



## Transport Energy Taskforce High Level Group

Monday, 20 October 2014, 10:30 - 13:30

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

TE-HL-M-02

### MINUTES

#### Actions

**Action: DfT to provide a paper setting out the key legal and policy frameworks as an input to the working groups.**

**Action: Members to contact [Jonathan.Murray@lowcvp.org.uk](mailto:Jonathan.Murray@lowcvp.org.uk) and indicate if you are willing to participate in which working groups and if they are willing to chair a working group.**

**Action: To register for the modelling workshop on Thursday 6<sup>th</sup> November please contact [Richard.Kneller@dft.gsi.gov.uk](mailto:Richard.Kneller@dft.gsi.gov.uk).**

**Action: LowCVP to publish limited details of the Task Force on its website, including the Task Force membership.**

**Action: Secretariat to develop project plan.**

#### Attending

Aaron Berry – DfT

Andy Eastlake – LowCVP (Vice Chair)

Baden Gowie-Smith – CNG Services/EU Skills

Catherine de Marco – DfT

Chetal Owens – Defra

Chris Malins – ICCT

Chris Mottershead – Kings College (Chair)

Clare Wenner – REA

David Baldock – IEEP

Doug Parr – Greenpeace

Grant Pearson – Ensus

Helena Busby – Defra

Hugh Tucker – UKPIA

James Mills – NFU

Jennifer Hurley – DfT

Jeremy Tomkinson – NNFFCC

Jonathan Murray – LowCVP

Keeley Bignal – DfT

Leigh Hudson – BA

Neville Jackson – Ricardo/Auto Council

Patrick Lynch – Greenergy

Richard Kneller – DfT

Richard Stark – British Sugar/LowCVP

Rick Taylor – Vivergo

Rob Wakely – DfT (Vice Chair)

Rob Walker – SMMT

Roy Murray – BP

Thomas Robertson – DfT

Ute Roelen – DfT

Vikram Paul – Shell

#### Apologies

Andrew Owens – Greenergy

Chris Hunt – UKPIA

Charlotte Morton – ADBA

Frazer Campbell – DECC

Kenneth Richter – FOE

Konstanze Scharring – SMMT

John Baldwin – CNG Services/EU Skills

Rawfiah Choudry – HMT

## **1 Welcome**

Rob Wakely, DfT welcomed the members of the Task Force to DfT and went through housekeeping. He then handed over to the chair, Chris Mottershead.

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

## **2 Minutes and matters arising**

The minutes of the previous meeting, detailed in paper TE-HL-M-01, were agreed and the actions noted as either complete or covered under the agenda.

## **3 Task Force Membership**

At the first meeting the group had noted that certain groups were under represented. Jonathan Murray, LowCVP, provided an update on how the Secretariat were progressing in addressing this issue. Three stakeholder groups were identified, these were; BIS, waste and automotive sectors. It was reported that;

- BIS had agreed to join Task Force. The representative would be Mark Turner (Head Chemicals, Oil and Gas) who is responsible for the Government's response to the House of Lords Science and Technology Select Committee report on "Waste or resource? Stimulating a bioeconomy".
- Three potential representatives from the waste sector had been identified. These were John Weatherby of Fichtner Consulting, Adrian Judge, of Tolvik Consulting and Peter Harrison of the European Climate Foundation.
- It had proved difficult to identify a UK based engine manufacturer able to participate and so the Society of Manufacturers and Motor Traders (SMMT) had agreed to join the Task Force to represent the automotive sector. Konstanze Sharring (Head of Policy) would be the representative.

It was reported that Defra would be supported by Chetal Owens on waste issues through the working groups.

It was proposed that the three waste sector representatives be invited to join the working groups. While SMMT's involvement was welcomed the group would like to see a UK based diesel and/or petrol engine manufacturer participate in the Task Force.

There was then a discussion as to whether there were other stakeholder groups which should be invited to participate in the Task Force. End users were suggested and it was noted that the Stobart Group had offered to support the Task Force. It was also suggested that Consumer Futures had a good knowledge of consumers' views with respect to fuels.

A number of other stakeholders were mentioned and it was agreed that they would be welcome to participate in the working groups.

## **4 Task Force Work Programme**

### **4.1 Common themes & working groups**

The Chair led a discussion on the themes identified for the Task Force to address in considering how to meet the 2020 RED transport target and what role low carbon fuels

could play in reducing transport GHG to 2030. The issues and the proposed working groups were detailed in paper TE-HL-P-05.

The themes identified and the proposed working groups were:

- WG 1. Establishing the evidence base
- WG 2. Sustainability & Objectives
- WG 3. Policy & Investment certainty
- WG 4. Customer acceptability
- WG 5. Role of alternative fuels

There was a discussion regarding the structure of the working groups. It was noted that working groups 1 & 2 were fundamental and it was difficult to take a view on the other working groups until these working groups had shaped the debate for the other working groups. However, it was agreed that working groups 3, 4 & 5 could not wait for working groups 1 & 2 to complete before kicking off and that all the working groups would have to work in parallel to some extent.

It was stated that the interconnections between the working groups would be very important in the Task Force being successful. To ensure this is achieved it would be vital that the work of each working group was visible to the Task Force as a whole. It was proposed that there be an executive team comprising of Chair, vice chairs, working group chairs and the secretariat. Working group chairs needed to be selected carefully and need to be people who were energetic and proactive and ideally with a degree of independence from the focus of the particular group.

It was also discussed whether it would be more productive to separate the fuel/technologies into separate working groups. This was rejected as it was felt that part of the role the working groups needed to perform was to come up with options which were accepted across technology/fuel sectors. If the technology/fuel sectors worked in silos it would make the role of the High Level group very difficult in resolving conflicting options.

It was agreed that the use of teleconferencing and webinars be explored by the secretariat to make it easier for stakeholders to participate in meetings. It was suggested that initial meetings should be face to face but subsequent meetings could be done remotely if possible.

There was then a discussion regarding the individual themes.

#### **WG1 Establishing the evidence base**

It was confirmed that the intended scope of WG1 was limited to agreeing the evidence and the modelling and not what should be done with it. This was a question to be tackled by the other working groups.

However, WG1 would be expected not just to agree the evidence base but also assess the robustness of data and certainty of the model and to provide an assessment for the other working groups along with highlighting where further work might be needed to supplement the existing data and model.

It was agreed that the working groups need to recognise the current legal definitions, however the implication of the evidence should be recognised. Therefore the implications of measures proposed by other working groups should flow from the work of WG1 which would require a counterfactual base case to be developed.

It was noted that there are a number of models relevant to this area of work, specifically used by policy makers, including the Aglink-Cosimo model used by Defra. Part of the work of WG1 should be to review policy critical model and high light pros and cons.

The work of WG 1 & 2 are closely linked in terms of defining sustainability and setting objectives for 2030 and the implications this has for achieving the 2020 RED target. Modelling should focus on 2020 rather than 2030.

### **WG2 Sustainability and objectives**

The key task for WG2 was to set out the objectives for transport fuel policy to 2030, which would entail agreeing a number of definitions.

It was agreed that the objective for 2030 should be top of the list of issues this group should address, but the sustainability definitions were also key in guiding work of other working groups, in particular WG3.

There was a discussion regarding what should be the definition of sustainability this group should be considering. It was proposed a wide definition of sustainability should be adopted which takes account of economic, societal as well as environmental issues. The other working groups would have to take account of legal definitions in regulation and wider implications when looking at proposed measures.

It was questioned whether sustainability meant different things in 2020 and 2030 and what was the role of mitigation. It was proposed that WG2 takes a view on these issues.

It was noted that account would need to be taken of the actions of other sectors and the implications for transport energy. In particular with respect to heat and power, and within the transport sector, the implications of demand from marine and aviation sectors.

The impact on adjacent policy issues such air quality and energy security was raised. It was agreed that tackling these issues was beyond the scope of the Task Force however, the Task Force should be to not make things worse and preferably make a positive contribution in these areas.

**Action: DfT to provide a paper setting out the key legal and policy frameworks as an input to the working groups.**

### **WG3 Policy & Investment certainty**

It was suggested that the inclusion of the word policy in this theme didn't help describe its focus, and that the term 'supply side issues' was closer to the intended focus of this group.

It was pointed out that the level of questions and issues identified under this theme were not as detailed as for WG 1 & 2. One reason for this was proposed, which was that the extent of work in WG3 was dependent to some degree on the outputs of WG1 & 2.

It was agreed that policy barriers and technical and market barriers should be within scope of this working group. It was also proposed that in looking at policy options, account should be taken of what is being proposed in other countries in addition to EC regulation with respect to heavy duty vehicles and infrastructure provision.

It was agreed that co-benefits, such as growth should be taken account of. It was also discussed what the preconditions might be for the introduction of a fuel. It was agreed that the difference between fuel specifications and feedstocks be explicitly taken account of in this working group.

It was also agreed that WG3 would cover the infrastructure issues/questions arising from WG1.

#### **WG4 Customer acceptability**

It was noted that with regard to customer acceptance, account needs to be taken of the implications of measures for the vehicle fleet.

Customers were predominantly seen as end users, vehicle operators whether they be private motorists or fleets. This working group should take into account the extent of consumer knowledge and whether it was a necessity for consumers to have knowledge of fuels.

#### **WG5 Role of alternative fuels**

There was a discussion regarding the necessity of WG5, and whether and to what extent issues relating to alternative fuels would be dealt with elsewhere by the other working groups. It was noted that electric, hydrogen, biogas and potentially other alternative fuels in the longer term were expected to play a very significant role. The inclusion of this working group would ensure that this was not overlooked.

#### **Other comments on the working groups**

It was noted that there was a sustainable aviation group which would be making recommendations in December, and that the views of this group should be considered in the work of the Task Force.

There was a call for the evidence base to extend to 2030 and for account to be taken of market reactions.

It was confirmed that the working groups would make recommendations and propose options for the High Level group to consider. There would need to be enough lead time to allow the High Level group to perform this role adequately.

It was confirmed that the working groups would be resourced by a secretariat team comprising DfT and LowCVP staff. There remain resource issues to be agreed with respect to this.

#### **4.2 Membership of working groups**

It was confirmed that all members are invited to participate in working groups, and that members' colleagues and representatives from organisations not currently on the Task Force can participate. However, there will be a need to achieve a balance amongst stakeholders and to keep the working groups to a manageable size, whilst having expertise.

There was a request to members for people who are willing to chair any of the working groups. They will need to be willing to be energetic and bring a degree of detachment to the role.

It was questioned what the working group chairs would be signing up for? It was confirmed that the Chairs wouldn't be expected to draft recommendations. Role is to ensure views of the group are being properly represented. The drafting of the recommendations would be undertaken by the Secretariat.

**Action: Members to contact [Jonathan.Murray@lowcvp.org.uk](mailto:Jonathan.Murray@lowcvp.org.uk) and indicate if you are willing to participate in which working groups and if they are willing to chair a working group.**

#### **4.3 Terms of reference for working groups**

Members were invited to comment on the generic Terms of Reference set out in paper TE-HL-P-06 which was proposed as a basis for the working groups.

It was noted that the timeline for the working groups to complete their work should be February in order to allow the High Level group time to complete its work. It was discussed if the work of the Task Force need to be completed in March. DfT confirmed this would be preferable but that if necessary this might be prolonged.

It was agreed that the first thing each working group should do is review the questions listed under their theme. The current list of questions under each theme were indicative and it would be up to the groups to establish precisely what they should cover to achieve the overall objective, agree what was in and out of scope and agree a terms of reference. The High Level Group and taskforce secretariat would provide guidance on the direction working groups took to ensure overall cohesion.

### **5 Establishing the evidence base**

Aaron Berry, DfT, provided a verbal update on progress with activity which would lead up to the start of WG1.

At the first meeting of the Task force a presentation was made outlining a number of scenarios which was later supported by a paper setting out the assumptions. Feedback had been requested by DfT to this initial set of assumptions, which could be provided via an on-line survey or through written evidence. The deadline for responding was Friday 24<sup>th</sup> October.

A theme that appears in the first few responses to date relate to ILUC and its treatment. It was clarified that in the modelling DfT apply ILUC factors to assess the impacts of the policy, for example in estimating the GHG savings delivered and cost effectiveness (£tCO<sub>2</sub>e). However, the policy framework underpinning the scenarios were in line with the current RED sustainability criteria and the European Council agreement in June (i.e. no ILUC factors, a cap on crop based fuel and sub targets for advanced fuels). The same approach would be followed in the modelling for the Task Force.

It was asked whether a best value for money scenario could be developed in addition to other scenarios? DfT confirmed that other scenarios could be developed if the Task Force felt this was appropriate.

The next steps relating to the DfT modelling is to conduct a review of the DfT modelling with E4Tech and Element Energy. This would, along with the feedback from the Task Force members, be used in a modelling workshop.

The modelling workshop is to be held at **DfT on Thursday 6<sup>th</sup> November between 10:30 and 13:30**. It is hoped that a webinar or teleconferencing option will be available for members as an alternative to travelling to the meeting. There is space at the workshop for a large group to attend (please contact [Richard.Kneller@dft.gsi.gov.uk](mailto:Richard.Kneller@dft.gsi.gov.uk) if you or colleagues wish to attend).

**Action: To register for the modelling workshop on Thursday 6<sup>th</sup> November please contact [Richard.Kneller@dft.gsi.gov.uk](mailto:Richard.Kneller@dft.gsi.gov.uk).**

## **6 Task Force Communication**

Andy Eastlake, LowCVP, provided a verbal update on communications to the wider stakeholder community regarding the Task Force, and asked for members' views.

To date LowCVP has published a news item in its newsletter following the initial meeting of the Task Force. This followed the Chatham House rules the Task Force operates under. The news item was picked up by a number of trade press.

The LowCVP proposes to set up a page on the LowCVP website which would provide updates on the progress of the Task Force, its objectives and work programme and provide details of how to get involved.

No membership information has been made public to date. It was universally agreed that the membership of the Task Force be published on the LowCVP website. This is subject to a caveat stating that members' employers don't necessarily endorse any particular outputs of the Task Force.

**Action: LowCVP to publish limited details of the Task Force on its website, including the Task Force membership.**

## **7 Next steps & DONM**

It was agreed that the next steps will be to set up the working groups and for the working groups to develop terms of reference. Once this was done the Task Force would convene to review these and their proposed work programme and what is in or out of scope for each working group.

It was proposed that the next meeting should be held either as a teleconference or webinar, once the WG's were established.

It was suggested that to keep the Task Force on track that the secretariat would need to actively project manage the working groups and that an executive team be established.

**Action: Secretariat to develop project plan.**