

LowCVP BUS WORKING GROUP MEETING

Wednesday, 29 September 2004, 10.30-12.30
Volvo Bus Ltd, Wedgnoek Lane, Warwick CV34 5YA

BWG-M-04-09

Minutes of the meeting

Attendants

Adrian Wickens – Volvo Bus	Gerard Sauer - Eneco
Andrew Robinson - EST	Gerry Walker - Cummins
Bob Bryson –Alexander Dennis	Greg Archer - LowCVP
Colin Copelin - CPT	Kevin Middleton – Travel West Midlands
Dave Yuill – DTI (for Kerry Vitalis)	Konstanze Scharring - LowCVP
David Lemon – London Buses	Maurice Perl –Wright Bus
David Martin – Clear Zones	Simon Rowlands - Millbrook
David Richards - Evobus	Myles Mackie – Coventry City Council
Dennis Priddy - Allison	Nigel Standley - Eneco
Emily Robertson - DfT	Steven Hart - EST

Apologies

Alan Irving – DfT	Phil Margrave – Go Ahead
Alastair Dick - Newbus	Chris Dyal – First Group
Rosalind Wall - DfT	Bob Davis –SMMT
Anna Rickard – London Buses	Alan Martin – Scania

1. Matters arising

The BWG adopted the minutes subject to one correction in the attendants list. Adrian Wickens was unanimously adopted as BWG Chairman. Following a vote by show of hands David Martin was elected Deputy Chair.

2. Director's welcome & update

Communications: The Director updated the Group on LowCVP's fringe event at the Party Conferences of the Liberal Democrat, Labour and Conservative Parties. Secretaries of State Margaret Beckett and Alastair Darling visited the LowCVP Green Vehicles Expo, organised with the EST at Brighton promenade to coincide with the Labour Party Conference (27 September). Exhibits included the London Fuel Cell Hydrogen Bus.

AGM 2005: The 2005 LowCVP Annual General Meeting is scheduled to take place at Gaydon Motor Museum on 10 February 2005. It will coincide with the opening of a new Green Vehicle Exhibition at the Museum.

RDWG: The Centre of Excellence for Low Carbon and Fuel Cell Technology had been given the green light by Patricia Hewitt, Secretary of State for Trade and Industry. The Centre is to be launched in April 2005 with initial seed funding by DTI. The BWG expressed great interest in the operation and funding of the Centre and raised issues of protection of IPR for participating companies. **ACTION:** The Director will keep the BWG updated on work in progress at Working Group meetings. Companies that want to express their

interest in participating in the Centre should at this stage contact Dave Yuill (DTI) or the prospective Launch Director.

PCWG: PCWG agreed to go ahead with an energy efficiency car labelling scheme for all new cars in the UK. The label will include colour-coded banding linked to VED classes. The Board is due to approve the proposal. Next steps include finalisation of the format and implementation timetable of the label, before it will be launched in 2005. The Group is also sponsoring consumer research into motivational factors that would help to make low carbon vehicles attractive for private and fleet buyers.

FWG - The FWG is finalising work on a well-to-wheel study on bioethanol that develops three main W-T-W approaches into one coherent metastudy and methodology. Their final report will be reviewed by the group over the next weeks before it will be accessible on the LowCVP website. The FWG is also looking into the role and potential actions for LowCVP on biofuels.

3. 2004 Work Programme - Low Carbon Bus Programme update

Emily Robertson (DfT) briefed the BWG in full that the European Commission had informed DfT that the Low Carbon Bus Programme as originally conceived did not comply with EU competition law (state aid rules). Whilst the grant funds of the programme remain agreed, the programme now had to be adapted in the way the funds can be delivered. Grants had to be given out on an open competition basis. DfT legal advice was that the originally conceived consortia of councils and private companies and the resulting grant intensity of the programme were not compliant with State Aid. A paper outlining the principles of state aid relevant to the programme was tabled. **(BWG-P-04-09)**

DfT had assumed the original programme was compliant under state aid (environmental provisions) and regretted this complication in executing the Low Carbon Bus Programme. DfT and EST were now asking the Working Group to help in finding a way of adapting the programme to meet the objectives of BWG recommendations and comply with EU state aid law before grants could be distributed.

BWG members expressed their frustration at the delay and the need to find a solution as quickly as possible. The Group discussed an option suggested by DfT that funding for low carbon buses could be routed through the Local Authorities. DfT expected that around 15-20 % of service could be suitable for such a funding route. Members raised various issues about feasibility of the option (outside London not relevant, suggested 15-20% routes were unprofitable lack of information and engagement of LAs, LAs not at heart of key issue of reducing cost (capital/fuel/maintenance))

ACTIONS: The BWG agreed on the following course of action:

- 1. BWG members to submit their views** to DfT and EST on the presented option and/or other ideas of how grant funding could be distributed. LowCVP will send an email reminder to BWG. Contacts: Emily Robertson Emily.robertson@dft.gsi.gov.uk, Stephen Hart Stephen.hart@est.org.uk
- 2. DfT lawyers will assess** whether the suggestions comply with EU state aid rules in preparation of the Review Subgroup meeting

3. Review Subgroup will meet end of October to set out options for delivering grant funding within EU State Aid rules. Coordinator: Steve Hart; Subgroup: Nigel Standley, Maurice Perl, David Lemon (+ TfL), Gerard Sauer, Myles Mackie, Bob Bryson, Kevin Middleton. **DfT to confirm date/location**

4. EST will write to the consortia that already submitted their grant applications to inform them of the state of play

4. Work Plan 2005

The Group suggested and discussed a number of programme lines for 2005:

4.1 Low Carbon Bus Programme:

- **2012 Route Map** – The Group agreed with the suggestion that it should develop a route map how the UK can achieve its low carbon bus targets by 2010 and develop scenarios as to what the Low Carbon Bus Programme projects might demonstrate.
- **Standard/Accreditation procedure** - The paper by Steve Bell on guidelines for accreditation (**BWG-P-04-08**) was discussed and is due to be signed off at the next BWG meeting. The chair expressed the need to clarify the well-to-tank calculations and potential use of CONCAWE data. Other questions raised concerned the validity of the emissions curve and potential need for further testing and on the methodology.

ACTION: Andrew Robinson to pass on issues raised to Steve Bell; Adrian Wickens to talk to the Chair of the FWG on fuel pathway data; Further questions should be directed directly to Steve Bell (EST) steve.bell@est.org.uk; Steve Bell to finalise paper for December adoption.

4.2 Bus Service Operator's Grant:

The Group discussed the proposition that BSOG currently does not favour alternatives to diesel (e.g. biofuels & batteries). BWG agreed to consider mechanisms (e.g. demonstration projects) and policies in which the market can be stimulated in the future as part of its 2005 Work Plan. DfT expressed its specific interest in recommendations from the BWG (contact: Ros Wall).

ACTION: Work on mechanisms and on policy measures on fuels (current / future) is to be adopted in the 2005 Work Plan.

4.3 Local Authority engagement:

Local authority engagement - in the light of the status of the Low Carbon Bus Programme - was seen as important for 2005. The Group felt that Vice-chair David Martin could play a leading role in developing that relationship. Contact to the Low Emission Zone panels and other suitable forums should be sought.

ACTION 2005 Work Plan: Chair to summarise the work plan discussion & send it out for comment

**Next BWG meeting:
Wednesday, 08 December 2004, 10.30-13.00
Energy Saving Trust, 21 Dartmouth Street, London**