

This paper is provided for discussion and outlines the areas of activity the Partnership might like to undertake in the coming year. Comments are welcome and will be used to develop a detailed programme of work by the end of the current Financial Year.

2009/10 Initial Work Programme

This paper outlines the initial proposals for the LowCVP work programme areas for 2009/10. It has been prepared by the Secretariat as a basis for discussion with the members of the Partnership. The report covers activity for the Partnership as a whole, and includes potential activity for the Innovation Working Group.

The detail of the work programme is to be developed based upon the comments of members and will be presented to the Board for approval. Future iterations of this programme will be prepared following discussions at forthcoming Partnership meetings before the programme is finalised in the final quarter of 2008/9.

1. Summary

The following key areas are identified as possible areas for LowCVP to take forward in 2009/10.

1. To assist the sale of low carbon cars and vans by facilitating improved consumer information through both voluntary action and facilitating *effective* EU regulation of car labelling
2. To reinitiate the Commercial Vehicles Working Group to examine the potential for accelerated introduction natural gas / bio methane vans and trucks; and investigate approaches to define and incentivise low carbon HGVs (NB this project would require separate funding of c£350k by DfT)
3. To assist the bus industry to respond to new opportunities for the supply and use of low carbon buses following anticipated changes to bus support mechanisms
4. To encourage the development of a sustainable and successful biofuels industry through advising on the effective implementation of forthcoming EU-regulations and supporting the creation of diversified markets for high blend fuels, bio methane and advanced technologies
5. To establish a multi-stakeholder forum (and associated programme of activities) to encourage the accelerated introduction of electric vehicles in the UK
6. To encourage the responsible use of green claims by the oil and motor industries through the development and roll out of practical guidance
7. To establish a local authority low carbon vehicle network to encourage action and advice on purchasing low carbon vehicles and smarter driving; and work with major fleet operators to achieve similar outcomes
8. To support the Act on CO2 campaign by encouraging third parties to actively participate in communicating messages on opportunities for low carbon vehicle purchasing and smarter driving

9. To provide expert and independent evaluation of Government strategies and publicly funded programmes such as the Infrastructure Programme, Low Carbon Transport Innovation Strategy, Genex, etc.
10. To assist small technology companies participate in the Innovation Platform Integrated Delivery Programme and engage with investors
11. To ensure the timely and effective dissemination of information regarding opportunities and issues arising from the shift to low carbon vehicles and fuels via LowCVP's extensive communications activities

2. Outline work programme 2009/10

LowCVP seeks a balance of activities within its work programme that leads to both practical initiatives that encourage market transformation and activities providing policy advice and support. The work programme aims to maintain a balance between projects that:

- Stimulate the market for low carbon fuels – approximately 30%
- Encourage the market for low carbon vehicles – 30%
- Support the commercialisation of low carbon technologies and support UK businesses – 20%
- Evaluate pathways and progress to low carbon road transport – 20%.

The following sections outline possible activities in each of these areas along with our new programme supporting the Act on CO2 campaign and our diverse communications activities.

Across our portfolio of projects we also aim to undertake a balance of projects across each phase of the policy development lifecycle, that is: research - policy development – policy implementation – monitoring and evaluation.

2.1 Encouraging the market for low carbon vehicles

2.1.1 Passenger Cars

The current work programme for passenger cars is focused upon consumer information and advertising. LowCVP is also completing research into the role of fuel economy in car buying that has highlighted the importance of comparative information on relative fuel costs and the growing role of the internet in making purchasing decisions. Proposed future work will build upon this to encourage the provision of better comparative information through a range of media and will be closely tied to our role encouraging low carbon vehicle purchasing through the Act on CO2 Stakeholder Manager.

In 2008/9 LowCVP has also undertaken a survey of national press and TV car advertising. The study has provided an evidence-base on car advertising in the UK and highlighted a number of important trends and behaviours. In 2009/10 we propose to repeat the survey of national press and extend the analysis work to billboards. We also hope to have completed work on a best practice guide to making green claims in car advertising. Assuming this is possible, the 2009/10 programme will focus on widely disseminating the guidance and through hosting seminars, preparing articles

for the trade press etc and encouraging implementation of the guidance in advertising.

As part of the 2008/9 programme we are also revising the format of the voluntary label to account for amendments to VED classifications and new evidence on the importance of comparative information. No further changes are currently planned to the label in 2009/10 but LowCVP, through our work with the Act on CO2 campaign, will be taking forward an initiative to encourage labelling of nearly new vehicles. We will also repeat our surveys of car dealer knowledge and use of the label and consumer awareness.

The work on advertising, labelling and consumer information for passenger cars makes LowCVP uniquely placed to provide evidence-based input to forthcoming discussions on amendments to vehicle labelling and advertising currently under consideration by the European Commission that is expected to come forward with details proposals at the end of 2008. This could take the form of both providing evidence to the EC, European Parliament and / or assisting the UK Government in its consideration of the Directive requirements as required. One possible area of work would be on the development of consumer friendly comparative information on vehicle efficiency for billboards and press advertisements to replace current statutory information.

2.1.2 Low carbon vans

LowCVP, on behalf of DfT, is managing the Light Goods Vehicle, Carbon Dioxide Emissions Study which aims to: provide evidence of the CO2 emissions from the current use of light goods vehicles, reflecting varying operational and technological factors, and the potential for future reductions; develop methodologies to measure CO2 emissions for all types of light goods vehicle; provide evidence that can be used in the development of a policy position on the EC's proposal to impose CO2 emissions targets for vans through legislation; and provide evidence which might enable a robust definition of a Low Carbon van to be produced.

The future work programme on vans will be dependant upon the outcomes of the study that is due to be completed in March 09. Possible areas of activity may include provision of better customer information on van efficiency and CO2 emissions – building upon the on-going work of SMMT in preparing a buyers guide and the planned database of van emissions to be published by the VCA and disseminated part of the Act on CO2 campaign. LowCVP may also be able to provide impartial, technical input to inform EU discussions on the optimum form of regulation for N1 vehicles.

2.1.3 HGVs

Two areas of activity are being considered for HGVs:

- Encouraging natural gas / biomethane vehicles
- Investigation of HGV emissions characterisation

Natural gas or bio methane vehicles also suffer from the “chicken and egg” dilemma and are disadvantaged by the higher capital cost of the vehicle. However, like electric vehicles they have significantly lower running costs. We propose to undertake a feasibility study to investigate the potential of stimulating the market for natural gas vehicles and infrastructure. One possible mechanism to be explored through this study is for a portion of the lower operating costs of a natural gas/bio methane vehicle to be shared between a financing company that pays the additional incremental cost of the vehicle purchase; the supplier of the infrastructure and the operator of the vehicle. This operates in practice by an additional charge on the fuel each time the vehicle is refuelled.

From 2004 to 2006, LowCVP’s Commercial Vehicle Working Group investigated opportunities to encourage investment in low carbon technologies by commercial vehicle operators in the UK. A range of options were identified (such as Enhanced Capital Allowances) but the cost of testing regimes to prove the viability of equipment proved a major barrier. To overcome the barrier LowCVP proposed a methodology based upon *modelling* carbon savings. The approach was to derive correlation indicators between Track/Road tests, Chassis dynamometer tests and test cycles. To develop such a methodology in a robust manner requires it to be developed on a firm evidence base of an emission testing programme. The proposed package of work would entail: determination of vehicle types, track assessment, correlation with test cycles and validation of the methodology.

The initial study cost is estimated to be around £350,000. A detailed proposal was previously prepared and discussed with DfT officials. This led to the vans project but the more expensive HGV element did not go forward due to budgetary constraints and remains an option for the 2009/10 year – if DfT could fund the research. As with the vans project LowCVP would propose to manage this work in a similar manner to the current vans activity with DfT directly contracting the research elements with LowCVP support.

The Secretariat will explore with members interest in re-establishing a Commercial Vehicles Working Group to take forward the vans work programme alongside separate activities planned for HGVs.

2.1.3 Low carbon buses

LowCVP activity to encourage the introduction of low carbon buses involved developing consensus across the industry on the most appropriate form of the BSOG to encourage the introduction of low carbon buses. This is in response to specific questions posed by DfT officials. LowCVP has also completed the development of a common low carbon bus procurement specification that it is hoped will be used within future calls of the Local Carbon Vehicle Procurement Programme (LCVPP).

The focus of current activity is in encouraging the adoption of LowCVP proposals for modification to BSOG and to raise awareness of the opportunities and benefits of including buses within the LCVPP including surveying interest in procuring low carbon buses. A parallel activity is encouraging the use of the common specification as part of The COMPRO project, “COMMon PROCurement of clean and collective public service transport vehicles”, which aims to enhance the development of the market for clean buses through common procurement of these vehicles on a

European scale. The consortium comprises cities from France, Germany, Italy and Sweden.

The detail of the 2009/10 programme will be largely depend upon the outcome of Ministers decisions regarding amendments to BSOG and the possible inclusion of buses in the LCVPP. If one or both of these support mechanisms go forward, LowCVP will use its strong network of stakeholders within the bus sector to promote these new opportunities and assist in guiding the implementation working closely with both Cenex and DfT.

We will also propose to examine the potential for encouraging collaborations between representatives from the Bus and Innovation Working Groups (amongst others) to form consortia to bid for funding as part of the Integrated Delivery programme of the Low Carbon Vehicle Innovation Platform. In addition we will continue our participation in the COMPRO project particularly encouraging UK manufacturers to bid as part of this exercise.

In the event that the outcome of Government decisions does not provide an effective mechanism to encourage the market for low carbon buses, the Partnership will switch focus to promoting best practice for increasing bus use such as by producing a best practice guide and hosting an event to promote some of the most innovative current and recent schemes.

2.2 Stimulating the market for low carbon fuels

Stimulating the market for low carbon fuels is predominately taken forward through the Fuels Working Group. To date activities have focused upon biofuels, the 2009/10 programme is intended to have greater diversity including projects specifically encouraging the market for biogas/biomethane and electric vehicles.

2.2.1 Possible biofuels projects

Following on from LowCVP's successful work on the development of a carbon and sustainability reporting scheme for the RTFO, the 2008/9 programme included a study to input to the development of a carbon-based RTFO. This work is almost complete and will provide a valuable input to implementation of the Fuel Quality Directive and Renewable Energy Directives that are expected to be an important element of Fuels Working group activities in 2009/10.

LowCVP has also completed work on an investigation into opportunities to optimise biofuel, food and production models in the UK through examining the feasibility of a closed loop system. Potential follow up on the specific opportunities highlighted by this study have been proposed including: detailed examination of the likely costs and benefits of closed loop systems; and feasibility of adopting closed loop approaches in the UK and potential for regulatory intervention. It is unlikely LowCVP will take forward this type of work in isolation but will discuss with DEFRA and the National Non Food Crops Centre (NNFCC) opportunities to build this into their work programmes.

LowCVP has also commenced a study to evaluate the market opportunities, risks and barriers to the introduction of high blend biofuels vehicles and bio methane. This study is expected to yield specific recommendations and areas of further work in 2009/10.

Two further studies planned for the second half of 2008/9 are to identify and compare the suitability of advanced biofuel pathways for UK specific feedstock and fuel type demand including whether the UK could utilise municipal solid waste to develop a successful advanced biofuel industry. These studies are expected to yield specific areas of future work to take forward the development of a UK market for advanced fuels and inform the preparation of a strategy for advanced biofuels supply in the UK that could be prepared in 2009/10.

2.2.2 Possible projects for electric and biomethane vehicles

One of the areas of focus in 2009/10 will be on encouraging fleets, local authorities and other public sector organisations (amongst others) to increase their purchase of low carbon / alternative fuel vehicles. To facilitate the adoption of alternative fuels it is proposed to develop toolkits (one for electric vehicles, one for high blend biofuels) to assist organisations in the selection of these alternatives. The toolkits will aim to present consistent information to debunk myths and provide informed, impartial advice that is essential for informed decision making. Topics for consideration could include: range (for electric vehicles); refuelling/recharging infrastructure issues and costs; vehicle choice availability and cost; warranty issues (for conversions); and fuel quality issues (for high blend vehicles). LowCVP would work to identify specific channels to disseminate the outcomes of the work.

A separate but related proposed project is to examine infrastructure barriers and solutions for electric vehicles. Availability of recharging infrastructure, and its impact upon power distribution, is seen as one of the key barriers to the development of a market for electric vehicles. The proposed study will address issues such as UK opportunities, and how to ensure a sustainable market is created and build upon other published studies.

2.2.3 Other possible projects

LowCVP's advertising work streams have, to date focussed upon passenger cars. However, problems with making legitimate green claims have also affected a number of energy companies. One possible area of work in 2009/10 would be to extend the work on a best practice guide for car purchasing to promotion of low carbon fuels and fuels businesses.

2.3 Supporting the commercialisation of low carbon technologies and UK businesses

Projects supporting the commercialisation of low carbon technologies and UK businesses are predominately taken forward through the LowCVP Innovation Working Group. The current work programme is focused upon assisting small technology companies attract investment and participate in collaborative R&D. The group is also examining how best to ensure the UK maximises the business

opportunities arising from the shift to low carbon vehicles and fuels. We anticipate the 2009/10 activities continue with these themes. Specifically we aim to engage key investors more closely in the work of the partnership and provide forums through which they can identify potential investment opportunities in companies working in the low carbon vehicles and fuels sector.

We also hope to assist small technology companies participate in the extending R&D and demonstration opportunities provided by the Innovation Platform calls by supporting the development of bidding consortia working closely with the TSB and Cenex.

2.4 Evaluating pathways and progress to low carbon road transport

This work stream encompasses projects that track the progress being made in the introduction of low carbon vehicle and fuels and road mapping activities that indicate the direction of future technology. Many of the projects are cross-cutting and report directly to the Steering Group.

For the past three years LowCVP has undertaken an annual survey of car buyer attitudes and the survey of car dealer's use of the label. LowCVP anticipates that both of these surveys will be repeated in 2009.

2.4.1 Programme Evaluation

A new area of activity is to provide independent, expert evaluation of programmes and strategies. LowCVP is ideally placed to provide this function through its network of experts and broad range of stakeholders. Suitable evaluations could include progress implementing the King Review (with the Sustainable Development Commission) and Low Carbon Transport Innovation Strategy. Programmes that could be evaluated for their effectiveness could be the Infrastructure programme, LCVPP, Low Carbon Vehicle Innovation Platform Integrated Delivery Programme and Cenex activities.

LowCVP also proposes to establish a forum for publicly funded delivery organisations working to support the introduction of low carbon vehicles and fuels to meet regularly to encourage collaboration and avoid duplication of effort. An initial meeting has been called between LowCVP, TSB, Cenex, Carbon Trust, EST and ETI along with DfT and BERR officials. This will seek to map-out the respective roles of each organisation to provide clarity to external organisations. An extended future forum could also involve RDAs and other organisations working in specific subsectors such as biofuels that would involve the RFA, NNFCC, DEFRA etc.

2.4.2 Local authority low carbon vehicle network

Local authorities are potentially influential in encouraging the purchase of low carbon cars by local residents through local incentive schemes. They also collectively are significant procurers of vehicles including cars, vans, buses and other commercial vehicles. Local authorities could also be effective communicating the benefits of smarter driving to their employees and local residents.

To date LowCVP has undertaken limited work with local authorities but plans in 2009/10 to establish a network of local authority champions to promote potential opportunities. In doing this we will look to work with the Local Government Association and other existing networks. The initial proposal is to establish a forum in which leading local authorities engaged in low carbon vehicle procurement, promotion and smarter driving can share experiences, develop their thinking and actively collaborate. In parallel we will aim to disseminate their best practice through a range of channels including the electronic publications, conferences and possibly an award. We will also produce a number of specific guides to assist local authorities (and other public and private sector organisations) increase their use of alternative fuel vehicles such as biofuels, bio methane and electric vehicles. The group will also identify barriers to local authority participation and seek to address these.

2.4.3 Supporting fleet purchasers to choose lower carbon options and encourage eco-driving

The wider range of low carbon models across vehicle market segments now presents an enhanced opportunity to encourage fleet operators to procure low carbon vehicles and follow other greener transport options. LowCVP proposes in the second half of 2008/9 to establish a fleet subgroup to examine options for a 2009/10 work programme. Initial ideas are to focus on disseminating to the wider fleet sector the benefits of green procurement opportunities to participate in forward commitment of innovative technologies and engage in smarter driving initiatives. We will aim to work with the major trade organisations such as BVRLA and ACFO along with aligning our activities with the EST fleet advice programme and Cenex that has a remit to encourage forward commitment. Possible areas of work for detailed consideration are:

- Providing better car purchasing information to small businesses purchasing vehicles through brokers
- Providing better comparative information for fleets
- Collaborating with third parties (such as Greenfleet) to disseminate key messages on developments in car purchasing through their events
- Encouraging smarter driving through fleet drivers.

2.5 Support to Act on CO₂ campaign

LowCVP will support the Act on CO₂ campaign through the work of a Stakeholder Manager based in the LowCVP Secretariat but working alongside the wider DfT team delivering the campaign. The role is specifically to work with *stakeholders* to ACT ON CO₂ to:

- Manage the development and implementation of industry-led initiatives that support the objectives of ACT ON CO₂
- Assist with the delivery of the transport elements of the Energy Services Directive by engaging with transport fuel suppliers
- Provide resource to build and maintain a high level of awareness amongst stakeholders about ACT ON CO₂ and with the purpose of:
 - Contributing to the development of the Partnership Marketing strategy

- Reducing campaign decay by providing a channel through which new campaign developments can be communicated
- Encouraging participation in stakeholder-led initiatives.

In 2008/9 the role will focus on supporting the development of second-hand vehicle labelling, smarter-driving elements and disseminating to third parties opportunities to participate in the campaign. The 2009/10 focus is still to be agreed but could include

- Development and roll-out of industry led initiatives intended to:
 - Increase the promotion of Smarter Driving tips and advice by third parties through: car dealers, garages, vehicle maintenance and repair shops and via motoring organisations
 - Increase the promotion of car buying tips and advice by: car dealers and motoring organisations
 - Stimulate provision of smarter driving training as part of new car purchases and vehicle insurance incentives
 - Improve the provision of advice and facilities for correct tyre inflation
 - Amend the information available within the current voluntary new car label to accommodate changes to VED and other developments.

The Secretariat will actively consider whether it should establish a new working group to assist in taking forward work to reduce CO2 emissions through use of the vehicle such as through smarter driving.