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MEDIA RELEASE

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Cutting carbon from buses: new report finds progress but need to review incentives to encourage latest technology

Current incentive mechanisms have been vital to the growth of the low carbon emission bus (LCEB) market according to a new report for the Low Carbon Vehicle Partnership (LowCVP). The Government's Green Bus Fund (GBF) and enhancements to the Bus Service Operators Grant (BSOG) have been key mechanisms driving the introduction of LCEB and uptake but industry specialists interviewed for the report also expressed some concern about aspects of current incentive mechanisms as well as some uncertainty arising from doubts about levels of future support.

The report identifies a number of barriers affecting the further take up of LCEB, with one of the key issues being the higher capital cost. The authors recommend that incentive mechanisms supporting both the capital and running costs for LCEB should continue in a revised format in order to encourage further growth in the LCEB market. A graduated scale incentive scheme related to carbon savings is proposed, to ensure a fair and technology neutral approach and to encourage the take up of a wider variety of LCEB technologies. This would also help to avoid any stifling of ambition to achieve greater reductions than the current 30% threshold for well-to-wheel greenhouse gas emissions which presently defines a low carbon emission bus.

Accompanying this central recommendation is a response that industry representatives favour an incentive based on running costs which stays with a vehicle for its life to support the second-hand market for LCEBs given the typically long service life of bus fleets.

The study also finds that awareness of the performance of LCEBs needs to be increased to improve knowledge and confidence of bus operators in purchasing new technologies. The LowCVP aims to address this issue by holding a Low Carbon Bus Symposium early next year to bring together bus operators, manufacturers and local authorities to share experience in the performance, environmental and economic benefits of LCEB.

The study, prepared for the LowCVP by Transport &Travel Research (TTR) in partnership with TRL, also recommends that consideration should be given to providing incentives for the introduction of gas and electric charging infrastructure for bus fleets. This would give greater opportunity for the introduction of these technologies with the potential for deeper cuts in carbon emissions and running costs.

The overall aim of the study was to provide policy makers with recommendations on future market support mechanisms, both financial and non-financial, to support further growth of the UK market for low emission buses.

The Transport Minister Baroness Kramer said: “We are committed to cutting carbon from transport through our £500 million Ultra Low Emission Vehicle package, including £30 million dedicated to driving down emissions from buses. We welcome the LowCVP’s report, which will help to inform our proposals for the new low emission bus fund.”

Commenting on the report Gloria Esposito, LowCVP’s Head of Projects said: “It’s clear that the policy initiatives which the LowCVP has helped Government to design have played a crucial role in making the UK one of the leading producers and adopters of low carbon buses in the world.

“It’s time now to examine how the incentives and test procedures are working and to adjust them where necessary to ensure that the UK maintains its successful position at the forefront of this industry.”

Report author and TTR divisional manager, Tom Parker said: “The study benefitted from very active engagement by the bus industry allowing the researchers from both TTR and our partners TRL to get quickly to the heart of the issues involved. There is undoubtedly already great interest and motivation to invest in low emission solutions, and the adoption of a truly technology neutral incentive approach could unlock the full range of opportunities for the UK to design, build and operate buses in a more sustainable and cost-effective manner."

NOTES TO EDITORS

The Government’s Office for Low Emission Vehicles (OLEV) announced in April 2014 that a further £30m is to be allocated to fund low emission buses in the new funding framework for 2015 and beyond. Details of the funding scheme are under development and expected to be finalised later this year.

Earlier in 2014 the LowCVP published an air quality addendum to its report on the range of technologies for low carbon buses and the Bus Technology Roadmap now adopted by the UK’s Automotive Council.

Barriers & Opportunities to Expand the UK Low Carbon Emission Bus Market:
Executive Summary DOWNLOAD HERE
Task 1: **Identification of barriers and levels of interest in low carbon bus technology** (options and packages) DOWNLOAD HERE
Task 2: **Incentives: Review and role of incentive mechanisms** DOWNLOAD HERE
Task 3: **Costs, benefits and likely take up of selected low carbon technologies – impact of price on payback** DOWNLOAD HERE

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About the LowCVP
The LowCVP is a public-private, not-for-profit partnership that exists to accelerate a sustainable shift to lower carbon vehicles and fuels and create opportunities for UK businesses. The LowCVP has been - and continues to be - mainly funded by the Department for Transport but with increasing contributions via membership fees and sponsorship/project income. Approaching 200 organisations are members, from diverse backgrounds including automotive and fuel supply chains, transport operators, vehicle users, academics and environment/not-for-profit bodies.

About TTR/TRL
TTR is a consultancy company specialising in the field of transport policy research, working closely with clients to understand the impact of innovative transport policies and measures on travel behaviour and attitudes, on energy consumption and the environment and on social issues. Key areas of work include energy & environment, air quality & transport; freight transport policy; sustainable mobility, market and social research; travel plans and European transport research and demonstration projects. TTR is a wholly owned subsidiary of TRL.

TRL – the UK's Transport Research Laboratory, is recognised world-wide for transport innovation, evidential research and impartial advice. Commercially independent with over 80 years of knowledge and experience embedded in its history, TRL has its headquarters just outside Wokingham, with offices in Wales, Scotland, the Middle East and Africa. TRL has a range of test facilities including Structures Hall, Pavement Test Facility, Driving Simulator (DigiSim), Impact Test Rigs and research tracks.

Note: The LowCVP Conference (15 July, Central London) will announce the results of a new study which is looking at the impact of low carbon-focused policy on investment, jobs and growth in the UK automotive sector, including buses. For more information, click here.

Visit www.lowcvp.org.uk/projects for full details about the LowCVP's 2014-15 work programme.

For more information visit: www.lowcvp.org.uk