

Transition To WLTP

Facilitating Changes in Low Carbon Car Policy and Car Buyer Information

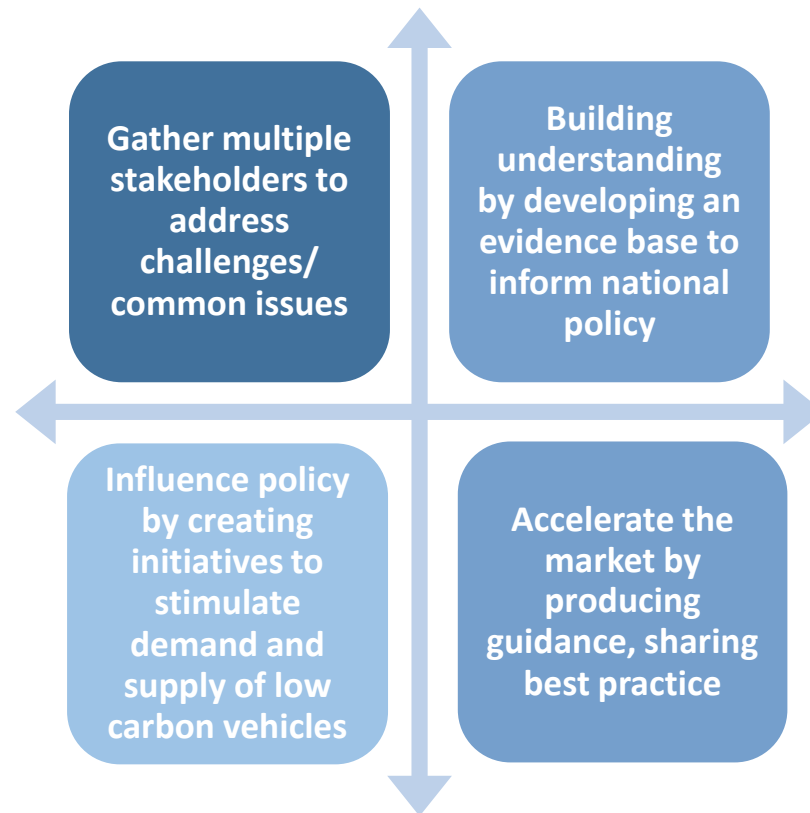


Gloria Esposito, Head of Projects

FleetNet Conference, Wednesday 17th May 2017

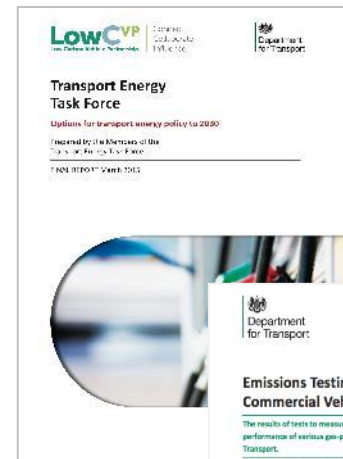
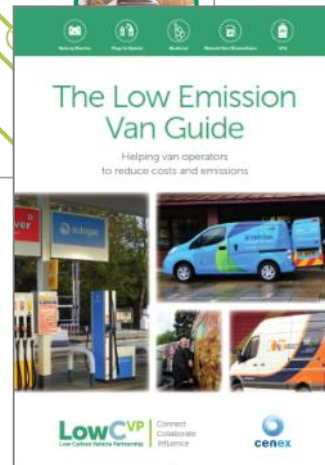
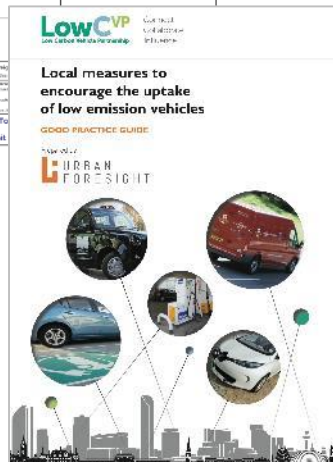
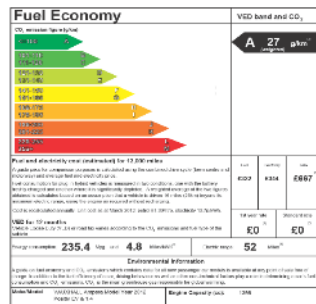
Introduction to LowCVP

**Our mission is to stimulate the take up of low carbon vehicles and fuels,
whilst improving air quality**



LowCVP is the partnership organisation with over 180 members with a stake in the low carbon road transport agenda.

LowCVP Work Areas

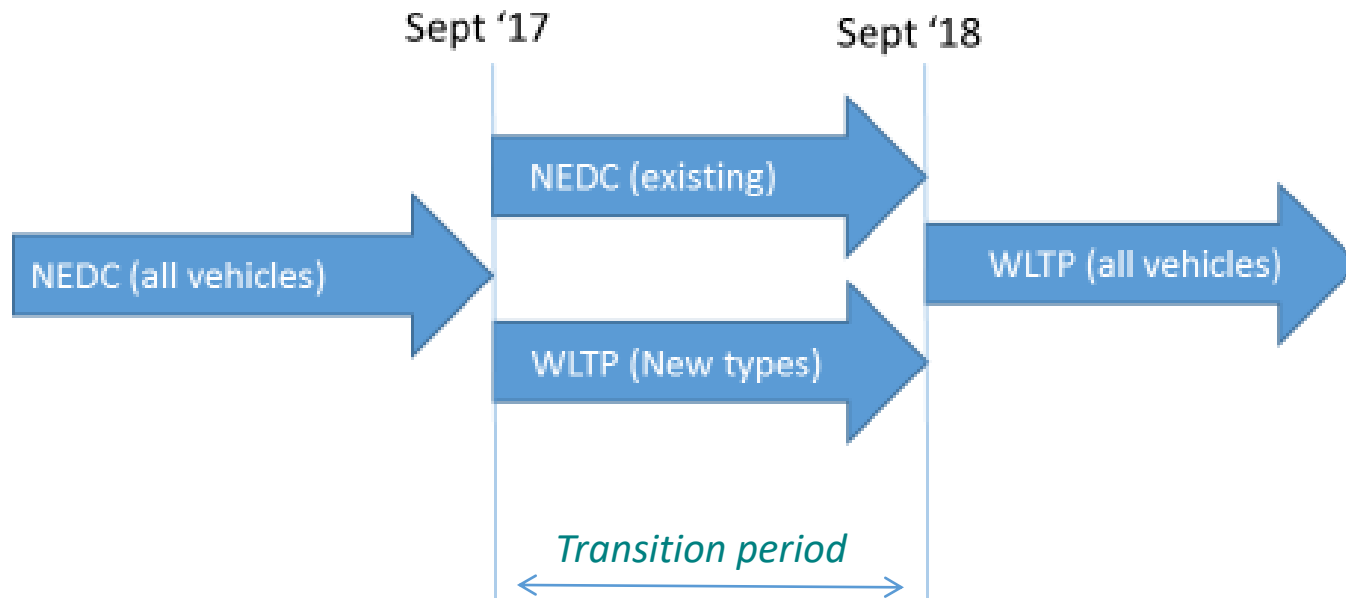


Why has WLTP been introduction?



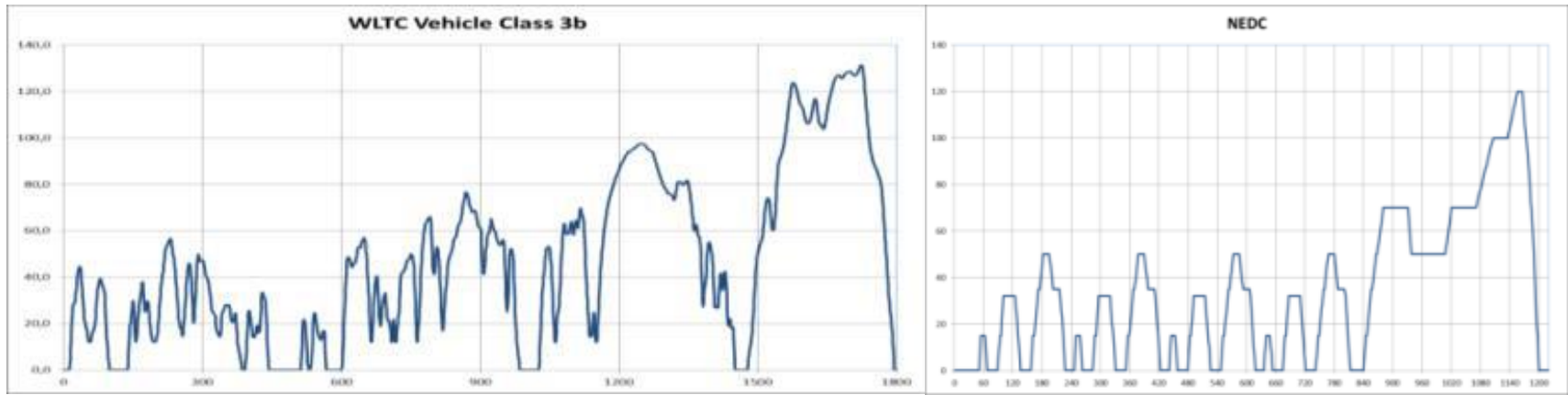
- Vehicles type approved under the New European Drive Cycle based limits not performing in the 'real world'.
- Gap between NEDC based published fuel consumption (and CO2 emissions) figures for new cars and their in-service performance growing.
- Need for a test process more representative of real world driving - World Harmonised Light Vehicle Test Procedure
- Outcome - more realistic CO2 and hence fuel consumption (*published fuel consumption figures are a guide*)

WLTP Introduction - Regulatory Timeframes



Regulations earmarked to be published June

WLTP v NEDC – What's Different?

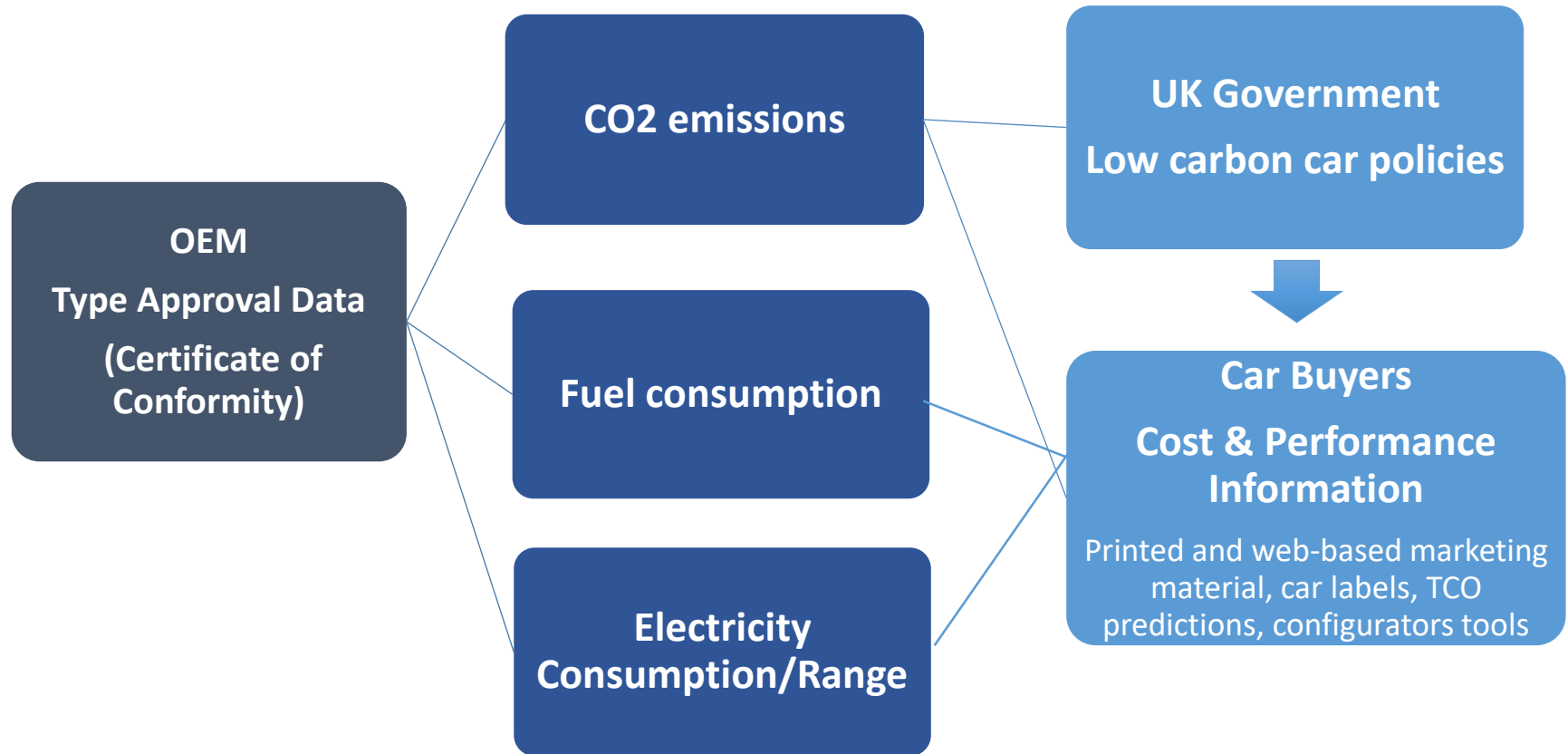


- NEDC – 2 phases and 20 minutes long (Urban, Extra Urban)
- WLTC - 4 phases and 30 minutes long (Low, Medium, High, Extra High)
- Both cycles have a combined result for emissions and CO₂/Fuel Consumption
- Various changes to test conditions

WLTP - Actual Results

- A specific vehicle could have up to 4 phases of results and a combined figure
- Two results for electric range for battery electric and plug-in hybrid vehicles
- Each vehicle has an individual CO₂ and fuel consumption figures based on vehicle mass, vehicle 'options' fitted by the OEM included
- CO₂ emissions will on average be higher than NEDC, lower fuel consumption and electric range.
- During the transitional period Certificate of Conformity presents WLTP and NEDC CO₂ and fuel consumption results - both 'official data'.
- Why – WLTP CO₂ emission results for confirming the manufacturer fleet average target (95g/km by 2020) will be corrected back to NEDC using a correction factor (derived from CO₂MPAS tool)

How Is Vehicle Data Used?



Automotive data suppliers have the challenging task of adjusting their systems to deal with new WLTP data

Objectives of LowCVP's WLTP Work Stream

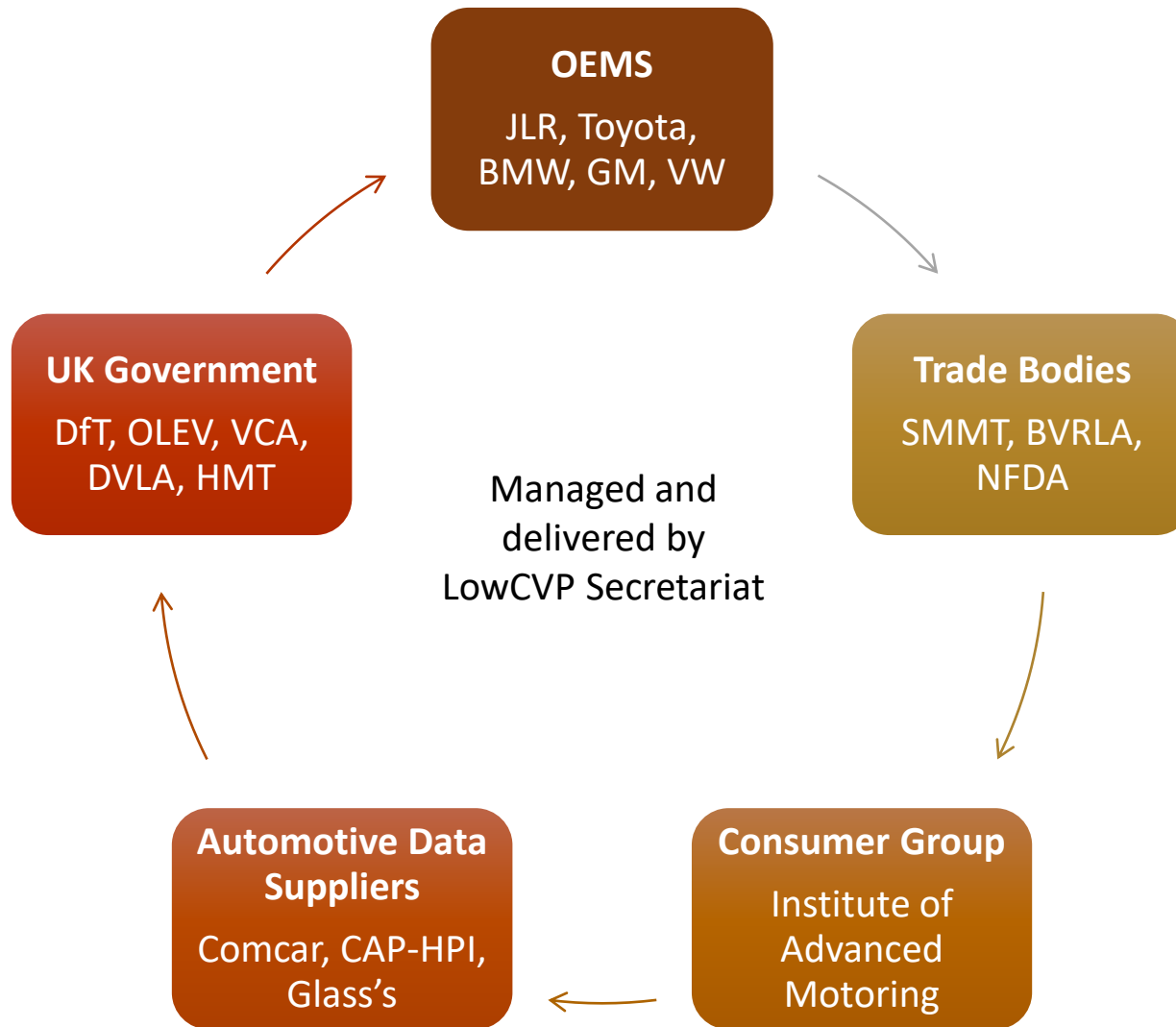
Delivering a framework for the transition to WLTP with respect to car CO₂ emission based policies and car buyer information

- 1) To identify the impact of WLTP on national car CO₂ policies and establish the framework for transitioning to WLTP in partnership with Government.
- 2) To provide clarity and consistency in the provision of WLTP data from OEMs and other car buyer information channels to avoid consumer confusion
- 3) To make consumers aware of the transition to WLTP in a strategic and co-ordinated manner working in partnership relevant Government and automotive industry stakeholders

Improving Car Buyer information

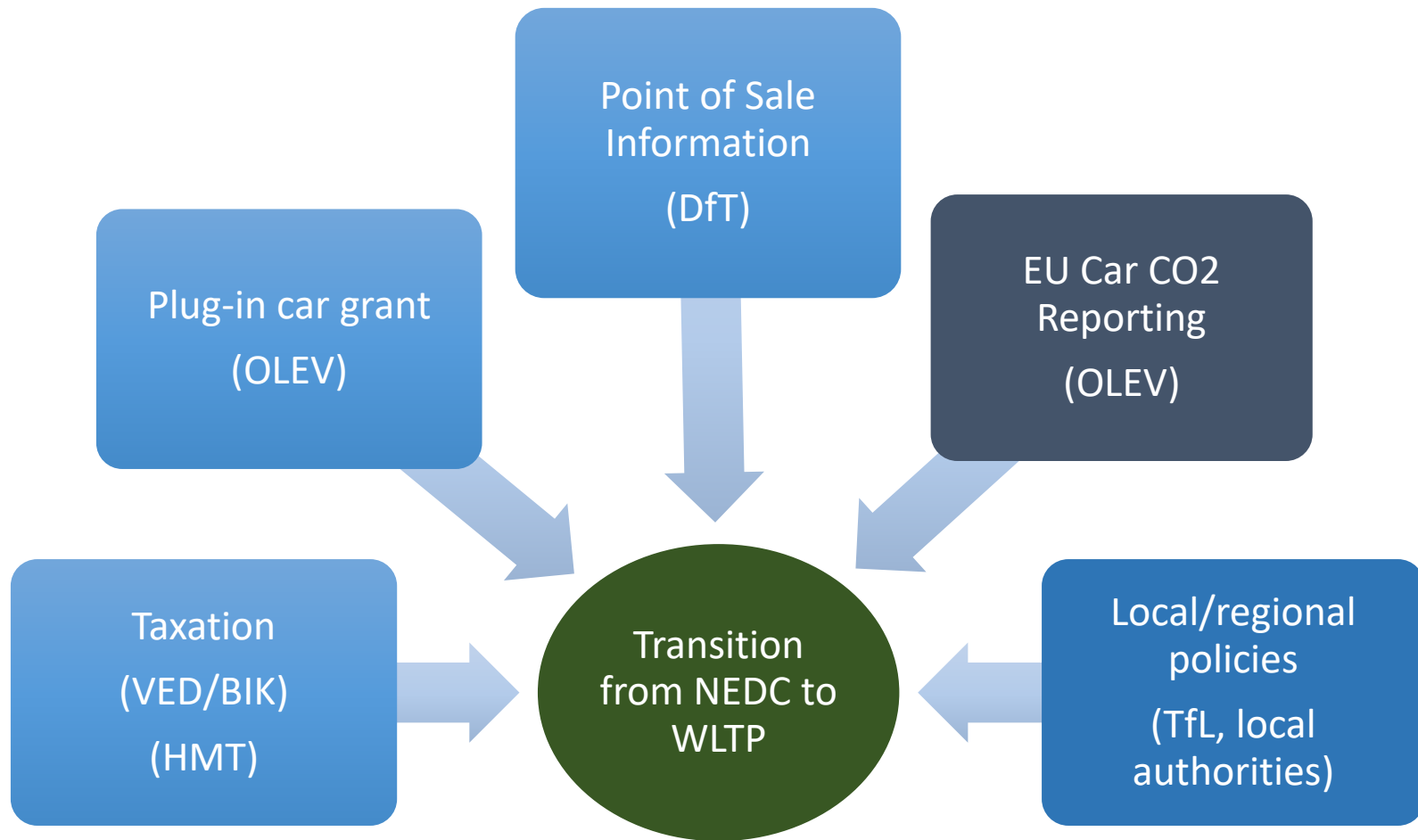
- 1) To identify how the provision of car buyer information can be improved to encourage the greater uptake of low emission cars (include new WLTP data)
- 2) To design new car labels taking into account WLTP data
- 3) Identify how air quality information can be integrated in car labelling and wider car buying channels.

WLTP Project Stakeholder Group



Transition To WLTP

Government Policy Areas Impacted



Car Taxation

- Road Tax (VED) and Company Car Tax (BIK) based on 'official CO2 emissions' derived from the Certificate of Conformity.
- Two 'official' CO2 figures on the CoC for WLTP type approved cars from 1 Sept 2017
- Treasury has confirmed from 1st September WLTP type approved cars will be taxed against the **NEDC CO2 figure**
- LowCVP & SMMT will present an evidence base to Government identifying when the full transition to WLTP should take place and what changes might be required.

employee changes vehicles throughout the course of the year, tax will be levied proportionately on each car that was in their possession. Please note that whilst Bauer will advise the tax office of any changes to employees cars, it is the employees responsibility to ensure that they inform the tax office each time your vehicle is changed. You should receive an auto email advising you of the details required by the tax. Employees can contact the tax office on 0845 302 1453. CO2 emissions in grams per kilometre.

2009-10	2010-11	2011-12	2012-13
135	120 or less	120 or less	*sub 100*
140	130	125	120
145	135	130	125
150	140	135	130
155	145	140	135
160	150	145	140
165	155	150	145
170	160	155	150
175	165	160	155
180	170	165	160
185	175	170	165
190	180	175	170
195	185	180	175
200	190	185	180

Other considerations going forward

- BIK changes announced for 2020, include electric range.
- Treasury will need to decide which WLTP electric range figures will be used for taxation – two for BEV/PHEV

Car Buyer Information – Legal Requirements

Passenger Car (Fuel Economy and CO2 Emissions Information) Regulations 2001

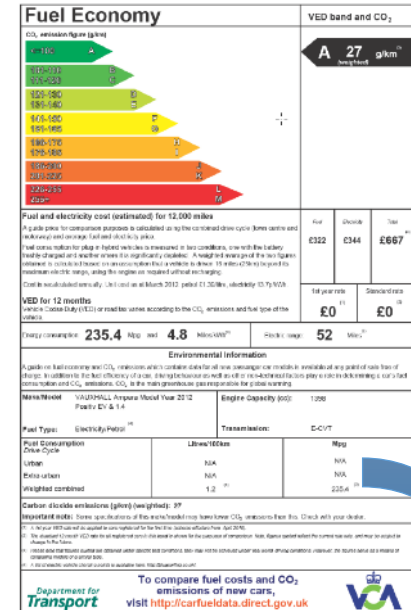
Fuel consumption and CO2 emissions to be made available to new car purchasers at the 'point of sale' -

- Car label, posters & display, printed promotional literature (manufacturers brochures, adverts)

Specific reference to 'official' NEDC cycles, derived from the Certificate of Conformity.

WLTP fuel economy and CO2 emissions cannot be presented until regulations are amended by UK Government.

European Commission has recommended **NEDC MPG & CO2** figures are shown on the car label & promotional information until a complete switch to WLTP (proposed 1/1/19). Allows comparability between cars during the transitional period



Plug-in Car Grants

- OLEV grant of £4500 for battery electric and plug-hybrid cars
- Criteria for the grant based on NEDC CO2 emissions and electric range
- LowCVP recommend that from 1/9/17, the NEDC figures are used for the plug-in grant for new type approved models
- We recommend switch to WLTP in 2019 – if grants still continue to be allocated at that time.



Key Challenges & Considerations

- WLTP Certificate of Conformity will present NEDC **and** WLTP values - both are 'official values'
- Agreement requirement as to when car CO2 policies areas will switch to WLTP, what legislation requires amending and when. No decision yet when Point of Sales Information and taxation will switch to WLTP.
- Uncertainty as to what WLTP information manufacturers will present on line and in printed marketing material and when. One 'big bang switch' for all OEM or released separately.
- Terminology of WLTP is different to NEDC, additional cycles - requires clear explanation to consumers (dealers too)
- Each car will have an individual CO2 figure influenced by 'options fitted by the OEM' – requires consistency on how to communicate this to consumers; significant implications for TCO predictions for fleets (huge complexity).

Risk of inconsistency in low carbon car policies and car buyer information – confusion for consumers

Key Challenges & Considerations

- Over the transitional period consumers could be faced with NEDC and WLTP data for new models; as well as NEDC of used cars.
- What will cost comparison and configurator tool adopt during the transitional period NEDC or WLTP fuel consumption figures? (Remember taxation will use the NEDC CO2 figure)
- There is no national communication campaign for the introduction of WLTP, various stakeholders uncertain as to what changes will take place and when (especially fleets).
- Wide range of automotive stakeholder information channels will be affected – leasing companies, OEM, dealers, car buying websites, fleet companies.

**Risk of consumers becoming confused,
unable to access different vehicles and
could become dismissive of
manufacturer's fuel consumption data**

LowCVP Work Over The Next Six Months

Smoothing the transition and providing clarity

- Work with Government to determine milestones for switching to WLTP, identifying key priorities in regulatory changes and supporting the changes required
- Keep automotive stakeholders abreast of regulatory timescales.
- Agree with OEMs an appropriate timeframe for presenting WLTP vehicle performance data to the public and ensuring this is executed in a co-ordinated and consistent fashion.
- Produce a 'WLTP Introduction Note' for car buyers – what, when and why
- Produce a 'Good Practice WLTP Information/data Guide' for OEMs, automotive data suppliers and dealers - consistency, clarity and simplicity for car buyers
- Separate work stream exploring how to improve car buyer information



Thank you for listening

Further information or joining LowCVP

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