment to the terms of reference. It was proposed that this be discussed between DfT and other departments.

Summary

The chair summarised the two issues raised which would be taken forward, which were;

- The square brackets be removed from the terms of reference at the bottom on page 1.
- That the consequences of scenarios should be highlighted.

In terms of stakeholder representation it was suggested that the following groups were under represented;

- Automotive sector
- Waste
- BIS

Action: Secretariat to propose how to address under represented stakeholder groups.

It was noted that the wider stakeholder community should be kept informed of the Task Force's activity.

Action: Secretariat to consider how to communicate activity of the Task Force with wider stakeholder community.

5. Key questions and issues to be addressed in work programme

Each member of the Task Force was asked in turn to highlight what was important for the Task Force to tackle from their organisation's perspective. The comments are captured and have been reduced into proposed themes for consideration. The themes captured include:

Sustainability

- What is the definition of sustainability that stakeholders can agree on?
- What is acceptable in terms of feedstock mixes/impacts?
- How should the value of co-products and other policy pressures on agriculture be factored in?
- How to achieve the best balance between transport and energy sectors?

- What are the consequences of meeting the 2020 target?

Investment certainty

- How should biofuel plant investments be protected and future investment in advanced fuels encouraged?
- When and how should E10 be introduced?
- What should be the fuel policy objectives for 2030?
- Should advanced fuels be incentivised for use in aviation?

Customer acceptability

- How to ensure the product is wanted/accepted by consumers?
- How to ensure products are fit for purpose/work with vehicles?
- How should B7 fuel quality & sustainability of feedstocks be controlled?
- How to ensure energy security?

Establishing the evidence base

- What contribution can be made by demand management to reduce GHG?
- How to ensure the modelling is 'correct' and used appropriately?
- What is the availability of bioenergy?
- What is the potential volume of waste feedstock available for fuel?
- What is the growth opportunity from a transport energy industrial policy?
- What role can alternative fuels play in the short and longer term?

Advanced fuels/gaseous fuels

- How to define 'advanced fuel technology'?
- How to ensure 'advanced fuels' are sustainable
- What is the role of gas and biogas?

6. Next steps and date of next meeting

It was proposed that the next step would be to collapse the issues raised into common themes. The next meeting of the Task Force would then review the themes and consider how these could be packaged into workstreams and who should take these forward.

Action: The Secretariat to circulate a paper setting out common themes and suggested work packages for discussion at the next meeting.

It was agreed that the next meeting of the Task Force should take place soon. Two options were identified for the date of the next meeting which were Friday 17th October and Monday 20th October.

Action: The Secretariat will be in contact to confirm the date of the next meeting.