

Low Carbon Vehicle Partnership

Bus Working Group Meeting
Wednesday, 8 July 2009, 13.30 to 16.30
Department for Transport

Great Minster House, 76 Marsham Street, London, SW1P 4DR

BWG-M-09-07

MINUTES

Attending

Adrian Wickens – Volvo Bus
Akbar Ali – DECC
Alan Martin – Scania GB
Andrew Leadbetter – Mersey Travel
Bob Bryson – ADL
Bob Davis – SMMT
Colin Copelin – CPT
David Lemon – Consultant
Daniel Lord – DECC
David Martin – Ecovector
Frank Thorpe – Go Ahead
Graham Belgum – First Group
Helen Pritchard – DfT
Hugh Frost – Freight Bus
Jonathan Murray – LowCVP

Matt Sowter – DfT
Maurice Perl – Wright Group
Mike Attfield – Oxonica
Neil Fulton – Millbrook
Neri di Volo – European Investment Bank
(by phone)
Rayner Mayer – Uni of Reading

Apologies

Garry Raven – Travel West Midlands
Frank Messenger – Arriva
Mike Trodden – Arriva
Chris Walsh – Cenex
Phil Margrave – Go Ahead
Neri di Volo – EIB
Michael Bratchet – Scottish Government

1. Welcome and apologies

The Chair welcomed attendees and apologies were noted.

2. Minutes and Matters arising

The minutes of the last meeting were approved and the Chair noted that any outstanding actions were covered in the agenda. The minutes are detailed in paper BWG-M-09-03.

3. LowCVP update

3.1 Activity report

Jonathan Murray (JM) provided an update of the work of the Partnership in the last 3 months, which was detailed in paper BWG-P-09-08. The main event during period was the incorporation of the Partnership as a new not-for-profit company, limited by guarantee which became financially independent on the 1st April. To date 100 organisations have joined as members and owners of the new company. Existing Partners were reminded that there was a transition period until the 31 March 2010 during which existing members would be able to continue to participate in the LowCVP, after which they would either have to become a Member or leave the Partnership.

Organisations wishing to join the LowCVP as a Member can do so via the LowCVP website www.lowcvp.org.uk/about-lowcvp/how-to-join.asp . Members will have to pay a membership fee, although members of the SMMT have a group arrangement.

It was noted that Graham Smith, had resigned as Chairman of LowCVP. Graham had led the Partnership from its inception in 2003 and seen the number of partners grow to over 300 during that time. Although Graham is resigning as Chairman he and Toyota, who he represents, will continue to be active in the Partnership and Graham will continue as a member of the Board. The new Chairman is Neville Jackson, from Ricardo, who will be supported by two Vice Chairs in Darren Messer, Shell and Jamie Borwick, Modec. Neville has been a member of the Board of LowCVP since its creation.

It was welcomed that the DfT had amended BSOG to provide a supplementary rate for Low Carbon Emission Buses (LCEB) and announced a £30 million fund to support the procurement of LCEBs. This was seen as a watershed in creating the conditions to encourage LCEBs in the UK. These issues were covered in detail during the meeting.

The 6th Annual LowCVP Conference was held on 8th June which took place at City Hall, in conjunction with What Car? Green Awards and the Revolve Brighton to London Eco-Rally. The conference was attended by over 200 delegates with keynote addresses from Lord Adonis, Secretary of State for Transport and London Mayor, Boris Johnson.

The Partnership has launched a Technology Challenge to provide a platform to showcase new technologies and innovations capable of delivering significant CO2 reductions in road transport to potential customers and investors. Details of the project can be accessed via the LowCVP website at www.lowcvp.org.uk/technologychallenge .

3.2 Membership Council

JM outlined the operation of the Members Council, which replaces the Steering Group, details of which are provided in paper BWG-P-09-09. The Members Council is a standing committee of the Board and the Board has delegated specific duties to the Council, which will primarily focus on delivery of the work programme and signing off technical reports. The Council will also be consulted by the Board on the strategic direction of the Partnership. The first meeting of the Members Council is to be held on 22 July.

The Council has been designed to provide better integration between the Working Groups and the Board, as part of this the Bus Working Group has four seats on the Council. The first of these will be taken by the BWG Chair Bob Bryson. Nominations were requested from Members and the working group unanimously elected Phil Margrave, Go Ahead Group, Maurice Perl, Wright Group and Andrew Leadbetter, Mersey Travel.

4. Government update

Helen Pritchard (HP) from DfT provided an update of the Department's policy with regard to promoting Low Carbon emission Buses (LCEB), and in particular the recently announced Green Bus Fund (GBF) of £30 million to promote the purchase of LCEBs. See press release in paper BWG-P-09-10. The GBF is an England only programme but the Scottish Executive is interested in the scheme.

HP emphasised that Ministers are keen to promote the uptake of LCEBs but are aware funding is unlikely to be available beyond 2011. Therefore, keen to encourage bus operators to make

use of the GBF as early as possible. The DfT are holding an open day to answer stakeholder questions on 23rd July, members interested in attending the open day should contact Andy Neilson on Andrew.Neilson@dft.gsi.gov.uk asap as places will be limited.

The GBF is primarily intended for bus operators to bid to purchase LCEB but is will also be open to local authorities and TfL. In the case of TfL, they are required to show this will be used for additional purchase of LCEBs than was originally planned. The exact timescale has yet to be agreed but there will be a competitive bidding process in the autumn and winners will be announced in Q1 2010. It is intended that there should be only one round of bidding although if the GBF is undersubscribed then there may be a further round.

The DfT are seeking views on the level of grant support to be provided through the GBF, however it is expected that State Aid approval will be required from the EC. This will not apply to public bodies applying for funding and so it is likely that local authorities, PTEs and TfL will play an important role at the early stage of the GBF. However, HP was at pains to point out that it was the intention of the DfT that the majority of funds should go to assisting bus operators and be used outside London.

Dft are taking advise on consortiums applying for GBFs, but supportive of approach of bids for large numbers of LCEBs. However, DfT reserve the right to limit the number of LCEBs and size of bids as there is a balance to be struck between size of order and the distribution of LCEBs across England.

It is the intension that a requirement of the GBF will be the monitoring of generic data to be disseminated in the public domain. It was noted that TfL have been discussing a format for collecting and sharing information from their trials.

5. BSOG Low Carbon Emission Bus

5.1 LCEB certification guidance for bus manufacturers

HP from DfT, presented the draft guidance note DfT intend to issue to bus manufacturers regarding certification of LCEBs, see paper BWG-P-09-11 for details. The group discussed the guidance and the only concerns related to the use of alternatives to the MLTB for accreditation. It was confirmed that this was to ensure the MLTB wasn't seen as a barrier to market entry, however an alternative test cycle could only be used with DfT's agreement.

The group were supportive of the draft guidance DfT intend to issue to bus manufacturers.

5.2 Review of documentation for LCEB testing and accreditation

Neil Fulton, Millbrook presented a proposal on how to bring the documentation LowCVP's BWG developed in 2005 relating to the testing and accreditation of LCEBs up to date. Paper BWG-P-09-12 provides the existing documents for information.

The documentation developed by the BWG referred to detailed test procedures set out in four annexes which covered;

- A1 - Conventional Powertrain
- A2 - Charge Sustaining Hybrid Powertrain
- A3 - Charge Depleting Hybrid Powertrain
- A4 - Pure Electric Powertrain

Of these four annexes only annex A2 was completed, therefore annex 1, 3 and 4 need to be drafted. Further the documents need to be redrafted in the context of the LCEB BSOG supplement and the GBF. Therefore the following proposal was put forward, to be undertaken by Millbrook.

Proposal

- An initial review of Vehicle Accreditation Requirements overview document
 - To ensure correlation to DfT's new document
- Review of Annex A2 to update details for accuracy
 - Reference to Low Carbon Emission Buses (LCEB), rather than the Low Carbon Bus Programme
- Development of Annex A1, A3 and A4
 - A1 – relatively straightforward as no electrical references
 - A3 – similar to A2 – but uses Reg 101 (plug-in hybrid technologies)
 - 1 test fully charged, 1 test fully discharged – warm-up procedures need to be very clear
 - A4 – Range and energy consumption
 - Details from Reg 101

This was estimated to require 3 days effort which would be funded from LowCVP internal budgets. The intention being to provide revised documentation by the end of August.

There was then a discussion which focused around the impact on driveability of buses as a result of meeting stricter test requirements, consistency in vehicle preparation for testing and the impact of auxiliary equipment on in-service efficiency as apposed to in-test.

The proposal was supported by the Group however the Group requested that the issues raised should be considered in revising the documentation.

Action: LowCVP and Millbrook to redraft documentation and hold workshop to get input from interested parties.

5.3 LowCVP website – LCEB microsite

JM outlined a proposal for LowCVP to host a microsite for information relating to LCEBs on the LowCVP website, this is detailed in paper BWG-P-09-13. this would include

The information would include documentation on how to test and accredit LCEBs, Govt policy and programmes, local transport authority activity to support LCEBs, accredited LCEBs and monitoring and market information. Resources required 5 days secretariat and £3k microsite design.

The proposal was supported by the Group and it was suggested that future technology might be covered in the microsite as well.

Next steps would be for LowCVP to develop the site and then ask BWG members for comment before public launch of site.

Action: Secretariat to commission microsite.

6. LCEB procurement

6.1 Discussion on operation of £30m LCEB fund – How LowCVP can best support?

JM outlined background information and key positions LowCVP has proposed in relation to LCEBs before seeking input from members on number questions. The key points are covered in paper BWG-P-09-14.

There then followed a debate relating to questions raised by the DfT in relation to the Green Bus Fund. These questions were;

- Should the Green Bus Fund only support the procurement of certified Low Carbon Emission Buses?
- Should there be an element of demonstration for new technologies be incorporated into the Green Bus Fund?
- Should retrofitting of existing buses be included?
- What are the likely speed of response from bus operators?
- Funding capital grants of more than 35% of additional cost of LCEB might need State Aid approval. DfT are discussing this with the Commission.
- Are there any Show Stoppers which you are aware of?

Action: BWG members to provide comments in writing relating to these questions to LowCVP by Friday 17 July.

Input was sought from BWG members on what role should LowCVP play in supporting the Green Bus Fund. The following list of roles was put forward as suggestions as to the role LowCVP could play.

- Disseminating information about the Green Bus Fund
- Encouraging and supporting applications for funds
- Facilitating the development of consortiums for the joint procurement of low carbon buses linked to local transport authority activity
- Assisting the DfT on elements of the administration of the Green Bus Fund, in particular whether LowCVP could provide an expert panel to assess technical aspects of bids.
- Monitoring and dissemination of results of buses purchased under scheme

It was commented that if LowCVP were to provide technical expertise it should be through employing a group of experts to provide input and not through the BWG as there would be potential for a conflict in interests.

Action: BWG members to provide comments in writing relating to these questions to LowCVP by Friday 17 July.

6.2 EIB, Clean low carbon bus facility

Neri di Volo (NV), of the European Investment Bank (EIB) joined the meeting by teleconference to present a the EIB's Clean Buses Framework Finance Facility (CBFFF). His presentation is provided in paper BWG-P-09-15.

The CBFFF will focus on working with a limited number of cities and public bodies to determine how best to provide finance to support the roll out of clean buses, which are defined as

environmentally superior to what is available currently and so would include LCEBs. This will be undertaken between August and December 2009. Once the funding mechanism has been developed bus operators will be able to benefit from loan facilities from EIB under the CBFFF of up to 75% of the capital cost of the project, not just cost of buses during 2010. The term of loan facilities to be similar to economic life of bus, order of 10 years. The interest rate to be determined as part of development of CBFFF.

The scheme was welcomed by the Group and agreed that LowCVP should discuss with EIB how to progress project to ensure UK can benefit from CBFFF. DfT to be involved in discussions and possibly PTEs.

Any questions relating to the presentation should be addressed to Jonathan Murray who will forward them on to NV.

Action: LowCVP to progress discussions with EIB and DfT.

7. Implications for work programme

JM presented a paper outlining implications of announcement on GBF on BWG's work programme, which is set out in detail in paper BWG-P-09-16. It was agreed that;

- The survey of interest in LCEB procurement should be cancelled
- The local transport policy tool kit project should be commenced
- The low carbon bus procurement support project should be commenced

Draft terms of reference for the local transport policy tool kit and the low carbon bus procurement support projects were presented and comments requested in writing to LowCVP.

Action: BWG members to provide comments in writing relating to the TOR to LowCVP by Friday 17 July.

8. AOB

CPT offered to host the BWG meeting for the 4 November, which was gratefully accepted.

Next meeting:

4th November 2009

CPT, Drury House (floor 3), 34-43 Russell Street, London, WC2B 5HA