

Environment – impact, opportunities and threats

ALD Automotive Conference

24th January 2008

Jonathan Murray

Deputy Director, Low Carbon Vehicle Partnership

Low Carbon Vehicle Partnership

Accelerating a sustainable shift to low carbon vehicles and fuels in the UK

Stimulating opportunities for UK businesses



LowC^{VP} marketing challenge

CARS NOT CARBON
A competition to promote greener motoring marketing


Event outline

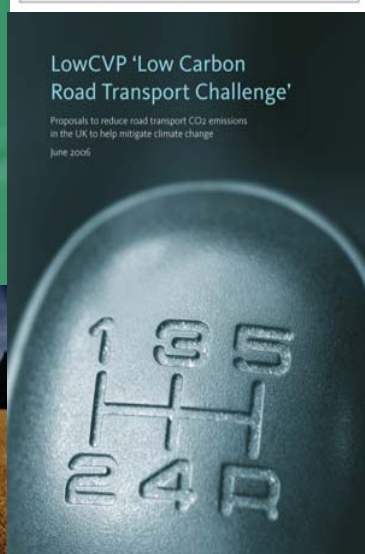
Winners to be announced at the LowCVP Annual Conference
28th June 2007
DTI Conference Centre, Westminster

Accelerating the shift to low carbon vehicles and fuels

Associates sponsor: energy saving trust
campaign: PRWEEK
Media partner: Marketing
BRANDREPUBLIC
green.tv
UNEP



Fuel Economy		Low Carbon Car
CO ₂ emissions (g/km) (rated)		
A <100		B 117 g/km
B 101-120		
C 121-150		
D 151-180		
E 181-210		
F 211-240		
G 241-270		
Fuel cost (estimated) for 12,000 miles		£662
VED for 12 months		£50
Environmental Information		
A guide to fuel economy and CO ₂ emissions which contains data for all new passenger car models is available at any point of sale free of charge. In addition to the fuel efficiency of a car, driving behaviour as well as other non-technical factors play a role in determining a car's fuel consumption and CO ₂ emissions. CO ₂ is the main greenhouse gas responsible for global warming.		
Make/Model: Low Carbon Car	Engine Capacity (cc): 1300	
Fuel Type: Diesel	Transmission: 5 speed manual	
Fuel Consumption:		
Drive cycle	Litres/100km	Mpg
Urban	5.4	52.3
Extra-urban	3.8	74.2
Combined	4.4	64.2
Carbon dioxide emissions (g/km): 117 g/km		
Important note: Some specifications of this model may have lower CO ₂ emissions than this. Check with your dealer.		
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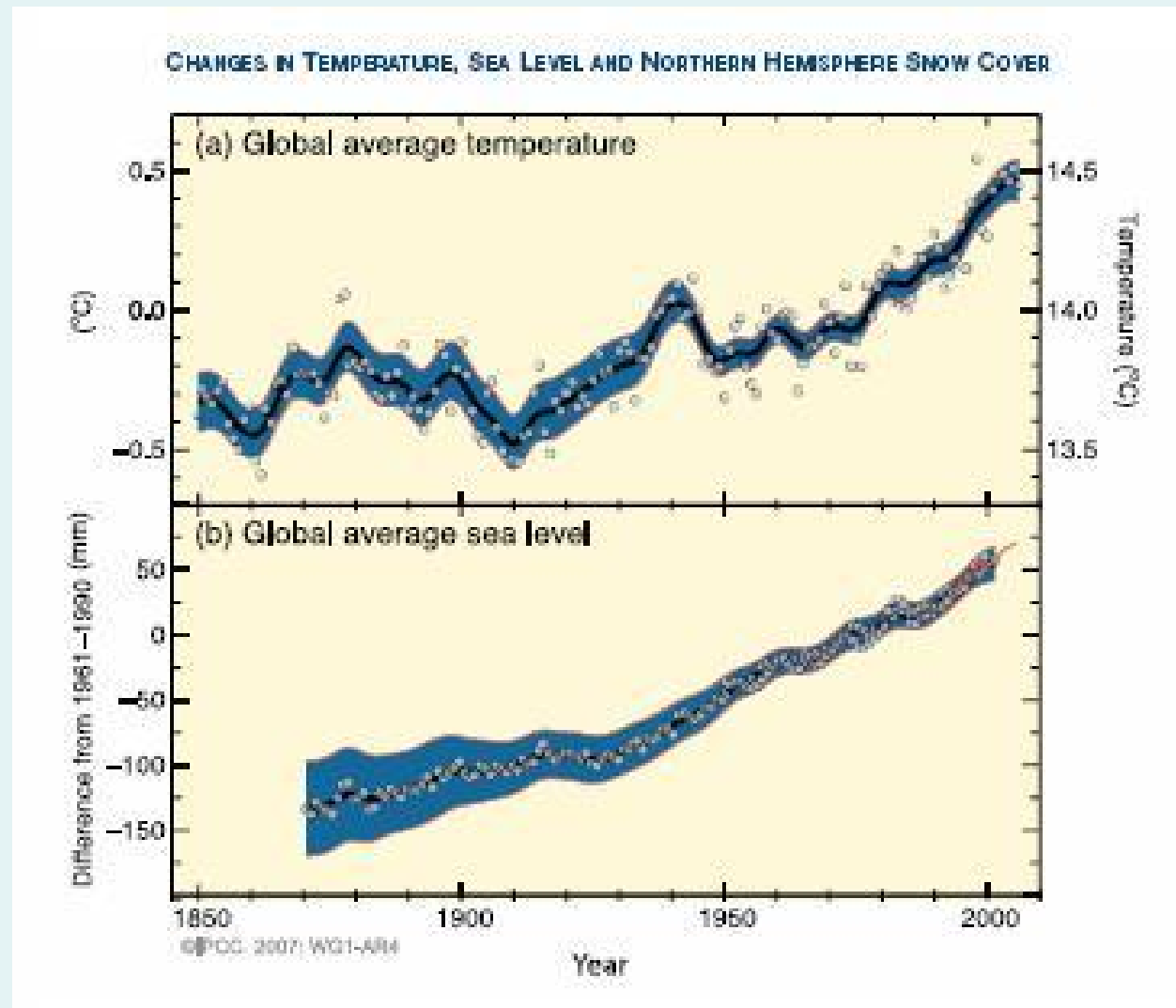


“Warming of the climate system is unequivocal, as is now evident from observations of increases in global average air and ocean temperatures, widespread melting of snow and ice, and rising global average sea level”

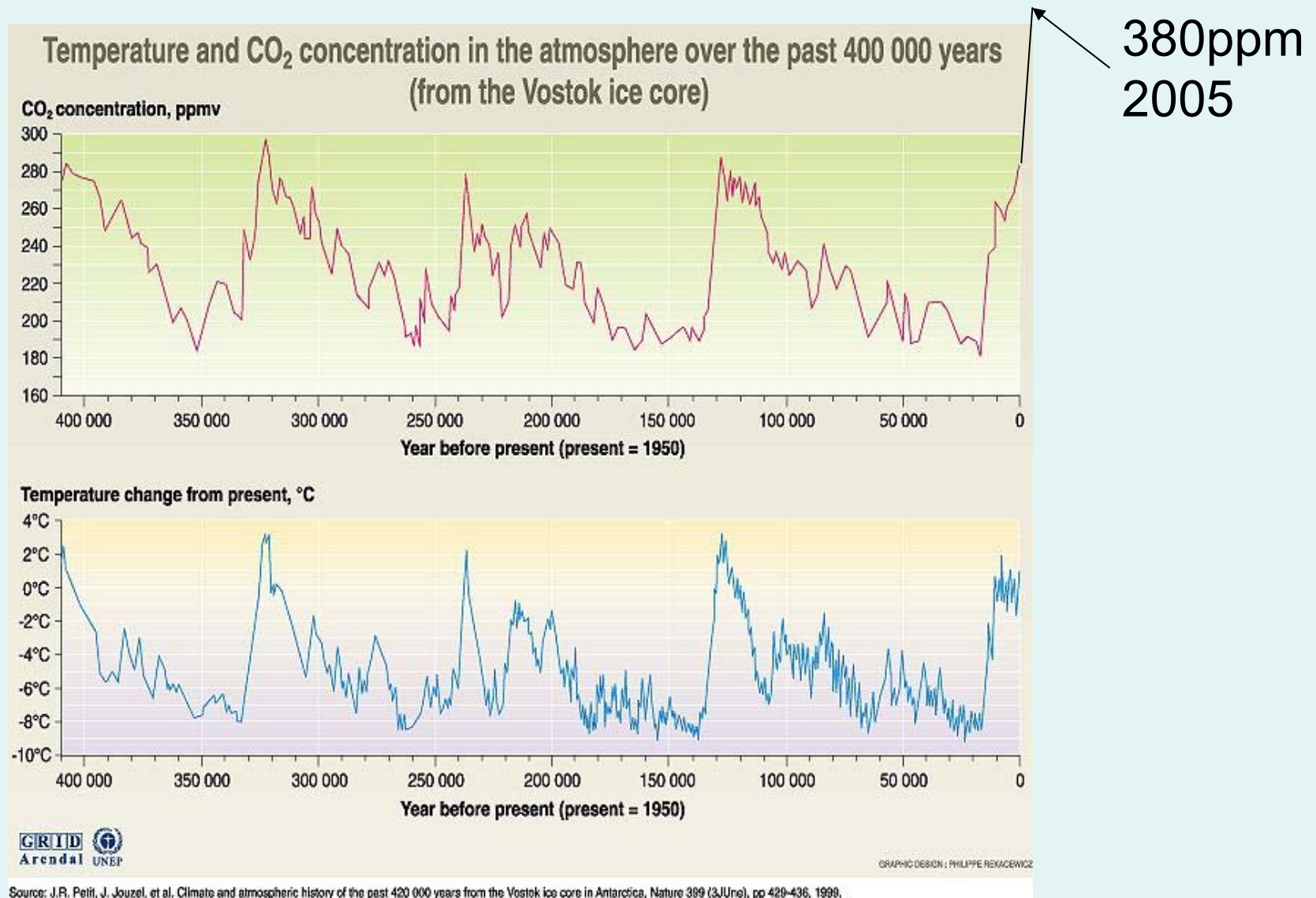
IPCC 2007



Global temperature and sea level is rising

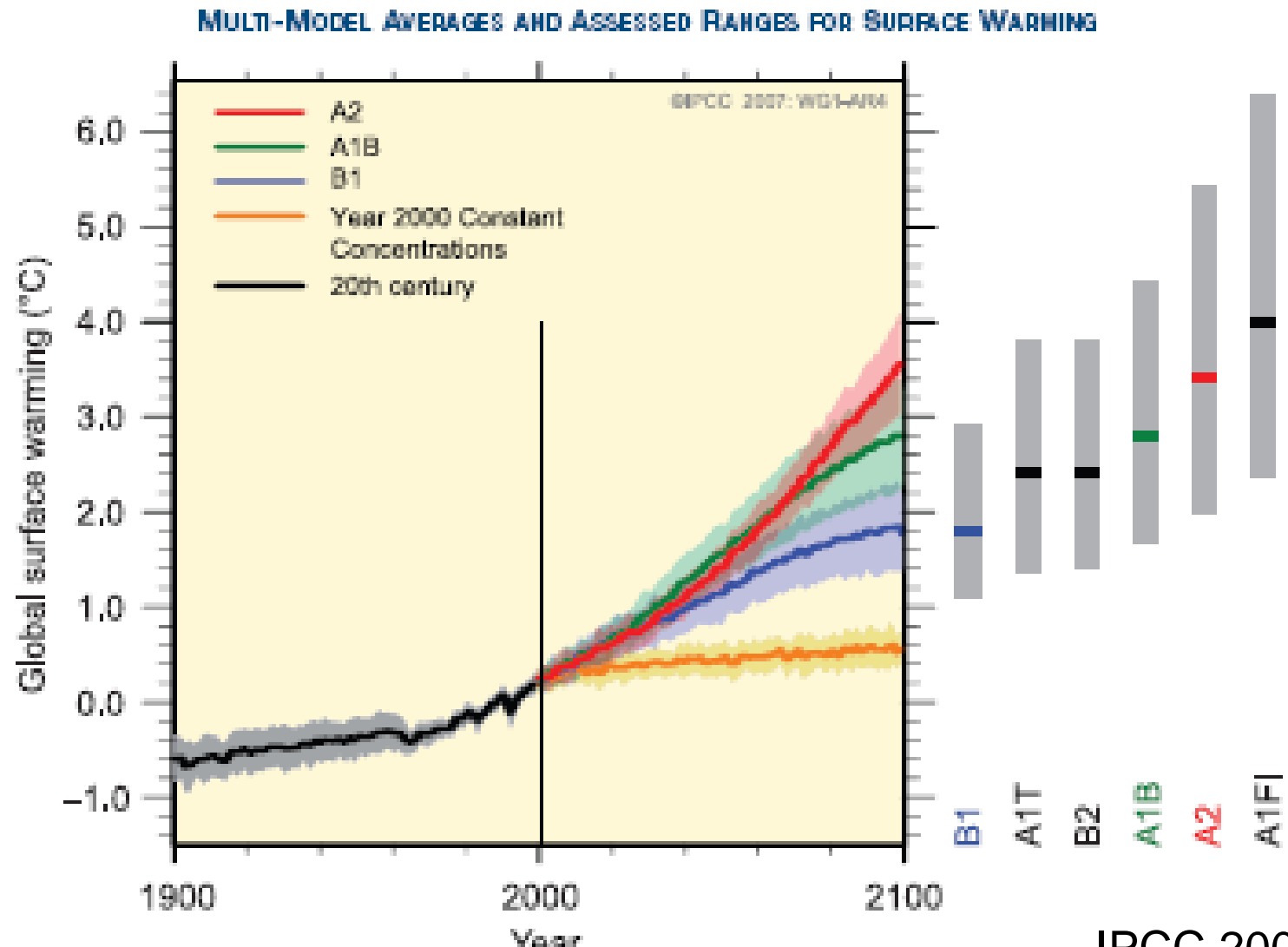


Geological time series show global temperature and CO₂ levels are highly correlated – current CO₂ concentrations are at unprecedented levels



Source: J.R. Petit, J. Jouzel, et al. Climate and atmospheric history of the past 420 000 years from the Vostok ice core in Antarctica, Nature 399 (3June), pp 429-436, 1999.

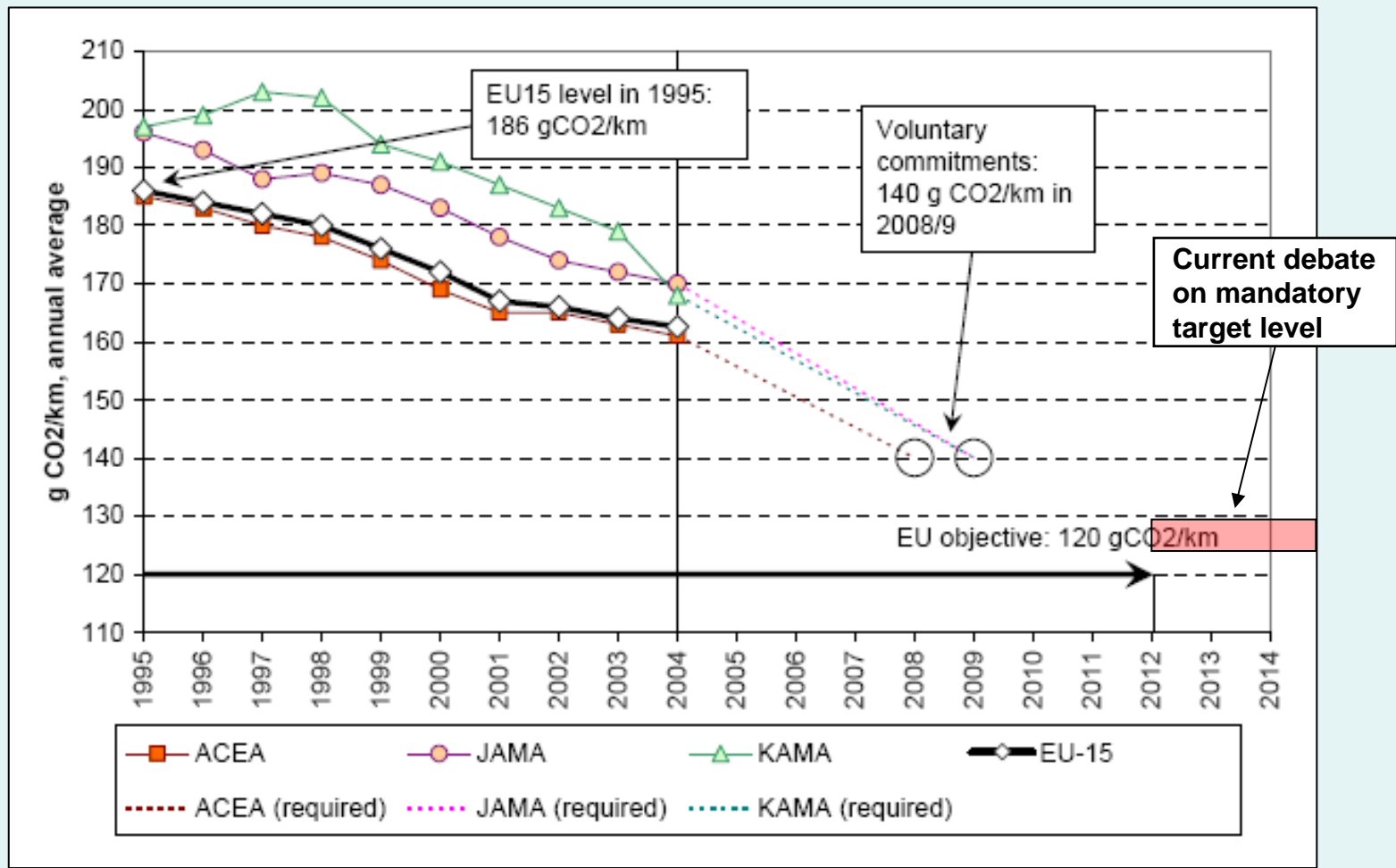
2°C is increasingly being accepted as “safe” level of global warming



Extreme weather events are increasing in frequency and impact

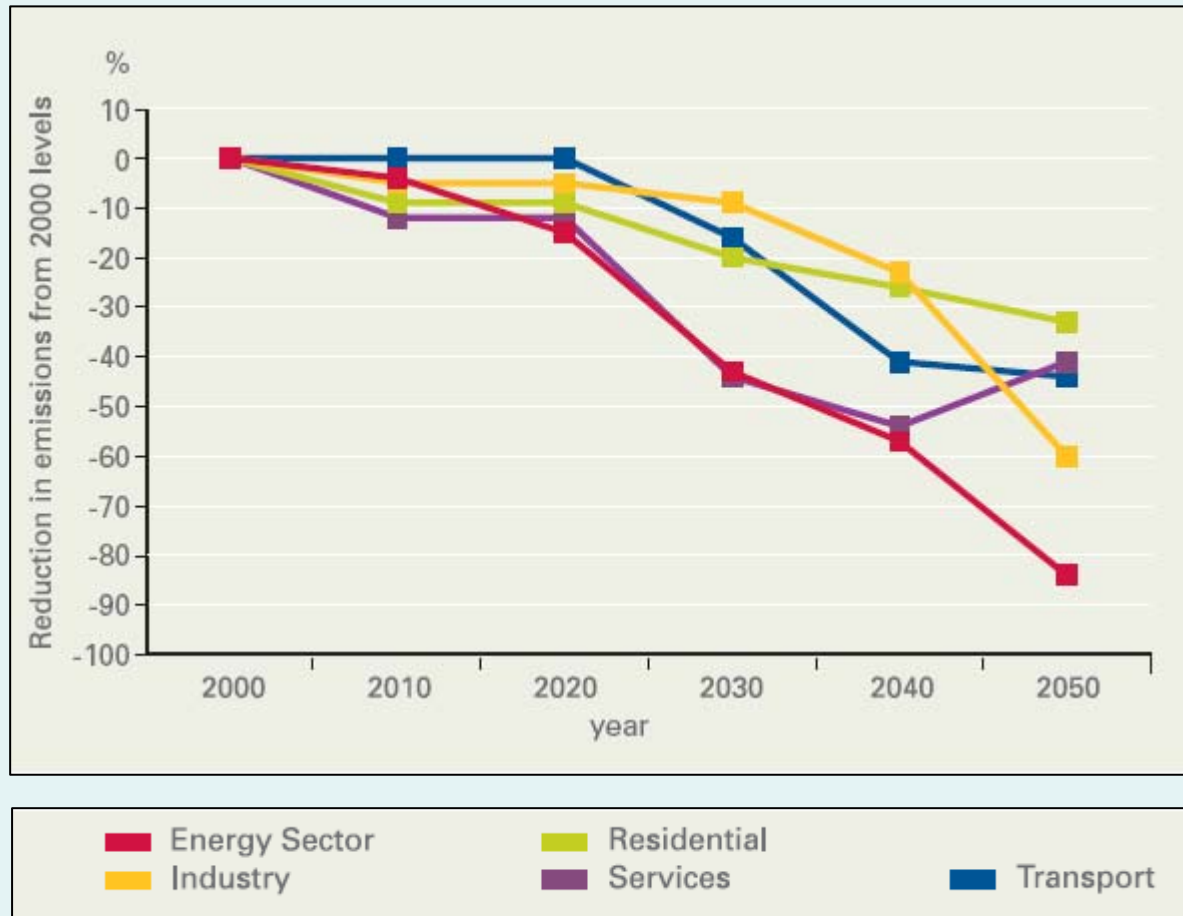


CO₂ emissions from new cars are reducing but not fast enough



Source: EC 2007

Reducing emissions from transport will be costly and difficult



Source: Energy Whitepaper 2007

Energy Whitepaper indicated Government policy will increasingly focus on transport

Policy areas which Government will adopt:

- ☐ Reducing the carbon content of fuel
- ☐ Reducing carbon emissions from vehicles
- ☐ Encouraging moves to more environmentally friendly transport
- ☐ Using emissions trading where appropriate



Biofuels – climate saviour or environmental sinner?

2006

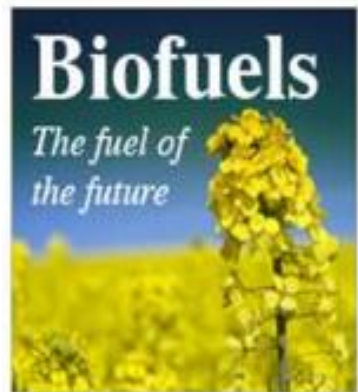
We're
harvesting
a new crop
of biofuels.

To help meet the world's demand for renewable transportation fuels, BP is partnering with DuPont to develop an advanced generation of biofuels. The first of these, biobutanol, can be blended in gasoline or co-blended with ethanol and gasoline and can be made using locally grown crops such as sugar beet, corn, and wheat. This new fuel has the potential to lower overall greenhouse gas emissions while reducing dependence on oil and expanding agriculture markets. It's a start.

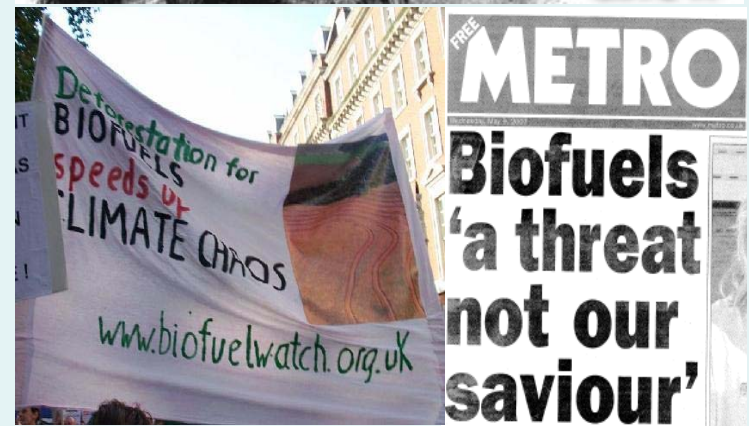


beyond petroleum™

bp.com



2007

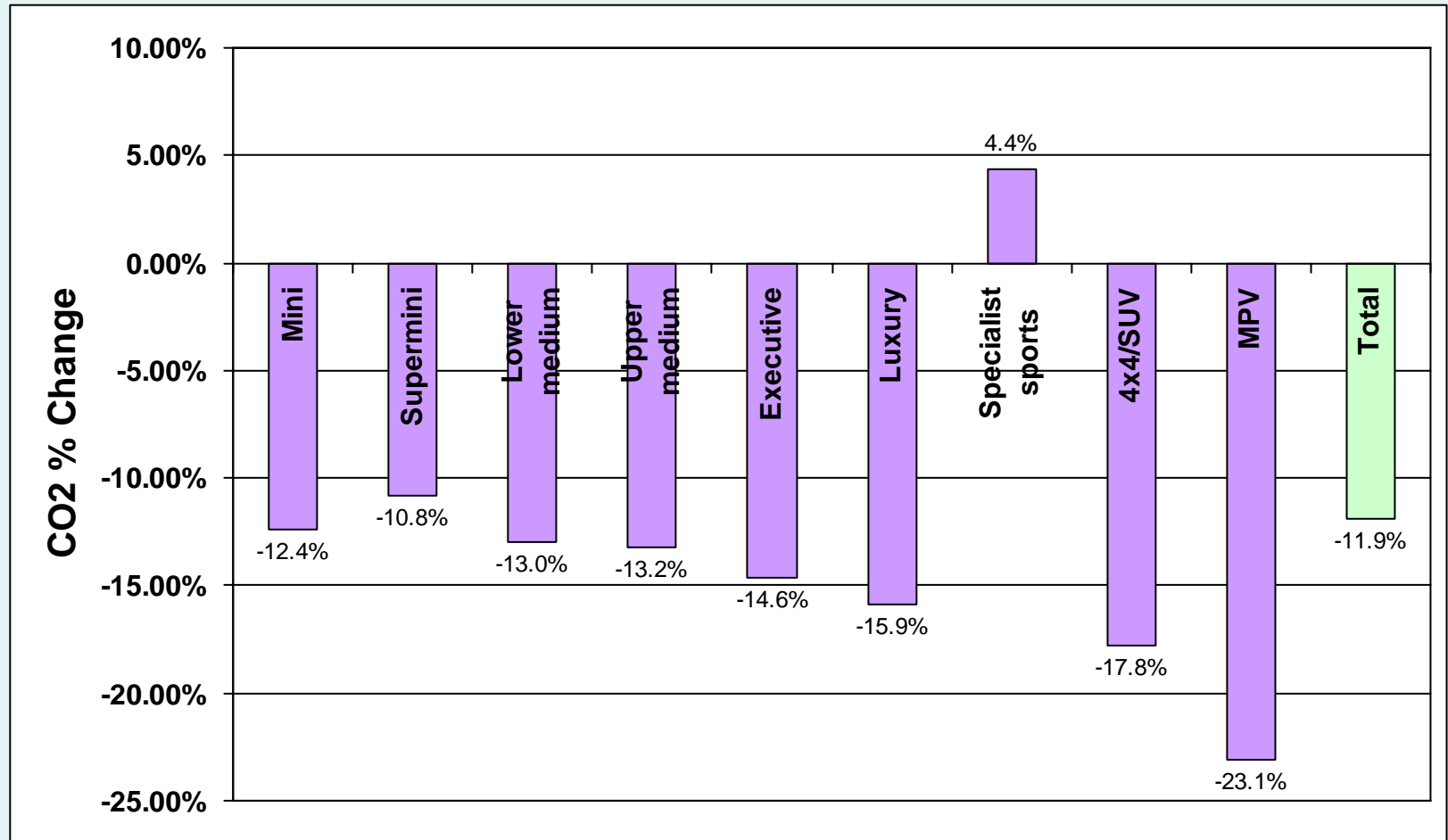


UK is leading the world in developing systems to ensure sourced biofuels are sustainable

- ❑ From April 2008 – reporting on the sustainability and GHG savings of all fuels supplied
- ❑ Clear targets for company performance – comparative reports or performance
- ❑ Independent verification of reports & claims
- ❑ Certificates issued based upon GHG-savings from 2010/11
- ❑ Excluding unsustainable fuels from 2011/12

Annual company target	2008-2009	2009-2010	2010-2011
Percentage of feedstock meeting the 'Qualifying' Standard	-	50%	80%
GHG saving	40%	50%	60%
Data provision	35%	65%	80%

Technology is delivering greater fuel efficiency



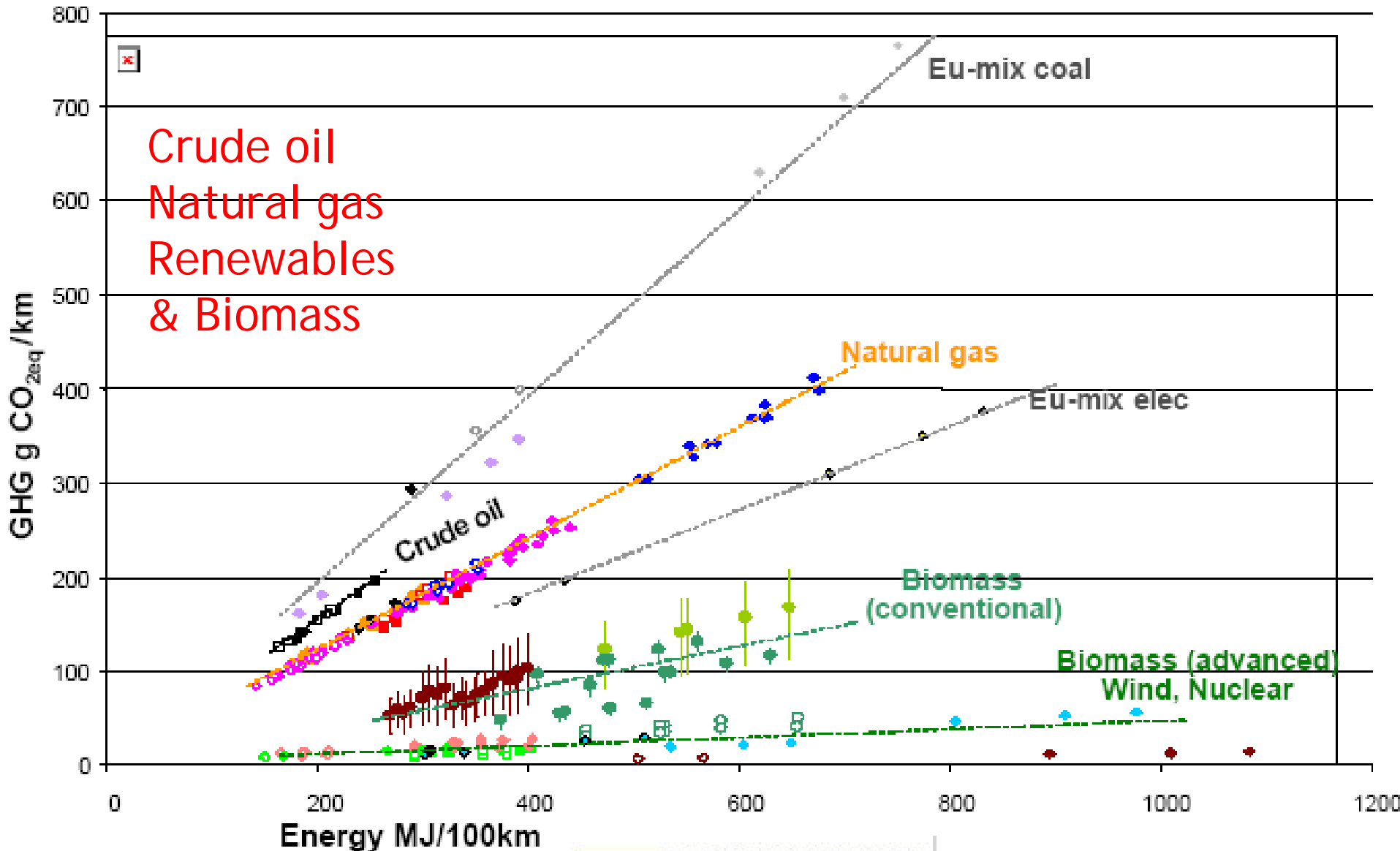
Source: SMMT

King Review will look at the role of technologies in reducing CO2 road transport

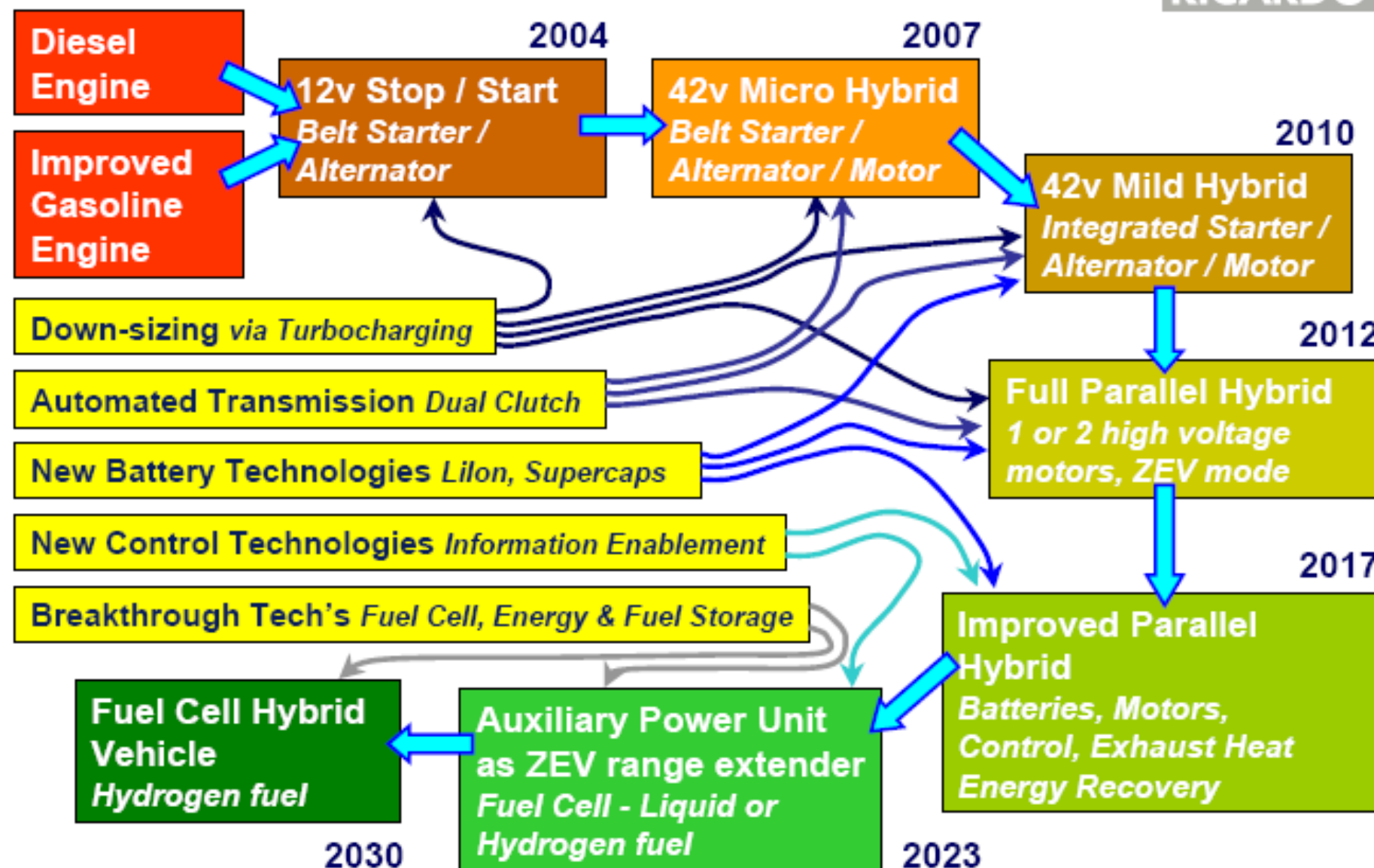
- ❑ Will look at the role of vehicle and fuel technologies to reduce CO2 over the next 25 years
- ❑ Started in Spring 2007
- ❑ Initial report on technology capability to be completed Autumn 2007
- ❑ Nick Stern will be involved in later stages of review
- ❑ Final report Spring 2008
- ❑ Government will use to re focus the its strategy and will replace the Powering Future Vehicle Strategy



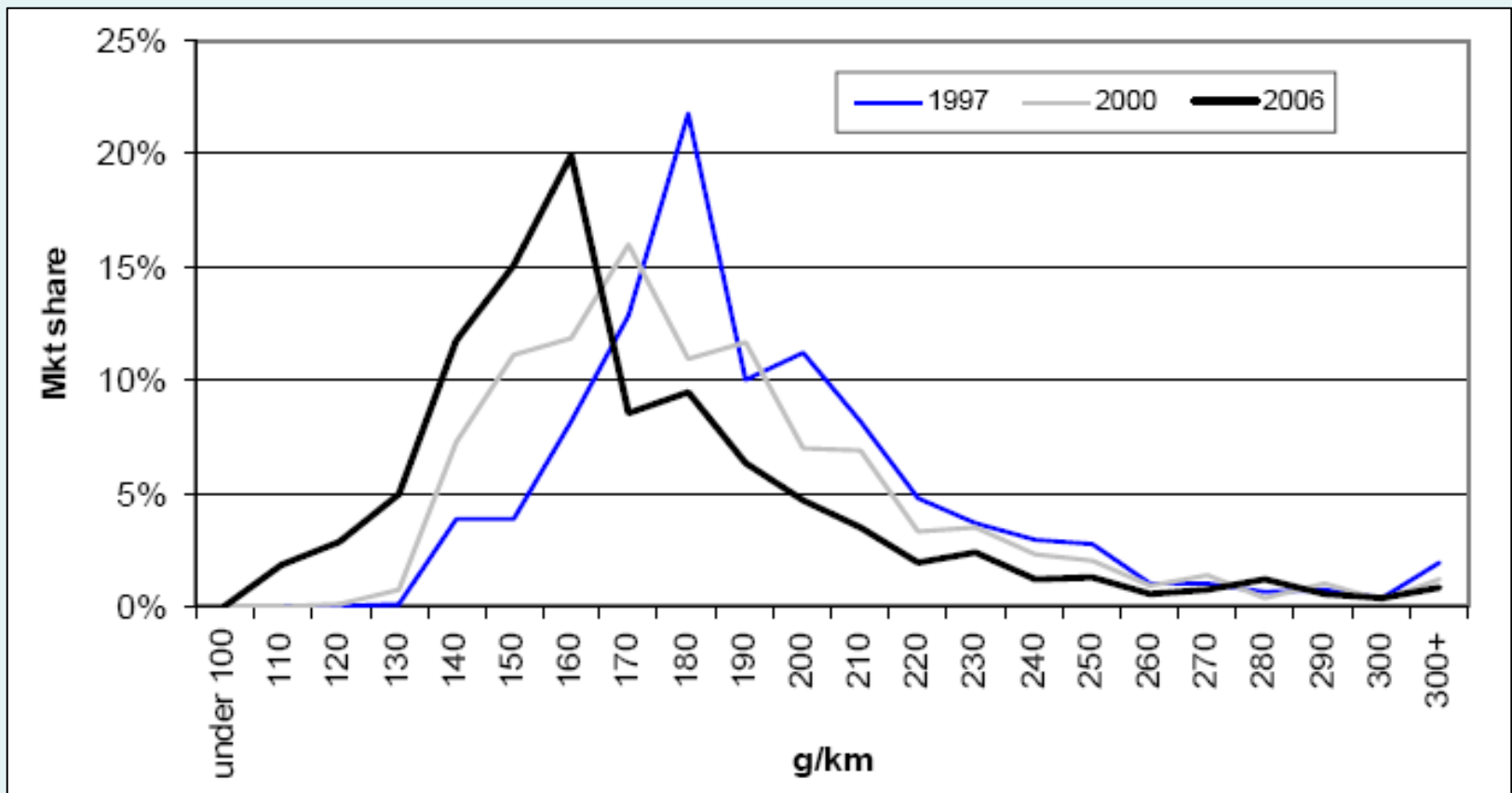
Overall Results – GHG Emissions vs. Energy Use



Hybrid powertrains offer a low carbon route to hydrogen Fuel Cell vehicles in the medium term



Downsizing is a challenge to the current automotive business model



Source: SMMT

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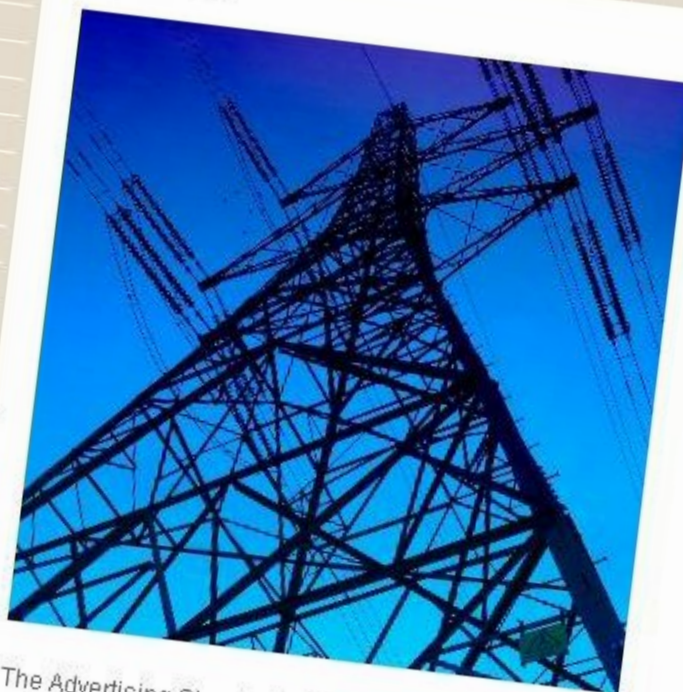


Visit the CAP web site.

ASA News

ASA gets tough on advertising green claims

26 June 2007



The Advertising Standards Authority (ASA) is warning consumers about advertising 'green' claims that turn out to be little more than hot air. Coinciding with the Trading Standards Annual Conference, where this issue is high on the agenda, the ASA is raising consumer awareness of misleading ads, reminding advertisers of the rules and why it is not always easy being green.

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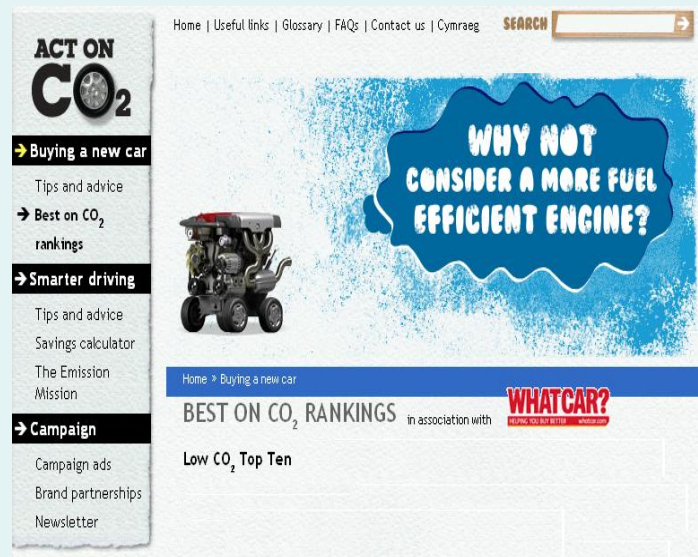
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European Parliament backing tougher regulation of advertising

- ❑ MEP Chris Davies' report into CO2 reduction from cars
- ❑ Proposal for 20% of advertising space in car ads to be devoted to information on CO2 emission levels
- ❑ Supported by European Parliament
- ❑ Vote is non binding on the European Commission
- ❑ Adds weight to pro lobby and causing concern amongst industry



Government, business and the public are increasingly aware and responding to the challenge



Summary

- ❑ Reducing carbon emissions from transport is recognised to be costly and difficult
- ❑ Transport sector is also vitally important if the UK is to meet its targets for CO2 reduction
- ❑ Europe has introduced mandatory targets for average CO2 emissions for 2012
- ❑ Technology will not deliver sufficient reductions
- ❑ Sales mix will need to adapt
 - Taxation
 - Advertising and self regulation
- ❑ Opportunity to engage with corporate and private car buyers

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