Drivers and barriers to the use of biomethane in transport

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LowCVP
low carbon vehicle partnership

LowCVP ‘s mission is to accelerate a sustainable shift to low carbon vehicles and fuels & stimulate opportunities for UK businesses

LowCVP delivers its mission by:

- Working with Government (and other policy makers) to enable the development and deployment of more effective market transformation policies and programmes
- Engaging industry, stimulating and leading voluntary industry-wide initiatives
- Ensures consumers are informed about the opportunities and benefits of lower carbon options promoting their uptake
- Helping UK business, especially SMEs, to benefit from the new market opportunities
- Encouraging action and building a consensus for sustainable change through enhancing stakeholder knowledge and understanding.

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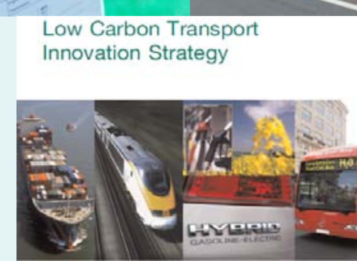

ACT ON CO_2

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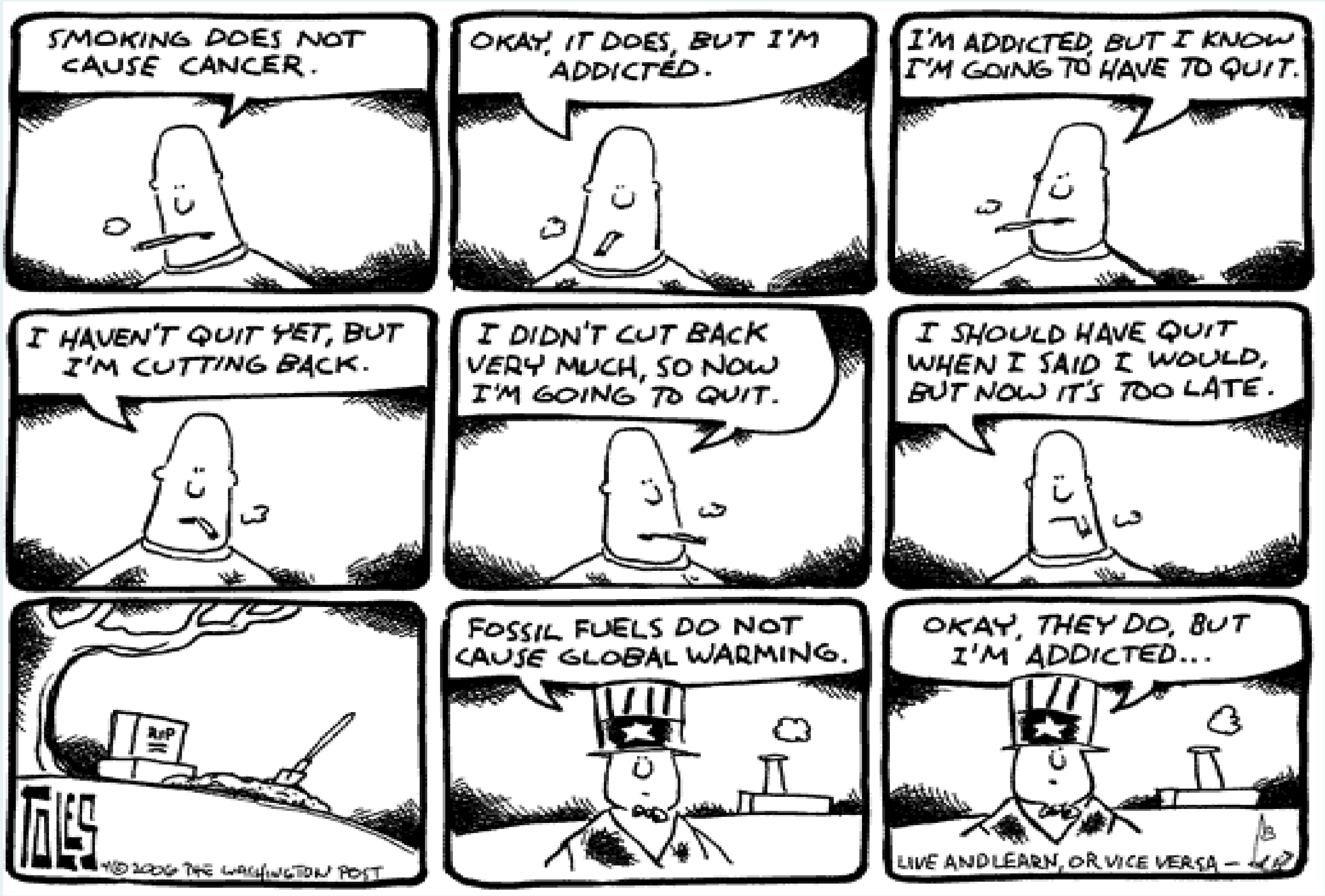
Petroleum accounts for 99% of transport fuel use with widely recognised future climate, security of supply and price risks



Renewable transport fuels will become increasingly important .
No fuel meets all criteria ... but opportunities already exist in specific niche sectors

	Current Biofuel	Adv. Biofuel	H2-ICE	H2-FCV	Bio-methane	EV
Technology readiness						
Cost competitiveness						
Vehicle availability						
Infrastructure deployment						
Driver acceptability						
Sustainability						

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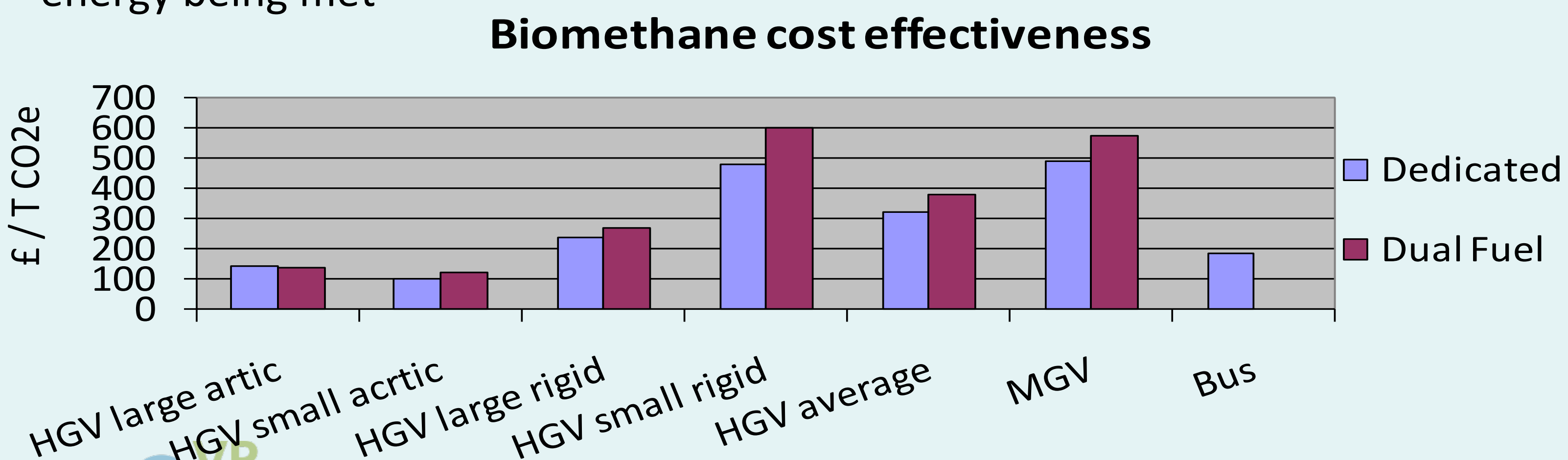
The relative scores do not represent LowCVP policy

Trucks, buses and refuse trucks are the most promising sectors for using biomethane in transport – 20%+ market penetration is achievable

- Mature technology – 12M natural gas vehicles worldwide, 10%pa growth
- Limited other low carbon options – none that can provide ultra-low carbon vehicles
- High emission and mileage vehicles – maximises benefit of low carbon fuels
- Large fleets with low ownership fragmentation
- Bunkered fuel at depots – manageable refuelling infrastructure
- Cost-competitive with diesel – with duty and bus incentives – in large fleets
- “Blend wall” prevents 10% Renewable Energy Directive target for transport energy being met



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There are a number of key market barriers in the UK the forthcoming biomethane strategy must address

- High capital cost and limited range of vehicles
  - Incentivise early market
- Poor vehicle residual (resale) values
  - Establish 2nd hand market
- Absence of public refuelling infrastructure
  - Subsidise or incentivise
- Industry conservatism and poor past experience
  - Demonstrate new technologies
- Uncertain future duty regime –
  - Extend 3 year foresight
- High costs and poor returns for biogas gas suppliers compared to other sectors
  - Balance incentives between sectors
- Absence of political leadership
  - Biomethane in transport strategy
- Relatively high distribution costs
  - Green gas certificate scheme

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Further Information?

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