

*Government policy as it affects low carbon vehicles and fuels in light of the spending review*

**Low Carbon Vehicle Forum**

**2<sup>nd</sup> November 2010**

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**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**

Renewable Fuels Agency

Carbon and Sustainability Reporting Within the Renewable Transport Fuel Obligation

Technical Guidance Part One

Office of the Renewable Fuels Agency V1.2

August 2008

**cenex**

**ACT ON CO<sub>2</sub>**

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 2008

Fuel Economy	Low Carbon Car
115-130 mpg (litres/100 miles)	
107-120	
97-106	
87-96	
77-86	
67-76	
57-66	
47-56	
37-46	
27-36	
17-26	
11-16	
1-10	

Fuel used (estimated) for 1000 miles

CO<sub>2</sub> emissions (estimated) for 1000 miles

VED for 12 months

£662

£50

LowCVP

Accelerating the Shift to Low Carbon Vehicles and Fuels

Low Carbon Transport Innovation Strategy

LowCVP

Equipping with mercury microscope

ACT ON CO<sub>2</sub>


Future events

LowCVP Annual Conference 2009 'The Transport Challenge for Vehicles and Fuels'

# LowCVP has delivered an impressive and diverse range of achievements in 2009-10

**BIS** **LowCVP** **UK TRADER INVESTMENT**

## Low Carbon Automotive Directory



*First track to the world™*

**Fuel Economy - Used Cars** Reg No. **Draft Ver. 7**

150-170	A
130-150	B
110-130	C
90-110	D
70-90	E
50-70	F
30-50	G
15-30	H
0-15	I

**B 114 g/km**

**Fuel cost (estimated) for 12,000 miles** £315

**VED for 12 months** £315


**Important Note**  
The fuel consumption figure shown is taken from the official test results obtained from this vehicle type when new. It is intended to provide a standard figure for comparing the relative fuel economy of different vehicles of a similar age and condition and does not represent the average fuel consumption that will be achieved on the road. A number of factors not included in the official new vehicle test will affect the fuel consumption achieved on the road including: vehicle age, how it has been maintained, road/weather conditions and driving style.

Make/Model: **DAIHATSU Charade L201 1.0L** Engine Capacity (cc): 999

Fuel Type: **Petrol** Transmission: **MS - Manual 5-speed**

Fuel Consumption: *		MPG
Drive cycle		
Urban	6.1	46.3
Extra-urban	4.1	65.9
Combined	4.9	58.9

Date of First Registration: 10 05 2006  
Year of Manufacture: 2006

Department for Transport To compare fuel costs and CO<sub>2</sub> emissions of used cars (since March 2001), visit [www.vcarfueldata.org.uk](http://www.vcarfueldata.org.uk) 

**80**

**Towards 80g CO<sub>2</sub>/km and lower**

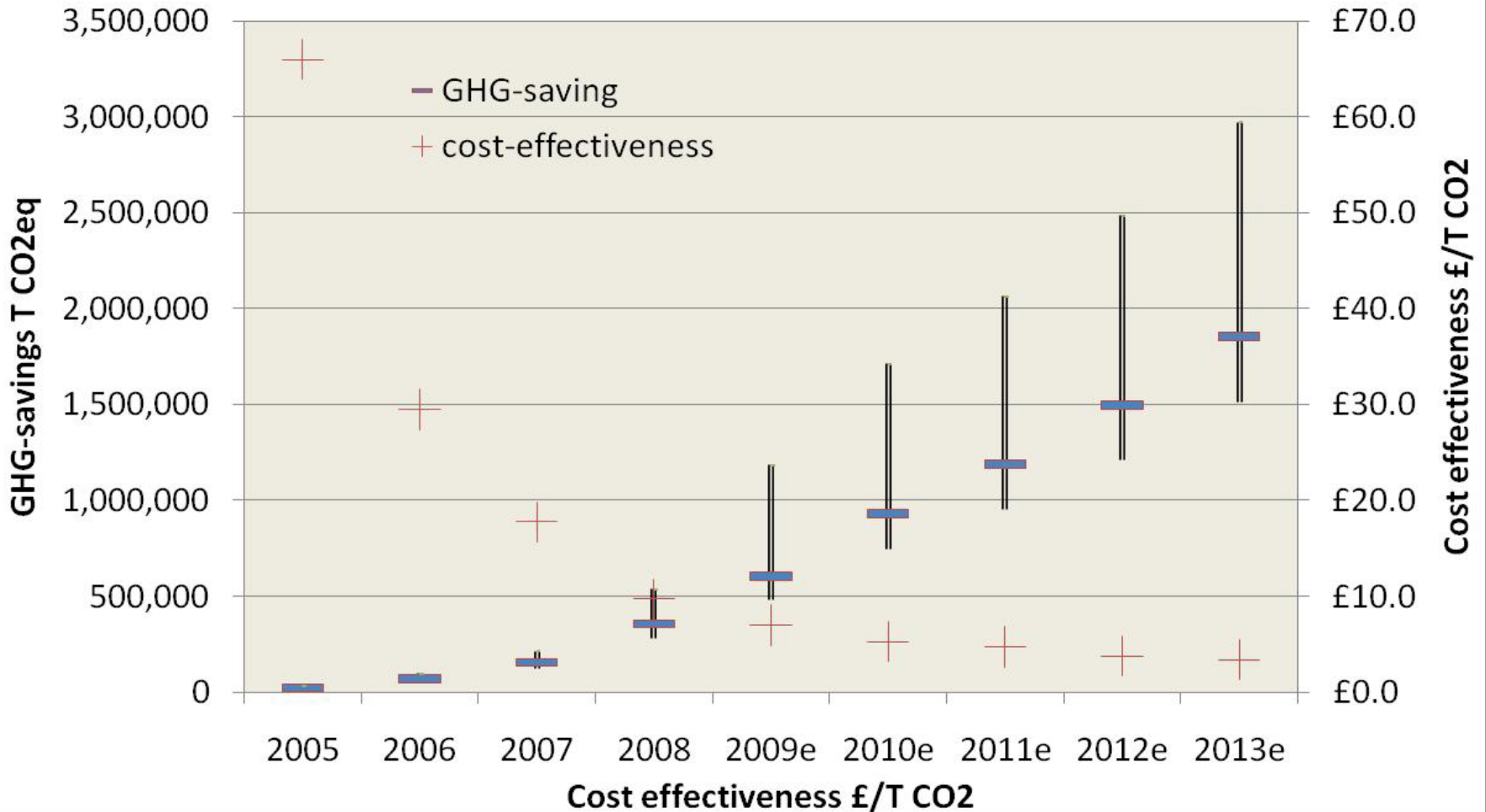


**WINNERS**  
**THE LOWCVP TECHNOLOGY CHALLENGE 2009**



*LowCVP has saved c1M TCO<sub>2</sub>eq at under £10/TCO<sub>2</sub>eq to date*

**Cummulative CO<sub>2</sub> eq savings from LowCVP activities, best-estimate and range**

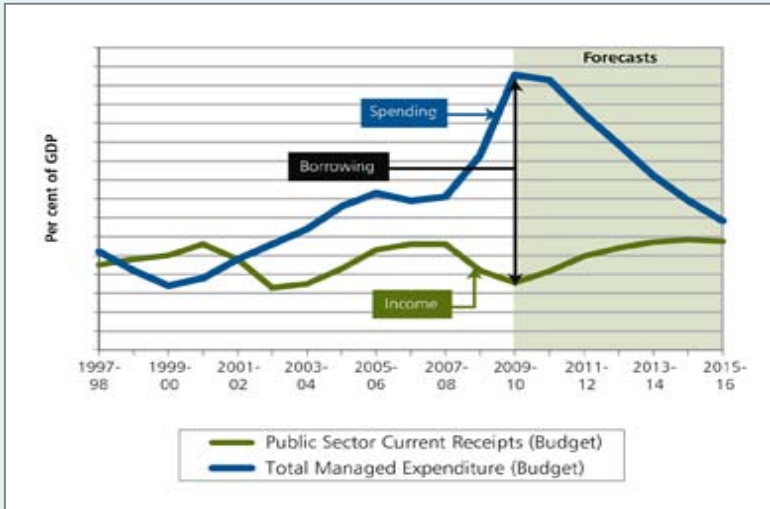


# Outline

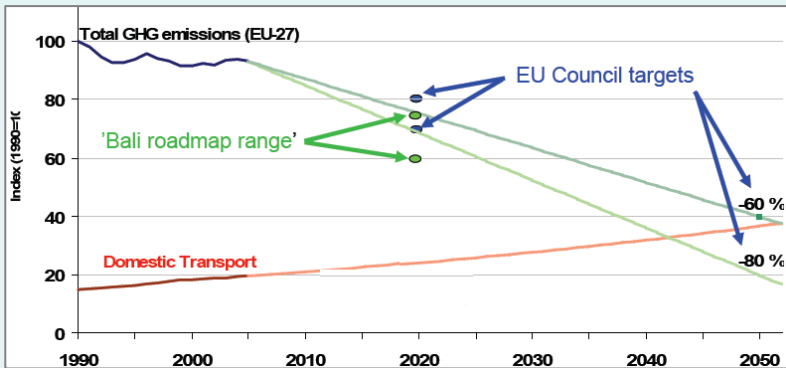
- ❑ Challenge of tackling the budget deficit and meeting carbon targets
- ❑ Highlights from spending review for key departments
- ❑ Implications for the organisations involved in the delivery
- ❑ Office for low emission vehicles
- ❑ Key incentives remaining and those to be determined
- ❑ LowCVP's continuing programme of activity



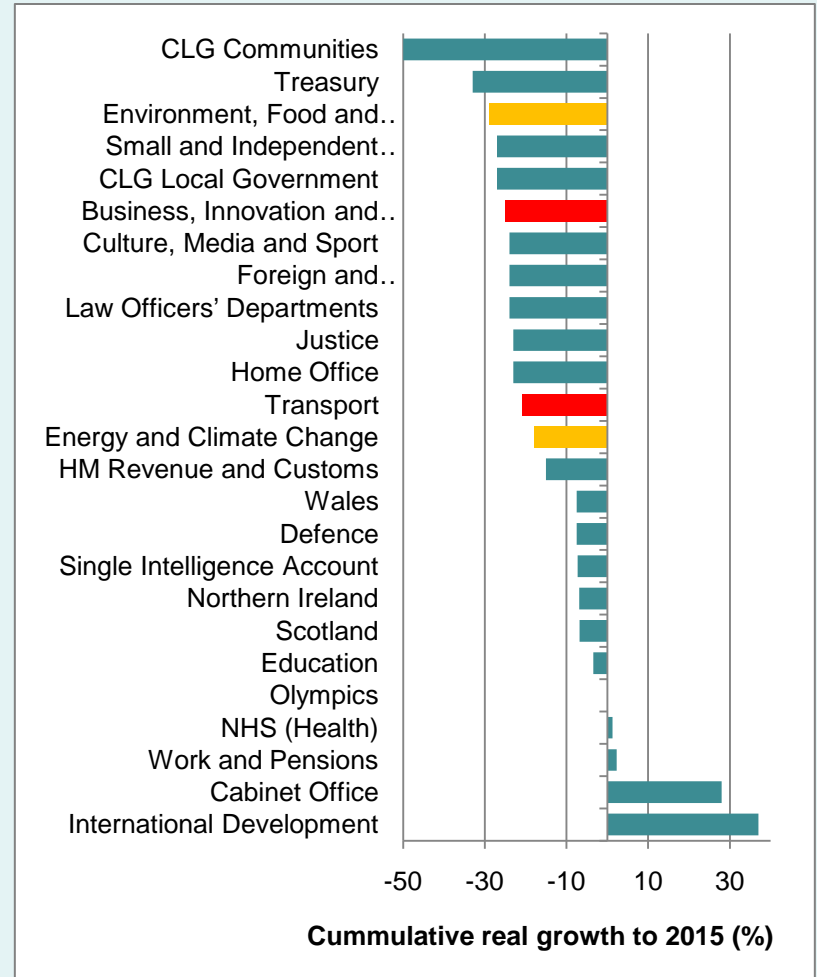
# Closing the budget deficit while making progress against carbon budgets is a real challenge



Closing the budget deficit

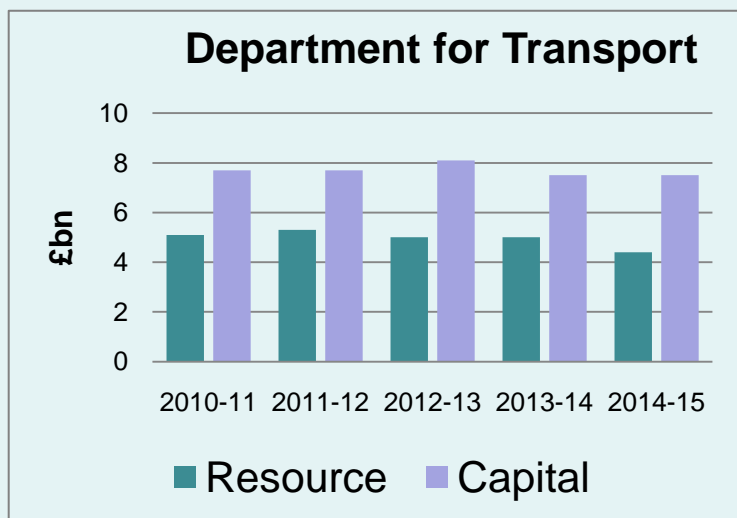


EU GHG targets



Impact of Spending Review

# *Transport will focus on localism and sustainability*



*“We can continue to build a transport system that supports economic growth and reduces carbon”*

Transport Secretary, Philip Hammond

## □ Local control

- Give local communities greater control over how transport funding is spent
- Reduce the number grant streams from 26 to 4, including a Local Sustainable Transport Fund £560m

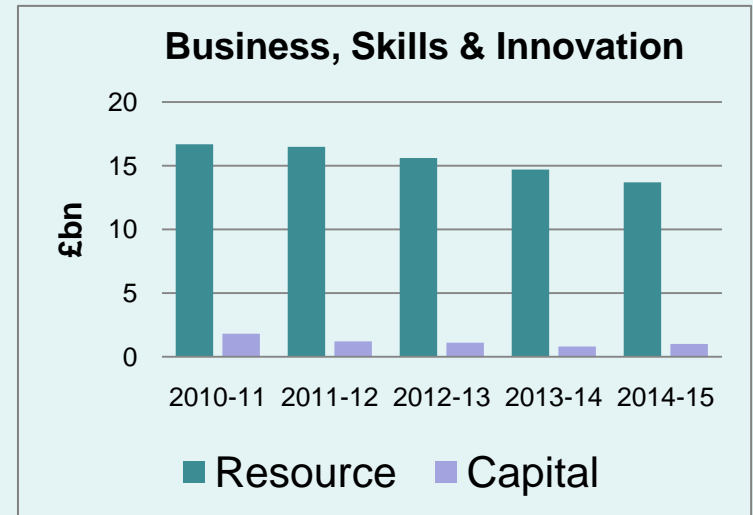
## □ Making cars low carbon

- Stop Act on CO2 campaign and,
- Focus on promoting up take of low carbon vehicle technologies with £400m package

## *Business, Innovation & Skills to focus on green investment and R&D*

### □ Promoting growth

- Establishment of a Green Investment Bank (£1bn)
- £1.4bn regional growth fund to replace the RDAs
- £200m investment in technology centres



### □ Science and Research

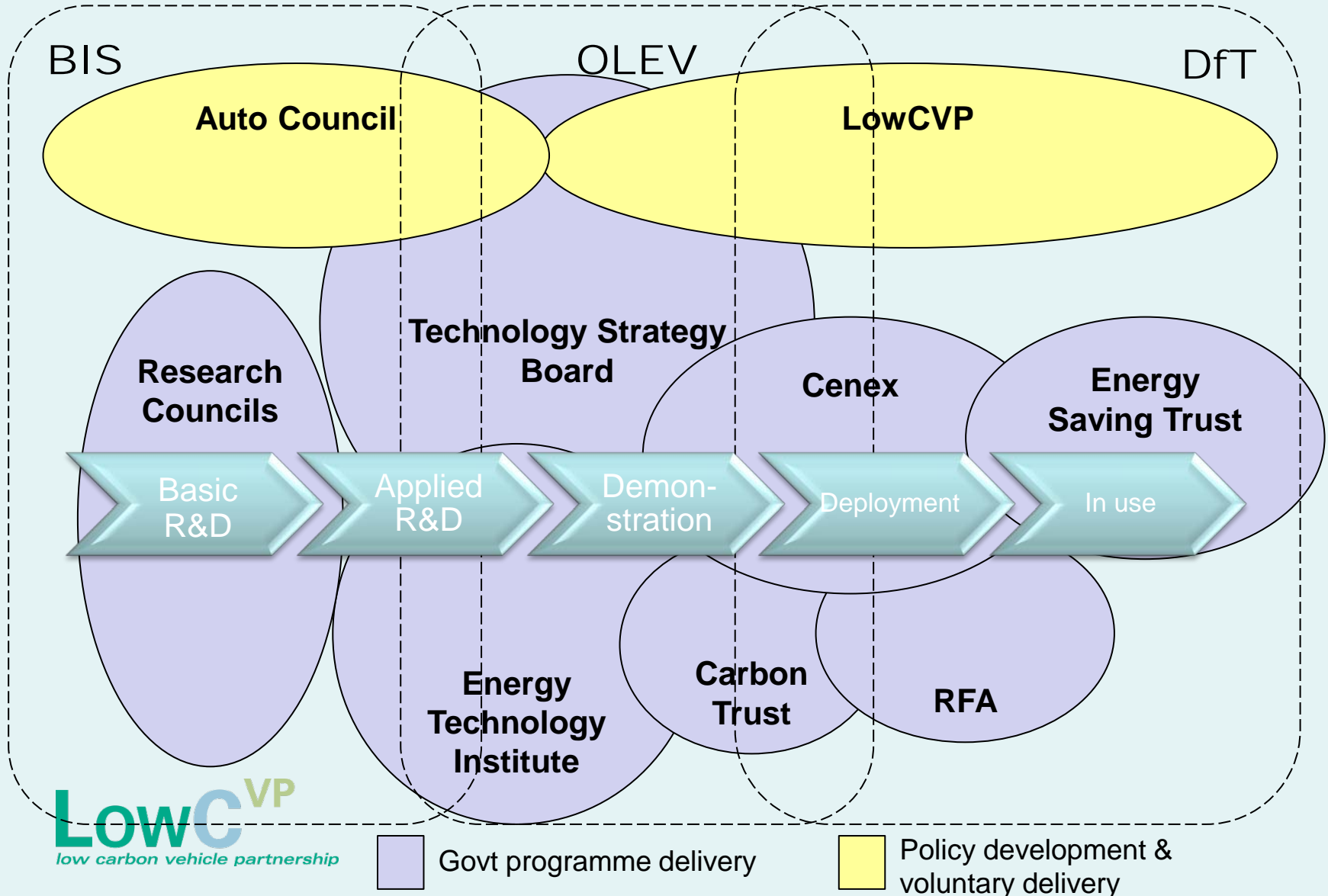
- Maintaining the science budget in cash terms
- Funding for adult apprenticeships

*“I have been clear that growth must be sustainable”*

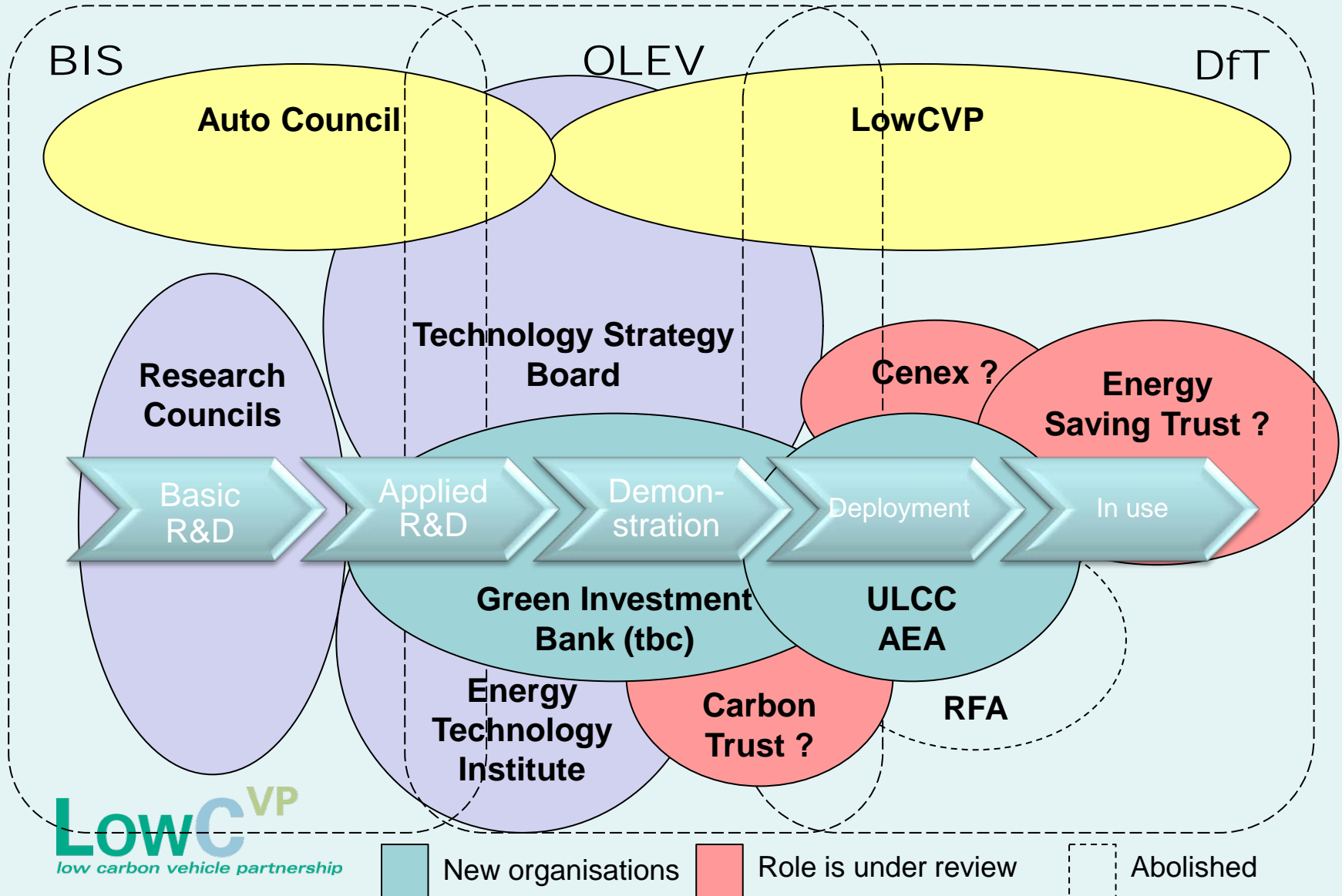
Business Secretary, Vince Cable



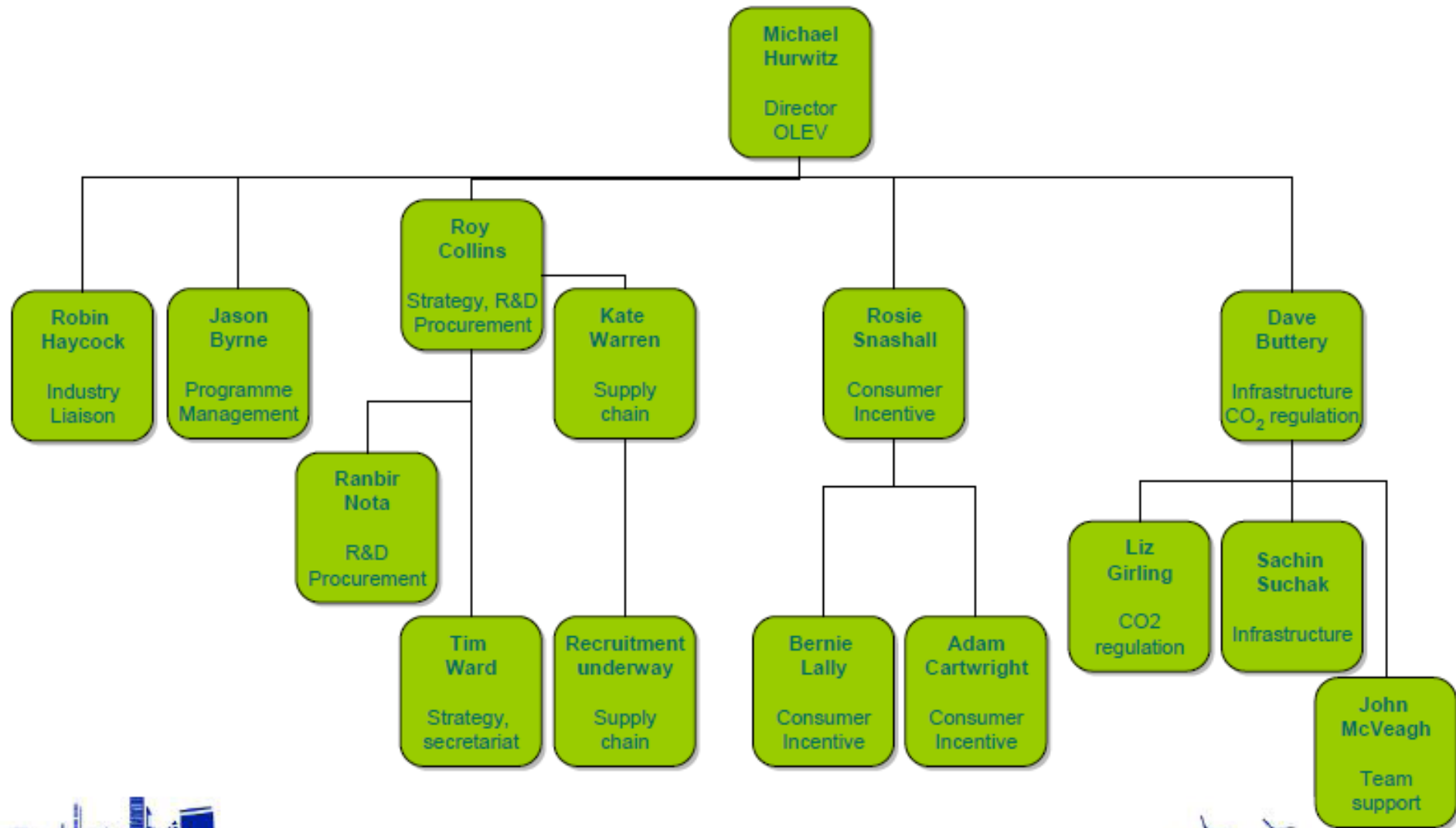
# Low carbon vehicle and fuel space is crowded



*New delivery bodies announced, RFA abolished and role of others to be determined*



# The Office for Low Emission Vehicles: Staffing & Responsibilities November 2009



Contact [olev.enquiries@olev.asi.gov.uk](mailto:olev.enquiries@olev.asi.gov.uk)



## *Incentive programmes announced and on-going (1/2)*

### **❑ Ultra Low Carbon Car (ULCC) Grant (OLEV)**

- A total of £43 million has been made available for the programme up to 31 March 2012 to provide grants of upto £5,000 to car buyers of ULCC. Remaining fund is subject to review in early 2011.

### **❑ Plugged in places (OLEV)**

- Guidance released to the 15 locations interested in bidding for the second round of the Plugged-In-Places infrastructure programme.

### **❑ Alternative Fuels Infrastructure Grant Programme (BIS)**

- BIS announced six successful bidders who will share £660,000 in funding for recharging points and bio-gas refuelling.

## *Incentive programmes announced and on-going (2/2)*

### ❑ **£200m to be invested in Technology Centres (TSB)**

- To support UK businesses from drawing board to market, giving access equipment and expertise. Overseen by TSB.

### ❑ **Green Investment Bank (BIS)**

- BIS to provide £1bn along with proceeds from sale of assets to help capitalise a Green Investment Bank to provide finance for green infrastructure.

### ❑ **BSOG Reform (DfT)**

- BSOG will be cut by 20% in 2012 until then LCEB incentives will continue. DfT are currently seeking stakeholder views.

### ❑ **Green Bus Fund winners announced (DfT)**

- Additional £15m to support the introduction of Low Carbon Emission Buses (LCEBs), bringing total support to £45m.

## *LowCVP work streams*

The LowCVP Strategy and current work programme has been structured around 5 identified themes:

1. Facilitating the creation of a successful UK supply chain for low carbon vehicle and fuel technologies
2. Incentivising and informing lower carbon choices for cars
3. Building the market for lower carbon commercial and public service vehicles
4. Tackling market barriers to the use of lower carbon fuels
5. Progress and pathways to low carbon transport technologies

# *Facilitating the creation of a successful UK supply chain for low carbon vehicle and fuel technologies*

LowCVP has undertaken a diverse portfolio of work to support policy development relating to research activities and supply chain support. Increasingly LowCVP is developing activity in this area in conjunction with the Automotive Council.

## ❑ Technology Challenge – Commercial Vehicle Aftermarket

- Aimed at assisting technology led companies with securing an end customer or developing an exit strategy.

## ❑ Low Carbon Vehicle Supply Chain Entry

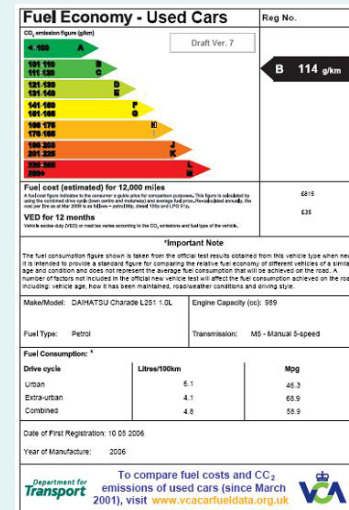
- Project to provide a clearer perspective of how OEMs and Tier1s interact with new market entrants as a basis for future work.

❑ New approaches to supporting low carbon automotive companies and develop proposals for future initiatives. Two specific streams have been defined:

- Technology readiness guide
- Mapping of facilities



# Incentivising and informing lower carbon choices for cars



This programme area builds upon LowCVP's extensive and successful activities to strengthen consumer information through showroom labelling, advertising research, marketing best practice and consumer attitudes surveys.

- ❑ Informing the development of improved vehicle labelling
  - through the Review of the Labelling Directive
- ❑ Changing car buyers' attitudes and behaviour
  - Building on the expertise of the Partnership on labelling, we will review areas of action to more permanently affect buyer behaviour
- ❑ Embedding the used car fuel efficiency label
  - Promotion and evaluation of the used car label intended to compliment the new car label scheme introduced in 2005
- ❑ Disseminating best practice in environmental marketing with

Partners



# *Building the market for lower carbon commercial and public service vehicles*



- ❑ **Securing the market for Low Carbon Emission Buses (LCEB)**
  - LowCVP has played a key role in defining a LCEB, provided extensive support to DfT in the revision of the Bus Service Operators grant and introduction of the Green Bus Fund.
  - LowCVP will continue to support the LCEB market through the development of a local transport policy toolkit and supporting DfT with further revision to BSOG.
- ❑ **Creating a market for Low Carbon HGVs**
  - LowCVP has been asked by DfT to propose the policy framework to encourage the market for low carbon HGVs. LowCVP has provided DfT with our initial recommendations.
  - Subject to Ministerial approval, LowCVP will develop the regulatory framework for low carbon HGVs for DfT to implement.
- ❑ **Understanding van procurement and purchasing behaviour**
  - LowCVP is undertaking background research to understand the procurement of vans in order to develop policy for labelling and incentivising low carbon van purchase.

## *Tackling market barriers to the use of lower carbon fuels*



One of the LowCVP's principal achievements has been its influence in recognising and developing practical regulations to encourage a market for sustainable biofuels. With the creation of the Renewable Fuels Agency, LowCVP's role in promoting a shift to sustainable biofuels will diminish.

- ❑ LowCVP will be engaged with developing forthcoming regulation:
  - Support for the implementation of the Renewable Energy Directive & Fuel Quality Directive
  - Input to the EU Indirect Land Use Change consultation
  
- ❑ Review of policy relating to the use of biomass in the UK
  - LowCVP will undertake a review of policy on biomass for power, transport and heat with a view to the equalisation of incentives

# *Progress and pathways to low carbon transport technologies*

LowCVP has an important role in building consensus on the role and contribution of low carbon vehicle and fuel technologies to emission reductions and progress towards established targets. This area of activity includes;

- ❑ Monitoring the effectiveness of current policies and programmes.
- ❑ Assessing the role of competing technologies
- ❑ Examining long-term technology pathways and identifying enabling policies

Two current projects currently being undertaken by the LowCVP are;

- ❑ Alternative life cycle metrics to tailpipe CO<sub>2</sub>
  - What metric should future policy be based on as tailpipe CO<sub>2</sub> becomes inappropriate.
- ❑ Road transport technologies 2020-2030
  - A scenario based assessment of the role of technologies beyond 2020.

# Join the LowCVP

*If your organisation makes a contribution to the UK's move to low carbon vehicles, you are welcome to apply to be a member of the Partnership. By joining the LowCVP your organisation can demonstrate leadership and serious intent to help deliver a low carbon future. See over for details.*



**LowCVP members are: influential; networked; informed; engaged; committed; leaders; knowledgeable. ARE YOU?**

**[www.lowcvp.org.uk](http://www.lowcvp.org.uk)**

Thank you for your  
attention

Any Questions?

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The Low Carbon Vehicle Partnership

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