

# Promoting Low Carbon Vehicles

**Green Fleet**

**25<sup>th</sup> September 2008**

**Jonathan Murray**

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# Low Carbon Vehicle Partnership

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

**Stimulating opportunities for UK businesses**



**LowC<sup>VP</sup> 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: PRWELK  
 Media: MediaNet  
 Brand: BRANDREPUBLIC  
 TV: green.tv  
 UNEP



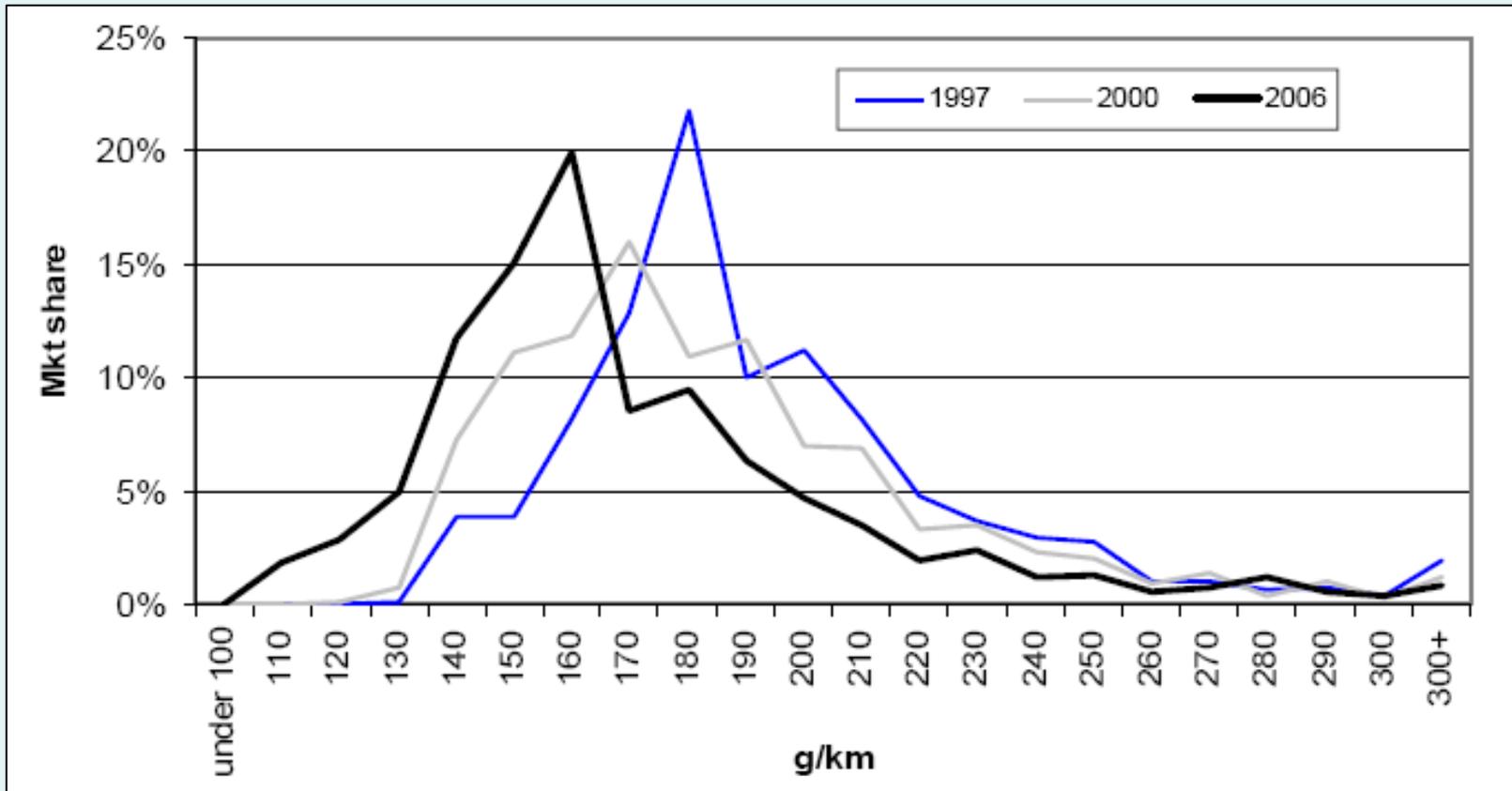
Fuel Economy		Low Carbon Car
CO <sub>2</sub> emissions figure (g/km)		
<100	A	B 117 g/km
101-120	B	
121-150	C	
151-185	D	
186-195	E	
196-225	F	
226+	G	
Fuel cost (estimated) for 12,000 miles		£662
VED for 12 months		£50
Environmental Information		
<p>A guide on fuel economy and CO<sub>2</sub> emissions 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<sub>2</sub> emissions. CO<sub>2</sub> is the main greenhouse gas responsible for global warming.</p>		
Make/Model: Low Carbon Car	Engine Capacity (cc): 1399	
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 <sub>2</sub> emissions than this. Check with your dealer.		

**LowCVP 'Low Carbon Road Transport Challenge'**

Proposals to reduce road transport CO<sub>2</sub> emissions in the UK to help mitigate climate change

June 2006

# *CO2 emissions from cars are reducing but not fast enough*



Source: SMMT

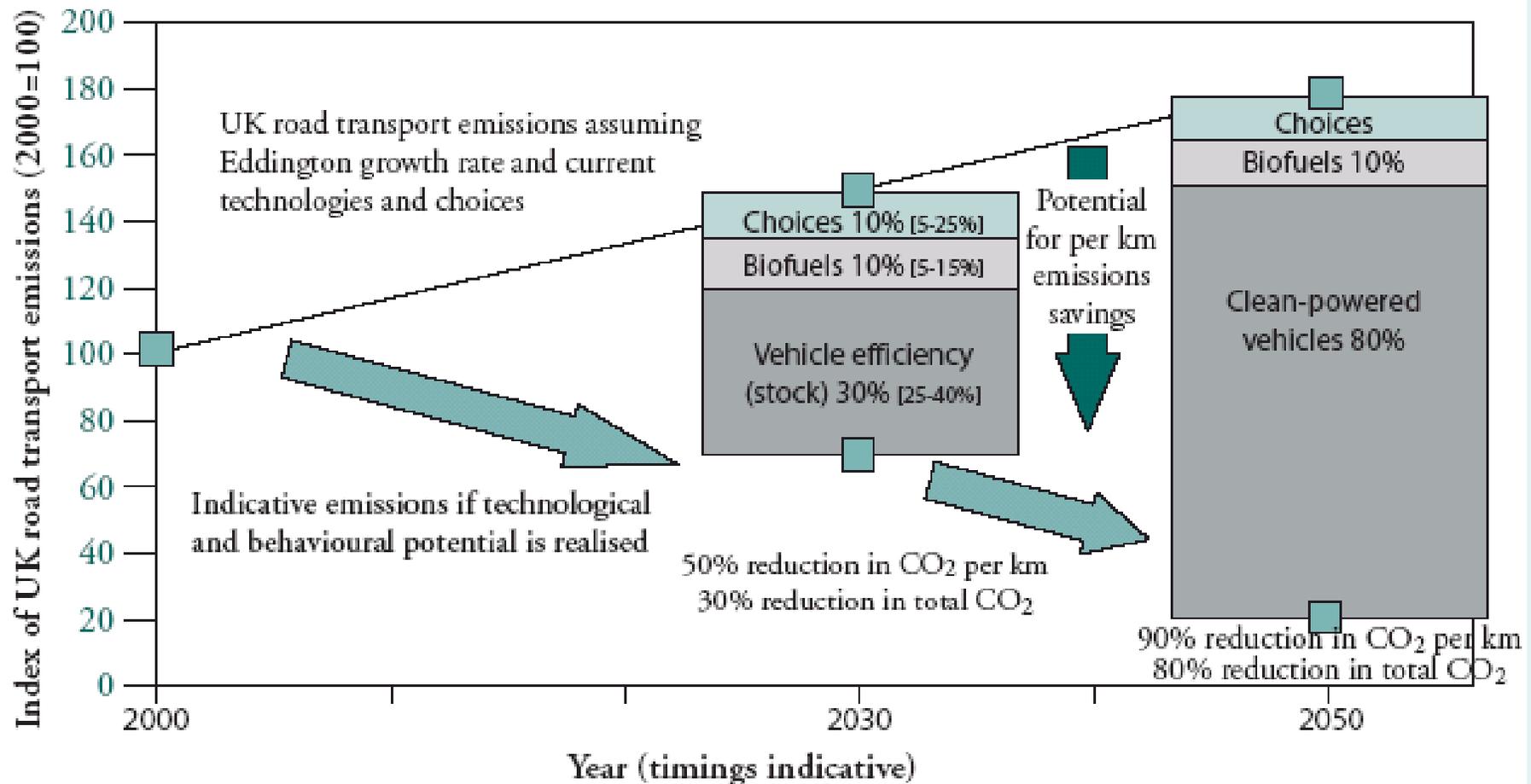
Downsizing is a challenge to the current automotive business model

# *The King Review of low-carbon cars*

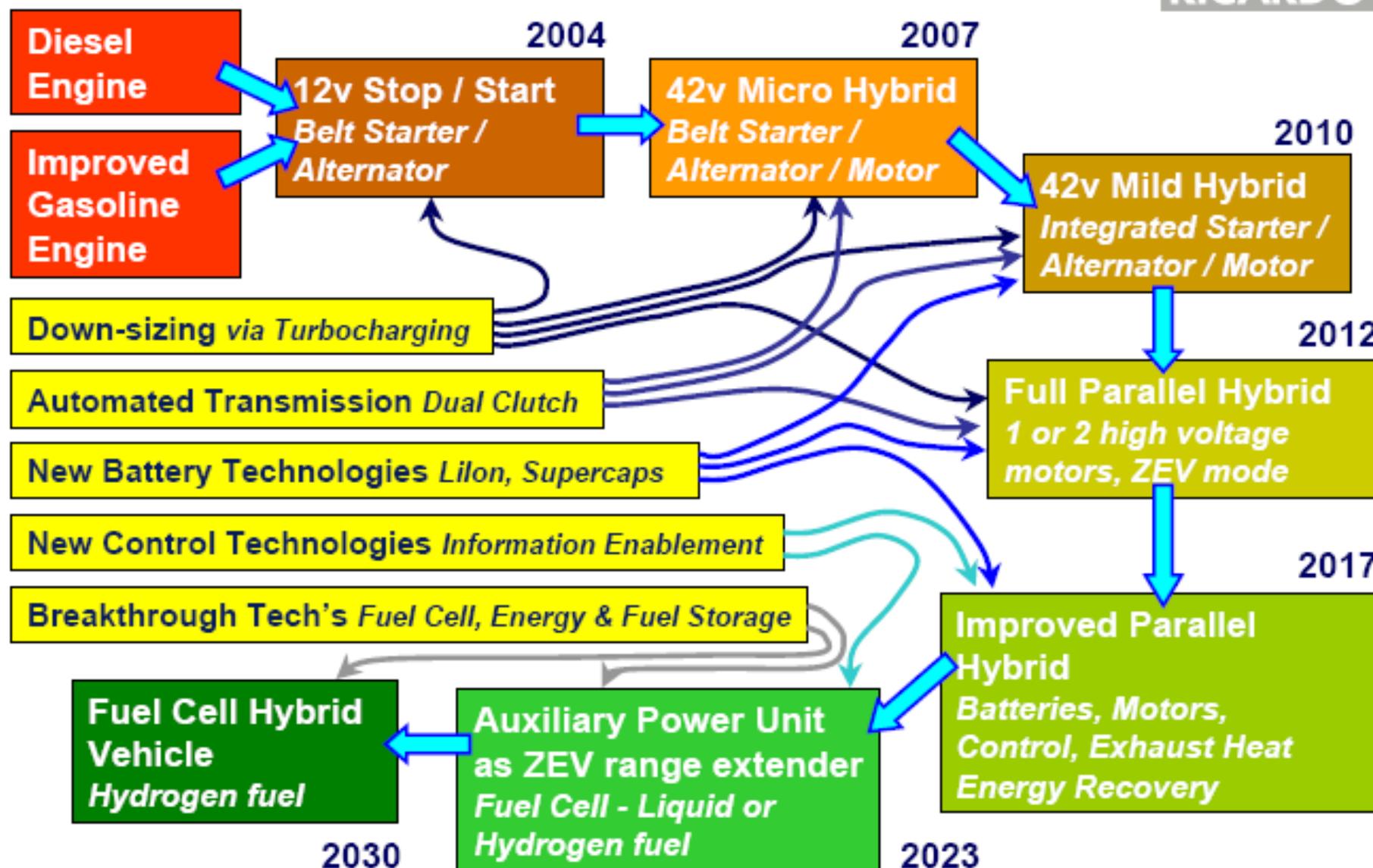
- ❑ Chancellor commissioned a Review in Budget 2007, led by Professor Julia King, working with Lord Nicholas Stern:
- ❑ *Part I: the potential for CO<sub>2</sub> reduction* was published in October 2007
  - significant reductions are possible in medium and long term
  - hybridisation important for coming years, electric vehicles for the long term. Sceptical about hydrogen.
- ❑ *Part II: recommendations for action* was published alongside Budget 2008
  - key areas – reducing vehicle emissions, cleaner fuels, consumer behaviour and R&D



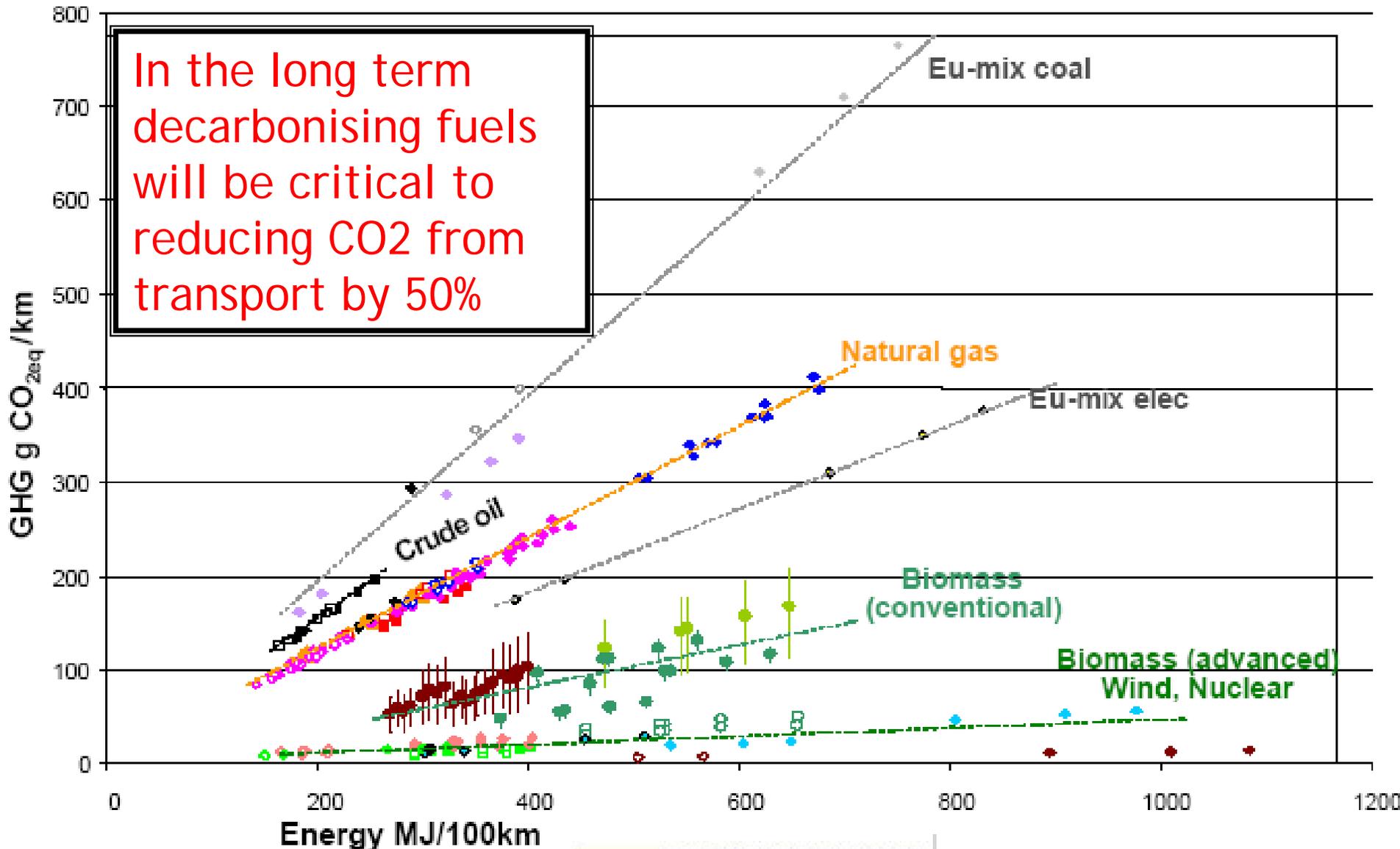
*Part 1: set out the potential for CO<sub>2</sub> reduction*  
*Part 2: how it would be delivered*



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



# Overall Results – GHG Emissions vs. Energy Use



## *In the short term reductions in CO2 will be highly dependent on consumer choices*

- ❑ **Choosing cars:** choosing 'best in class' can reduce emissions by 25%, while if people downsize the potential savings are even greater
  - Measures to improve consumer information are important
  - Fiscal incentives (such as VED) or local authority incentives (such as the London Congestion Charge) can encourage change
  - Government should also exemplify through its own procurement
  
- ❑ **Smarter driving:** more efficient driving can reduce emissions by 15%
  - Smarter driving should be promoted through the driving test and by training existing drivers
  - Appropriate dashboard technology, such as fuel economy meters, should be incorporated into vehicles
  
- ❑ **Smarter choices:** switching to alternative forms of transport and making fewer journeys can also make a difference
  - Personal and workplace travel planning can promote different choices
  - Car clubs can enable people to make more efficient use of cars

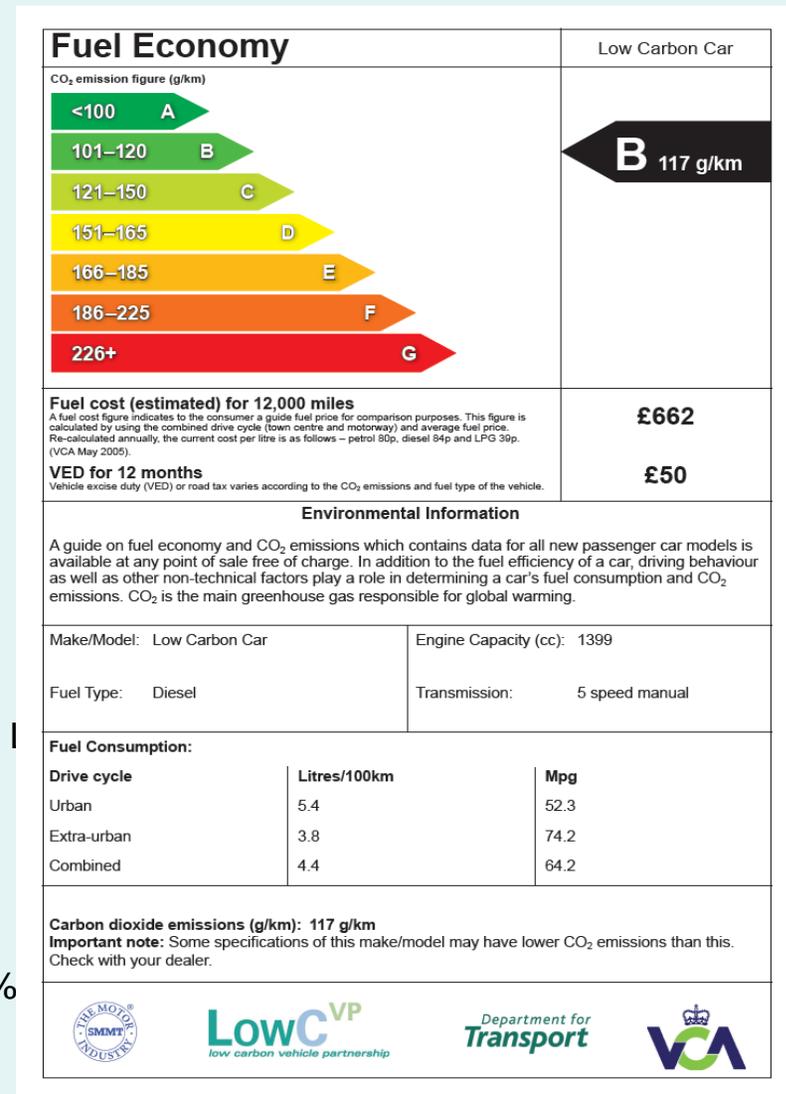
# Information is available, over 91% of dealers now display the label

## □ Voluntary automotive industry initiative

- Brokered by LowCVP
- Launched in July 2005
- Roll-out continues

	2006	2007	2008
<b>Dealers displaying labels</b>	74%	86%	91%
<b>Dealers achieving Good Performance</b>	-	61%*	77%
<b>Cars labelled</b>	55%	65%	82%

\* Good performance in 2007 was 75% labelled; in 2008 90%



# 49% of car buyers are aware of the new car fuel economy label

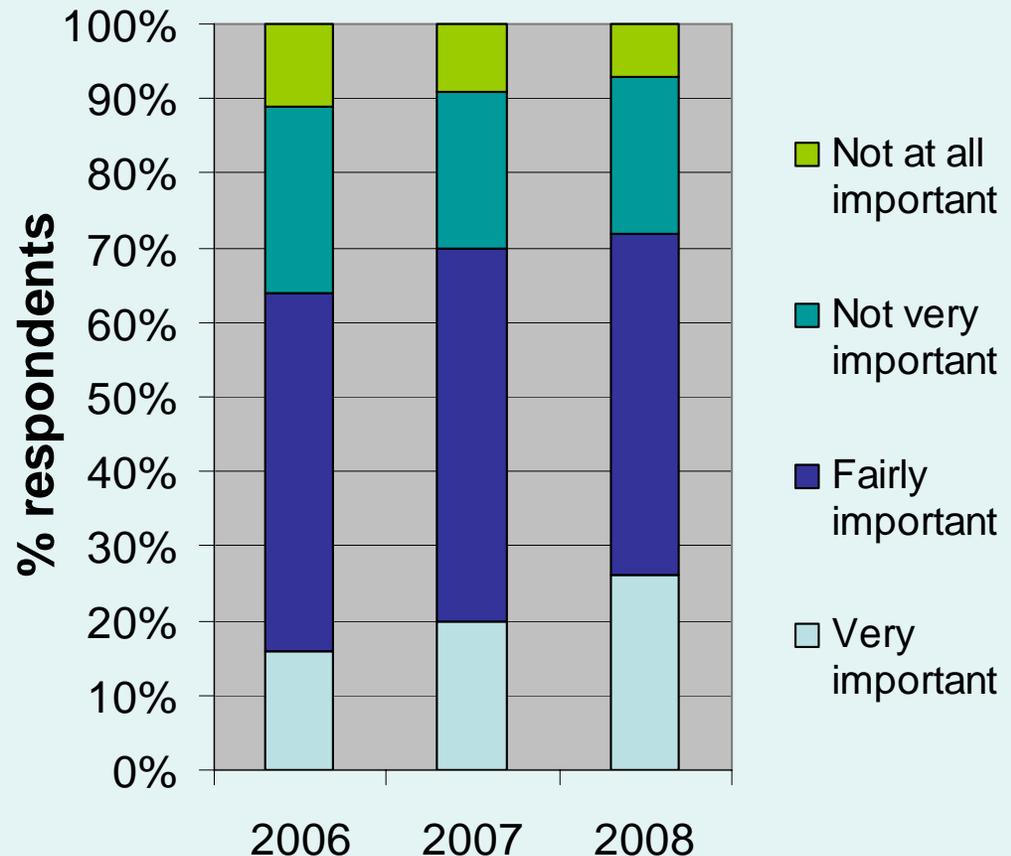
72% of car buyers say the information on the environmental label is important

- 67% say that fuel cost is the most important information

More than two thirds of respondents said it was important in helping them to choose the make and model of their car.

- 46% said it was fairly important and 26% very important.
- 64% knew the band within which their car fell.

## How important, if at all, was the car label in helping you to choose the make or model of your car?



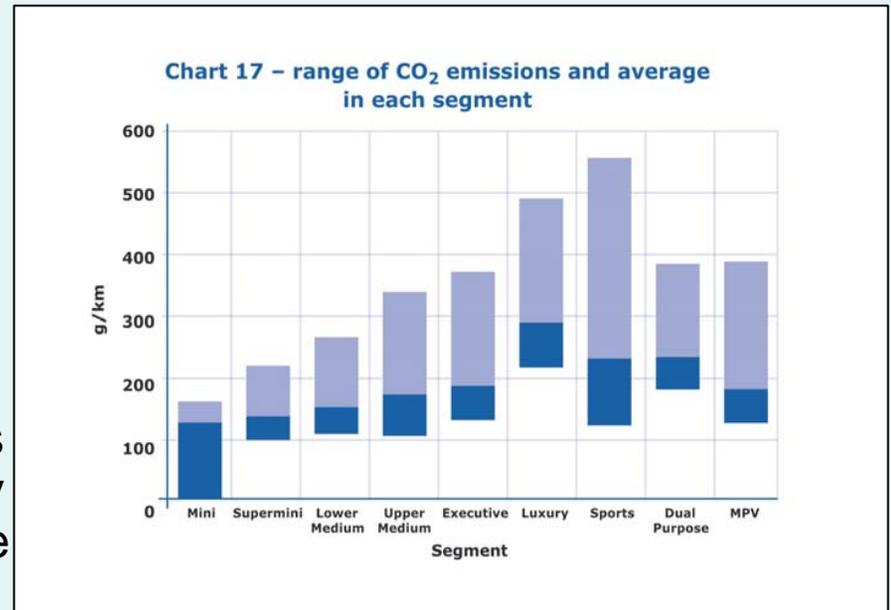
Source: LowCVP 2008, Car Buyer Survey

## Best in class concept is missed

“I think it’s more... it’s cost effective in comparison to the bigger car. I think all small cars are the same; I don’t think it’s any different... to, you know, a smaller Audi or a smaller Corsa or anything like that; I think it’s a small car. A small car is a small car. ”

Best-in-class concept is missed

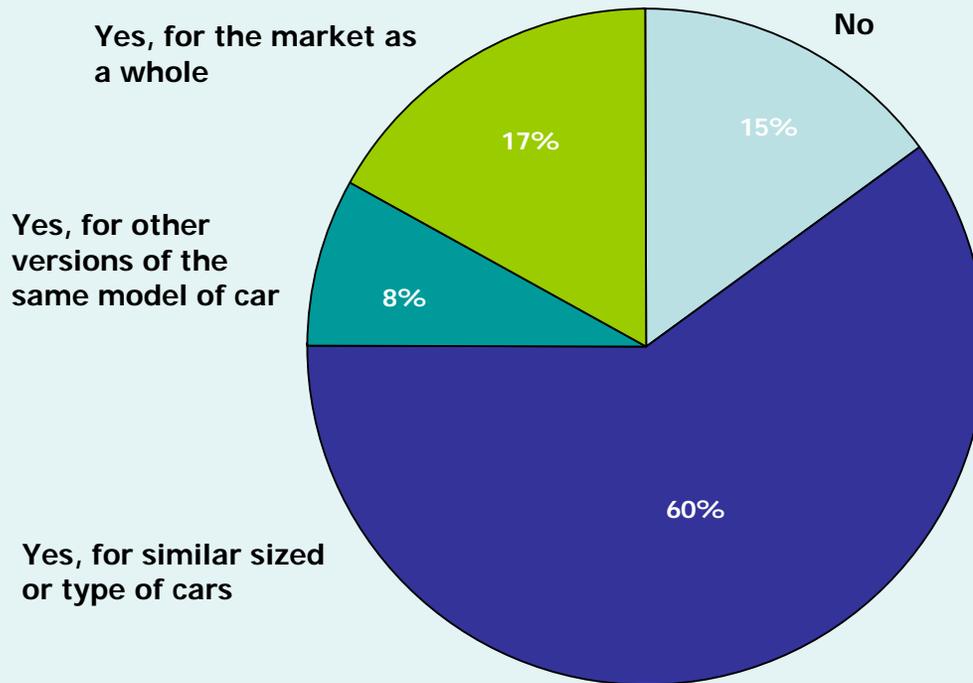
- ❑ Buyers assume that all cars in the same class have roughly the same ‘mpg’
- ❑ Buyers are not aware of or seeking best-in-class information
- ❑ It means once a ballpark mpg figure has been ‘chosen’, it drops out of focus and other things (safety, comfort, ‘curry hooks’, vanity mirrors ...) become more important



**SMMT estimate new car CO<sub>2</sub> would have been 139g/km in 2007 if car buyers had bought best in class**

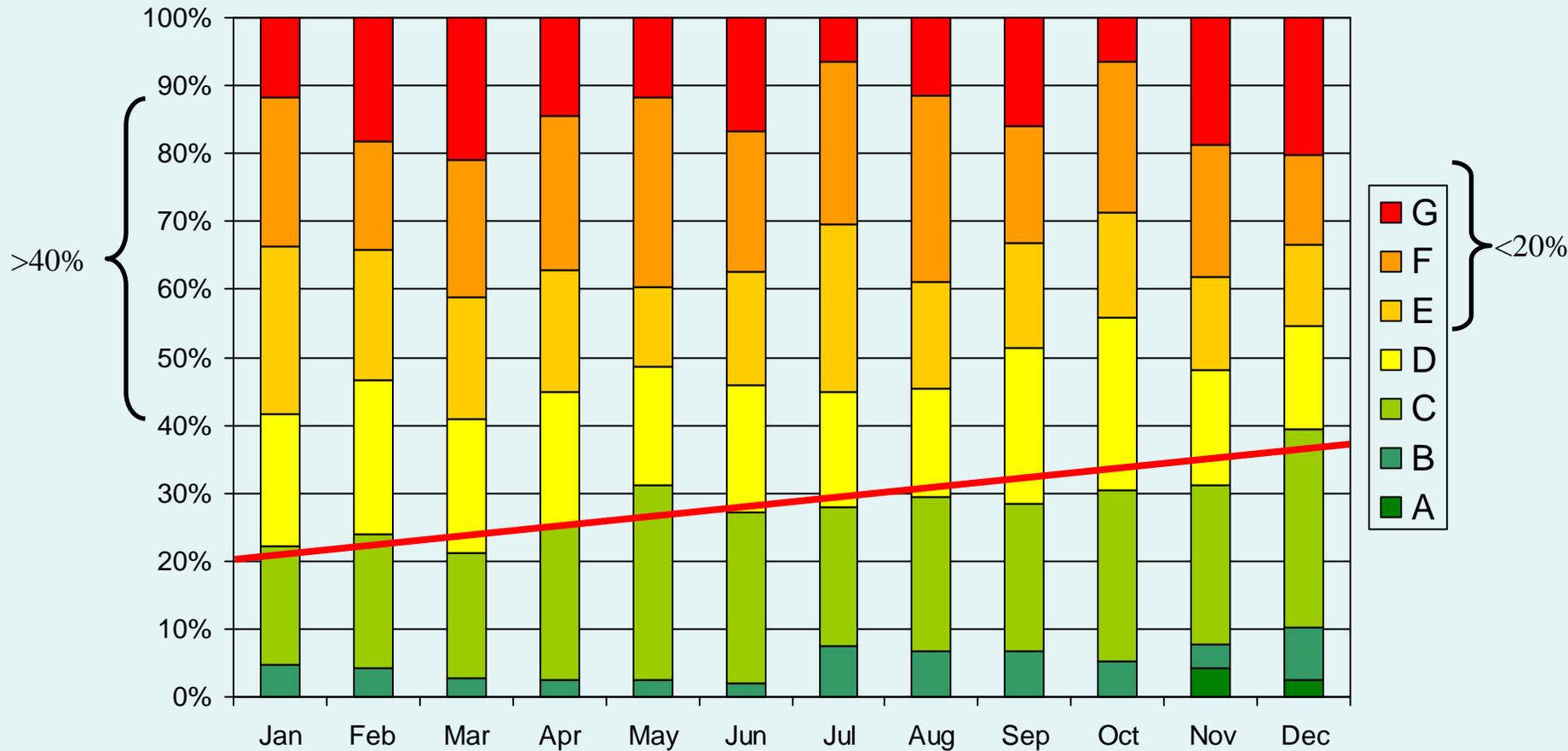
# *Car buyers interest in seeing comparative data especially in car dealerships*

The majority are interested in seeing comparative data, with almost two thirds interested in information on similar sized or types of car to the one they are considering



- 73% of car buyers want to see comparative data in the car dealership
- Car buyers also wanted to see comparative data in sales brochures, manufacturer websites and Government websites.

# *Increasing advertising expenditure being used to promote low carbon cars*



Source: Thomson Intermedia 2008, LowCVP car advertising survey 2007

# CO2 data is increasingly being included in the body of the advert

**RENAULT CLIO**



**The 3 door Clio Extreme.  
Now only £169 per month  
with NO deposit.**

- 3 door 1.2 16V 75hp
- Remote central locking with deadlocking
- 6 airbags (driver, front passenger, 2 front lateral, 2 anti-submarining)
- ABS with EBD\* and Brake Assist
- 30W CD hi-fi with fingertip remote control
- Multi-function trip computer
- 15" alloy wheels

35 monthly payments of	<b>£169</b>
Cash price now	<b>£8,532</b>
After cashback of	<b>£463</b>
Deposit	<b>Nil</b>
Total amount to be financed	<b>£8,532</b>
First payment**	<b>£268</b>
Optional final payment†	<b>£3,129</b>
Total amount payable	<b>£9,312</b>
<b>4.4% APR</b> typical	
Excess miles over 10,000	6p per mile

**0800 52 51 50** [www.offers.renault.co.uk](http://www.offers.renault.co.uk)

The official fuel consumption figures in mpg (l/100km) for the Clio 1.2 are: Urban 37.2 (7.6), Extra Urban 57.6 (4.9), Combined 47.9 (5.9). Official CO2 emission figures are from 139g/km. Renault includes delivery to dealer, number plates, 12.5% VAT, 12 month Government road fund licence and £38 first registration fee. Finance is subject to status. \*\*First payment includes an acceptance fee of £99. †Optional final payment includes credit facility fee of £39 and option to purchase fee of £60. You will be liable to pay for any accidental damage to vehicle up to the agreed mileage. A guarantor may be required. If the agreed mileage is exceeded, a charge of 6p per mile will be made. You must be at least 18 and a UK resident (excluding the Channel Islands and the Isle of Man) to apply for finance. Finance provided by RFS Ltd, Tithe House, City Road, Chester CH3 3AN. This offer applies to vehicles ordered and registered by 30th June 2007. Cashback is paid directly to the customer by the participating dealer. All figures correct at time of going to press. Car shown with optional metallic paint £360. \*EBD = Electronic Brake Distribution.

**RENAULT CLIO**

**High spec.  
Low emissions.**



**Clio Extreme 1.2 16V 75 3 door.  
Now from only £149 per month.**

- CO2 emissions 139g/km
- 6 airbags (driver, front passenger, 2 front lateral, 2 anti-submarining)
- ABS with EBD\* and brake assist
- 15" alloy wheels
- 30W CD hi-fi with fingertip remote control
- Electric front windows

35 monthly payments of	<b>£149</b>
Cash price now	<b>£7,682</b>
After cashback of	<b>£1,343</b>
Deposit	<b>Nil</b>
Total amount to be financed	<b>£7,682</b>
First payment**	<b>£248</b>
Optional final payment†	<b>£3,127</b>
Total amount payable	<b>£8,590</b>
<b>5.6% APR</b> typical	
Excess miles over 10,000	6p per mile

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12% of all messages in car advertising relate to climate change or fuel consumption

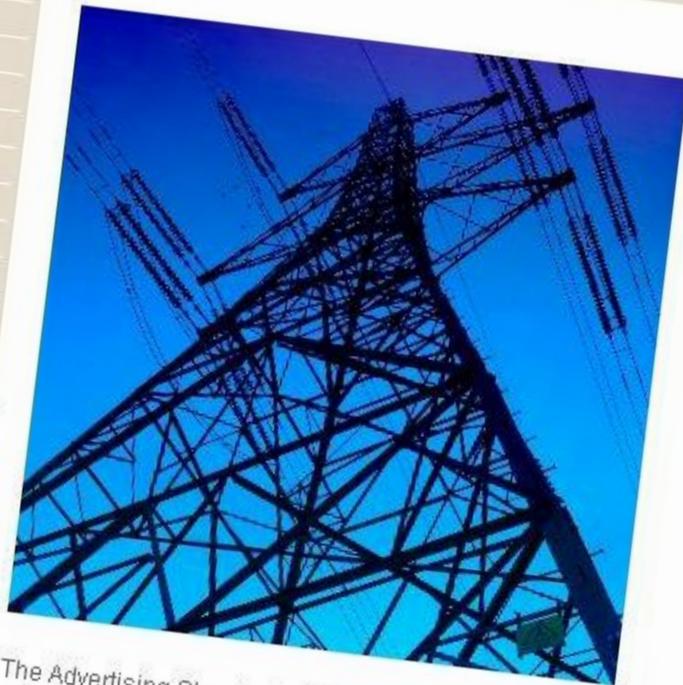
- Ad Campaign
- About ASA
- News and events
- Adjudications
- Focus On
- Advertising Codes
- Research
- Annual Report
- Links
- Keep Me Informed
- How to Complain
- Contact Us
- Career Opportunities
- Search
- Privacy Policy
- Accessibility

 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.

News Archive  
2003 | 2004 | 2005 | 2006 | 2007

Events Archive  
2003 | 2004 | 2005 | 2006 | 2007

How to Complain  
Find out how to make a complaint

Guided Tours  
A step-by-step guide to what ASA can offer you:

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[Advertisers](#)

[New media](#)

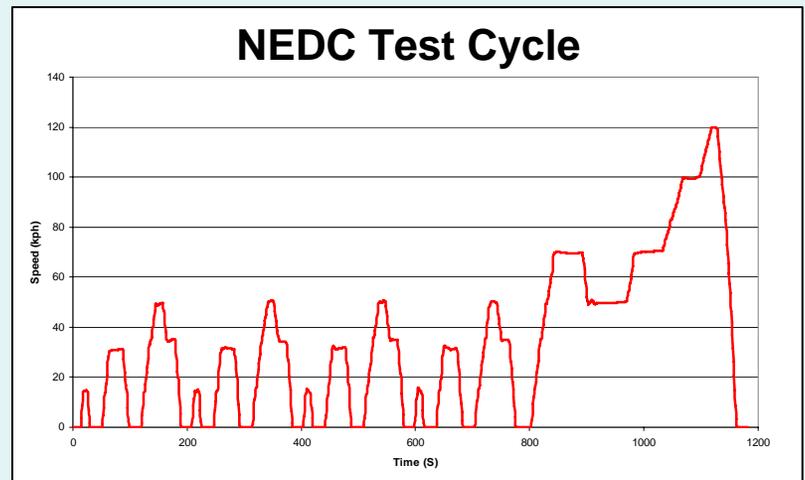
[Schools and Colleges](#)

Live Issue  
A climate of change: environmentally friendly advertising claims on the rise

Keep me Informed  
Sign up to receive up-to-date information on recent issues.

# Attention is turning to reducing CO2 emissions from commercial vehicles

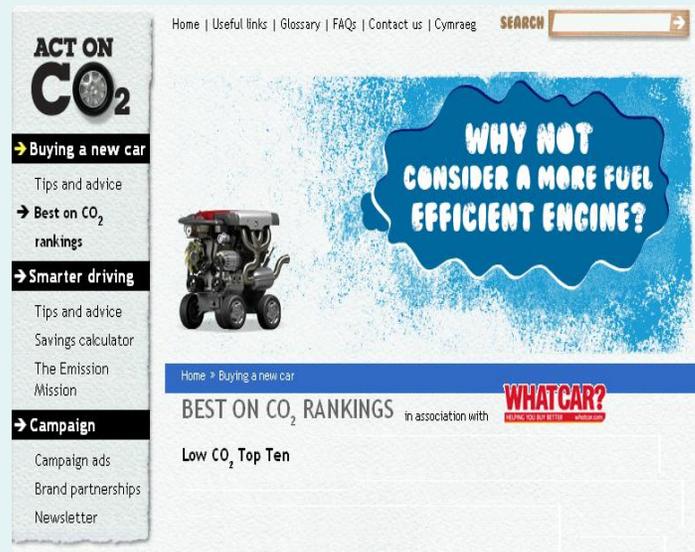
- ❑ European Commission are to propose targets for fleet average van CO2 in the coming year
- ❑ Van data will become available in the UK in 2009
- ❑ SMMT developing guidance on using CO2 data in procurement
- ❑ LowCVP conducting research into how to define a low carbon van for application in;
  - Procurement
  - Policy formation



*LowCVP is working with the bus industry to develop a low carbon bus specification, now adopted in Europe*

<b>Parameter</b>	<b>Requirement</b>
Tier 1 greenhouse gas carbon-dioxide equivalent performance	- 40% (minimum) c.f. Euro 3 equivalent bus on MLTB drive cycle See Table 1 for targets
Tier 2 greenhouse gas carbon-dioxide equivalent performance	- 20% (minimum) c.f. Euro 3 equivalent bus on MLTB drive cycle See Table 1 for targets
Gradeability (with maximum load)	10%
Range / Endurance	250 miles / 400 km
Range (zero emissions) - optional	4 miles / 6.4 km
Drive-by noise performance (exterior)	80 dB(A) as per EU Directive
Drive-by noise performance (interior)	As per current TfL requirements (data to be supplied)
Air quality emissions	Reductions to be obtained on the MLTB drive cycle See Table 2 for targets
Exhaust position (if appropriate)	Non near-side
Refuelling	Once a day
Construction & Use	EU Bus & Coach Directive 2001/ 85
Life cycle assessment (LCA)	ISO 14000 series

# 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
- ❑ In the long term achieving significant reductions will depend on decarbonising energy for transport
- ❑ In the medium term technology is capable of delivering up to 30% reductions in CO2
- ❑ Europe has introduced mandatory targets for average CO2 emissions for 2012
- ❑ Sales mix will need to adapt
  - Taxation
  - Information and labelling
  - Advertising and self regulation
- ❑ Opportunity to engage with corporate and private car buyers

# *The Low Carbon Vehicle Partnership*

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