

## Partnership Activities: October – January 2006

This paper provides an update on LowCVP activities during the last quarter and is provided for information only.

The following highlights are identified:

- Meeting with Environment Minister - Ian Pearson
- Low Carbon Transport Innovation Strategy input submitted
- Director addresses Amsterdam Bio-energy forum
- Powering Future Vehicles Strategy response submitted
- Secretariat announces new programme of seminars / conferences
- LowCVP chairman receives Lifetime Achievement Award & appointed President of SMMT.

### 1. Meeting with Environment Minister

The Chairman and Director met with Ian Pearson, Environment Minister in December to discuss Government progress in delivering the Powering Future Vehicles Strategy. The Minister was aware of the work of LowCVP and meeting focused on practical issues in which the Partnership was seeking specific support including help to:

- Encourage the Treasury to strengthen incentives to encourage the purchase of low carbon vehicles
- Give greater priority to reducing road transport CO<sub>2</sub> within DfT
- Facilitate greater joined up policies within Government to support and encourage innovation
- Extend car labelling scheme to nearly new vehicles.
- Encourage DfT to address perverse market support mechanisms also fail to encourage fuel efficiency – such as BSOG
- Ensure DEFRA is adequately resourced to be able to effectively influence road transport policies and ensure these adequately reflect climate needs
- Recognise sustainability reporting within the RTFO can only be a partial solution to address concerns about increased deforestation from biofuels.
- Promote the UK's lead in biofuel sustainability assurance within the EU and other international forums
- Move towards a position in which there are rewards for fuels with higher GHG saving

## **2. Response submitted as part of Low Carbon Transport Innovation Strategy**

Partnership has provided input to the Low Carbon Innovation Strategy under development as part of the Energy Review. The final Strategy is expected before Easter. The submission makes clear that for the innovation process for low carbon vehicles to work well, a stronger demand signal and current market failings at each stage in the innovation process must be addressed. It highlights the capabilities of the UK supply chain and effective working relationship between academic institutions and industry. Thirteen specific recommendations are made addressing five key issues:

1. Further support for research, development and demonstration to deliver the cost effective low carbon vehicle technologies. These are needed to ensure that the UK remains a centre for technological development and product development of low carbon vehicles and components.
2. *Effective* incentives are needed to encourage manufacturers to bring to market the next generation of low carbon vehicles, and to stimulate the market for low carbon fuels.
3. The framework for vehicle taxation needs to be amended to stimulate a self-sustaining market for low carbon vehicles.
4. An effective communications campaign should inform the public about the contribution of car use to climate change and the options, and benefits to motorists, of reducing emissions through driving style and purchasing.
5. An evolving framework of support to encourage supply of low carbon intensity fuels of which the Renewable Transport Fuels Obligation (RTFO) is a key element, but in its present design, an incomplete solution to stimulate demand for the full range of potential low carbon fuels in the future.

## **3. Director addresses Amsterdam Bio-energy forum**

In November, the Director was invited to present to the Amsterdam Forum, an international gathering of member states and key stakeholders arranged by the EC. The invitation arose from the joint work underway to develop consistent biofuels sustainability criteria by the UK and Netherlands. The LowCVP Secretariat has been taking forward the initiative as part of its management of activities to develop sustainability reporting requirements as part of the RTFO. The presentation described the joint criteria and highlighted learning that should be taken forward in the development of the EU-wide scheme. Delegates broadly supported the approach and EC agreed to develop a programme of work for an EU biofuels sustainability standard.

## **4. Partnership presents recommendations on Powering Future Vehicle Strategy**

The Partnership has presented its recommendations to Government following its review of the Powering Future Vehicle strategy. In summary, the Partnership fully supports the objectives of the current strategy but does not believe they are currently being achieved. It calls for four issues specifically to be addressed:

- Further support should be provided for research, development and demonstration.
- Effective incentives to encourage manufacturers to bring to market low carbon models, and to stimulate the market for low carbon fuels.
- The framework for vehicle taxation needs to be amended to stimulate a self-sustaining market for low carbon vehicles.
- An effective communications campaign should inform the public about the contribution of car use to climate change and the options, and benefits to motorists, of reducing emissions.

The Secretariat is awaiting feedback from the DfT regarding perceived priorities to take forward this work.

## **5. Secretariat announces new programme of seminars / conferences**

The Secretariat has developed a programme of seminars & conferences to raise awareness of key issues:

- *6/3 World Biofuels Congress – Biofuels Sustainability seminar*  
The Partnership supported the conference organisers in developing a one-day seminar on biofuels sustainability as part of this major congress. The agenda pulls together international expertise on biofuels sustainability issues. The Partnership is listed as a supporter of the event and Director will be speaking.
- *17/4 LowCVP / Waterfront Biofuels Conference*  
A joint LowCVP / Waterfront event in which the Secretariat prepared the agenda and Waterfront will front and administer the event. The event will provide the first opportunity for delegates to hear the detailed guidance on sustainability reporting to accompany the RTFO. Steven Ladyman has agreed to speak. LowCVP members will receive a significant discount on delegate costs.
- *1/5 LowCVP / Energy Institute Emissions Trading seminar*  
LowCVP and the Energy Institute have agreed a joint seminar to discuss the role of emissions trading for reducing road transport emissions. LowCVP will be responsible for the agenda and the EI administration of the event. LowCVP members will receive a discount and profits from the event shared
- *28/6 LowCVP annual conference*  
The Secretariat has also confirmed the date for the annual conference and outlined the proposed programme that will feature outcomes of the:
  - Green Marketing Competition
  - First survey of member concerns
  - Consumer attitudes and research
  - Energy Review and Low Carbon Transport Innovation Strategy and possibly Powering Future Vehicles Strategy
  - LowCVP achievements and plans.

## **6. LowCVP Chairman receives Lifetime Achievement Award & appointed President of SMMT**

The LowCVP Chairman, Graham Smith, has received a 'Lifetime Achievement Award' at the Green Fleet Awards 2006, an event held at Arsenal's Emirates Stadium on October 12th. Graham Smith received the award for his contribution to environmental improvements during ten years as Managing Director of Toyota GB and as the first, and current, Chair of the Low Carbon Vehicle Partnership.

The Green Fleet Award citation highlights the 2006 CERES Report, a global study into climate change, which named Toyota as the highest placed motor company based on a scoring system giving organisations points for taking practical steps to mitigate climate change. It also comments on the success of the colour-coded fuel economy label for new cars to which Graham made a very important contribution in helping to bring motor industry colleagues on board with the scheme.

Graham Smith was recently promoted to the position of Senior Vice-President, External and Environmental Affairs for Toyota Motor Europe. At the SMMT Annual Dinner, it was also announced that he has become President of the SMMT for the next year.

## **7. Membership**

Membership of LowCVP has now reached 237 members. New requests for membership approved since the last Board meeting are:

- |  |      |
|--|------|
| 1. Joulevert                             | FWG  |
| 2. European Fuel Oxygenates Association  | FWG  |
| 3. Alliance Against Urban 4x4s           | PCWG |
| 4. C Ris Energy                          | FWG  |
| 5. Bridgegreen Environmental Finance Ltd | PCWG |
| 6. Royce Rolls Ltd                       | IWG  |
| 7. ChemEcol UK Ltd                       | FWG  |
| 8. Bridgegreen Environmental Finance Ltd | PCWG |
| 9. Global Insight Ltd                    | PCWG |
| 10. Ove Arup & Partners                  | IWG  |
| 11. Sundance Renewables                  | FWG  |
| 12. Olympic Development Authority        | BWG  |
| 13. Delta Motorsport                     | IWG  |
| 14. Park and Power                       |      |

## **8. Communication activities**

LowCVP is currently developing the programmes for events for the:

- 6/3 World Biofuels Congress – Biofuels Sustainability seminar
- 17/4 LowCVP / Waterfront Biofuels Conference
- 1/5 LowCVP / Energy Institute Emissions Trading seminar
- 28/6 LowCVP annual conference

LowCVP representatives have spoken at the following events:

- 18/10 HGCA/REA Biofuels Conference
- 6-7/11 IMechE Cost Effective Low Carbon Powertrains for Future Vehicles (session chair)
- 10/11 EAST Conference
- 15/11 Dutch Biofuels Conference (Rotterdam)
- 20/11 Concawe Symposium (Brussels)
- 22/11 Amsterdam Forum ( Amsterdam)
- 22/11 HGCA/REA Biofuels Conference
- 29-30/11 Biofuels Investment and Finance (panel member)

Future events in which LowCVP will be participating are:

- 9/2 VW biofuels symposium
- 3/4 Greenfleet event
- 8/3 Climate Forum Conference
- 29/3 EIC biofuels conference
- 16-20/4 Clean Moves Expo, Hanover
- 17/4 LowCVP / Waterfront Biofuels Conference
- 25 & 26/5 EU Premia Biofuels Conference

## **9. Other Activities**

The Secretariat has participated in a range of other member / government lead activities including:

- 12-13/10 Bioenergy Conference – Bonn
- 30 & 31/10 Biofuels sustainability workshop – Amsterdam
- 2 & 3/11 DFT RTFO Stakeholder Workshop
- 28/11 Attended All Party Motoring Group
- 6/12 T&E briefing (Brussels)
- 5/12 Zytec Launch
- 14/12 VIPER meeting
- 19/12 ETAC meeting
- 10/1 DFT RTFO Stakeholder meeting
- 12/1 Royal Society Biofuels Workshop
- 17/1 Cleaner Transport Forum
- 24/1 Powering Future Vehicles Strategy meeting

- 31/1 Biofrac - TG4, Hamburg

Future planned activities include:

- 15 & 16/2 Utrecht Biofuels Workshop
- 19/2 Tyndall Centre Beyond Stern Seminar
- 20/2 Dinner Douglas Alexander
- 21/2 DfT Research meeting
- 14 & 15/3 Auto-fellowship meeting
- 22/3 VIPER meeting

## **10. Working Group Activities**

Details of the current work programme are described in paper BOARD-P-07-07. Issues addressed during the most recent meeting are detailed below.

### **10.1 Fuels Working Group**

The FWG last met on the 7<sup>th</sup> December. The meeting received a range of discussed a range of RTFO issues including

- Alternative scheme designs (UKPIA)
- Update on the implementation (DfT)
- Carbon certification (E4tech)
- Sustainability reporting as part of the RTFO (Ecofys)
- Greenergy Carbon Declaration (Greenergy)
- Draft Environmental Standard for Biofuels & proposed position paper
- ECAs for biofuel plants (update by DEFRA and Treasury).

The work programme remains focussed on biofuels sustainability issues.

The Secretariat has also successfully delivered the first phase of the work to operationalise sustainability reporting as part of the RTFO. The reporting framework document and carbon certification methodology have been discussed with their respective Advisory Groups and comments have been invited until the end of January. Work has now begun on the Technical Guidance for each project, the first drafts of which will be discussed with the Advisory Groups at the end of February. Preparations for the piloting exercise which will take place April to June 2007 began in November with an initial meeting. Ten expressions of interest were received to pilot the Technical Guidance and formal selections have been agreed by the Steering Group.

Presentations have been made to a number of stakeholder groups including Association of UK Oil Independents (AUKOI), Environmental Industries Commission, LowCVP Fuels Working Group and further meetings are planned with UK Petroleum Industries Association, Home Grown Cereals Authority and National Farmers Union.

The next Fuels Working Group meeting is on the 9<sup>th</sup> March and will focus on:

- RTFO scheme design and progress
- Carbon certification and sustainability reporting under the RTFO
- Fuel quality standards
- Fuels workplan development

## **10.2 Bus Working Group**

The Bus Working Group met on the 1<sup>st</sup> November. The meeting discussed:

- Powering Future Vehicles Strategy Response
- Bus fleet advice programme
- Work plan development
  - Value of small scale trials
  - Low carbon drive-lines
  - Bus Service Operators Grant
  - Public Procurement of buses
- Forward Commitment – procuring innovation

The work programme is focused on taking forward aspects of the Powering Future Vehicles Strategy recommendations made by the partnership relating specifically to buses.

The next meeting on the 14<sup>th</sup> February will consider the following items.

- Forward commitment feasibility study
- Economics of low carbon bus drive-lines
- Ecobus project – consortium bidding for EU funding

## **10.3 Commercial Vehicles Working Group**

Working Group met on the 14<sup>th</sup> September and considered:

- Powering Future Vehicles review
- CVWG work plan
  - Technology road map – LowCVP will be seeking funding to take forward this work
  - CO<sub>2</sub> ranking of commercial vehicles
  - 100% Enhanced Capital Allowances
- Market Transformation Modelling.

The planned meeting for January was postponed as a key speaker, from HM Treasury, cancelled and is being rearranged for the end of February or early March, which will focus on the following issues:

- Technology road map – proposed work plan
- CO<sub>2</sub> ranking of commercial vehicles – computer modelling aspects

- Enhanced Capital Allowances – for low carbon commercial vehicles
- CO<sub>2</sub> emissions for freight haulage
- Licensing issues relating to operation of electric and hybrid delivery vans

#### **10.4 Passenger Car Working Group**

The Working Group met on 9 November and discussed:

- Update on the PFV Strategy review
- DfT's mini consultation on the Voluntary Agreement including a presentation of SMMT's response.
- A report of the T&E's assessment of how car brands are progressing against the voluntary agreement target using data from VMs.
- Van testing sub-group update
- Consumer attitudes sub-group update
  - DfT Communications Campaign to be launched 30/01/07. EST developing league table of low carbon cars as part of campaign. Presented initial draft for feedback.
- Fleet sub-group update
  - HMT and HMRC to be invited to attend meeting to discuss fleet industry view of tax policy.
- Alex Veitch (EST) introduced to WG as part-time manager taking forward Partnership work on the Integrated Approach – project briefing explained.

The next meeting is on the 28<sup>th</sup> February and will focus on:

- Replacement to the voluntary agreement
- New car CO<sub>2</sub> emissions for 2006
- DfT communication campaign
- Fleet sub-group update
- Progress with the Integrated Approach proposals

#### **10.5 Innovation Working Group**

The Working Group met on the 29<sup>th</sup> November. The meeting focussed upon the Government's Low Carbon Transport Innovation Strategy that was announced as part of the Energy Review. The meeting received presentations from: DfT and consultants E4tech that are responsible for developing the Strategy. A workshop focussed upon barriers and policy gaps preventing innovation in low carbon road transport technology in the UK followed. The outcomes of the workshop provided the key input to a LowCVP paper to feed into the Strategy development.

The next meeting is on the 4<sup>th</sup> April and will focus on the development of the work plan for the group.



## 11. Future LowCVP meetings

Dates for future LowCVP and meetings in 2007 are detailed below

	<b>Board</b>	<b>SG</b>	<b>BWG</b>	<b>CVWG</b>	<b>FWG</b>	<b>PCWG</b>	<b>IWG</b>
<b>Jan</b>							
<b>Feb</b>	8		14			28	
<b>March</b>		28		2	9		
<b>April</b>			25				4
<b>May</b>	22			2			
<b>June</b>					21	6	27
<b>July</b>		11	25				
<b>Aug</b>							
<b>Sept</b>	19			5		12	
<b>Oct</b>		10			4		24
<b>Nov</b>	27		7			14	
<b>Dec</b>		12			6		