

Partnership Update (November – January)

This paper provides an update on LowCVP activities since the last PCWG meeting. It is provided for information only.

Summary

The following highlights are identified:

- Chairman meets Geoff Hoon
- LowCVP pressure stimulates action on low carbon buses
- LowCVP completes engaging with investors project
- Director addresses All Party Parliamentary Peak Oil and Gas Group; and, climate change talks seminar
- LowCVP holds car advertising seminar with SMMT and ISBA
- 6th Annual Conference re-announced

1. Chairman meets Geoff Hoon

Graham Smith LowCVP Chairman along with the Director, met with Geoff Hoon, the recently appointed Secretary of State for Transport. The meeting was used to brief the Minister on the work of the Partnership and its impending change in status to become a charity. The Minister was reassured that the close working relationship with Government would be retained and the Minister indicated this view was shared by his Department.

Asked about the recently announced £250M investment to encourage ultra-low carbon cars (ULCC) the Minister invited LowCVP to consider how this money could be most effectively spent. He indicated the focus should be on building market share, as opposed to technology demonstration. LowCVP explained that much of the ULCC technology was immature and expectations needed to be managed accordingly. LowCVP believed electric vehicle variants had the potential to deliver significant emissions reductions but that to 2020 the majority of GHG-savings from road transport would be through improvements in current vehicle efficiency. Early market entrants should be incentivised to encourage their adoption and strategic investment in infrastructure would encourage this. Mechanisms such as forward commitment linked to an extended public procurement programme which includes private sector fleets provided a potential bridge to market for emerging technologies. LowCVP would setup a group to advise on how the funds could be invested.

LowCVP highlighted to the Minister the tremendous potential for reducing emissions from vans and trucks and highlighted to him the SMMT's work on developing a database of vans emissions and guidance to consumers. LowCVP saw huge potential to educate van purchasers about choosing more fuel efficient models and to use the database to examine effective incentive schemes to encourage the purchase of low carbon vans. The Minister recognised the opportunity and said that this would be a priority for his Department. He welcomed SMMT's initiative and LowCVP's planned further work and would like to see the UK take a lead in Europe.

LowCVP explained to the Minister plans were also underway for an extension to the car label into the nearly new market. A pilot was planned to operate for 2-years for vehicles under 2-years old. The Minister agreed to contact RMIF and SMMT to encourage their participation in the scheme, which is linked to the Act on CO₂ Campaign, to ensure its success.

LowCVP congratulated the Minister on the recent announcement of changes to the Bus Service Operators Grant (BSOG). The Director highlighted the concern of members that the scheme should incentivise both low cost incremental technologies and higher cost solutions delivering greater GHG-saving. The Minister commented that bus operators remained sceptical about the proposals but his Department remained committed to changing the support mechanism.

Finally, LowCVP raised concerns of the implications of the RTFO drafting error. We highlighted the concerns of biofuel companies concerning the market disruption this was causing and the work of the RFA which had shown that the level of biofuels likely to be supplied in 2009-12 will be affected by RTFCs carried over from 2008-9 and the removal of the duty differential in 2011-12. LowCVP encouraged the Department to ensure that if retrospective legislation was not possible the market disruption was restricted to the current year.

The Chairman was also due to meet Angela Eagle, but unfortunately this was postponed at short notice. A new date is being arranged.

2. LowCVP pressure stimulates action on low carbon buses

Concerted campaigning by LowCVP over many years has finally yielded changes to the Bus Service Operators Grant (BSOG) - the main barrier to the introduction of fuel efficient/low carbon buses in the UK. The change was welcomed in a LowCVP press release issued on 16th December in response to a DfT communication.

LowCVP's Bus Working Group worked to develop a consensus between bus manufacturers, operators and passenger transport executives about how to change the BSOG. This was communicated to officials as part of a LowCVP submission to the consultation on "Local Bus Service Support" issued by the DfT earlier this year. A series of follow-up meetings with officials during the autumn have helped to clarify the business case and define detailed proposals for revisions to the (BSOG). An announcement in the Pre-Budget Report confirmed DfT will amend BSOG to encourage low carbon bus purchase. LowCVP is now working with officials how to take forward the announcement through finalising details of the operational scheme.

In the press release LowCVP Director, Greg Archer commented, "This change is well overdue but reflects a renewed willingness by the Department for Transport to tackle important barriers to the adoption of low carbon vehicle technologies. The announcement follows concerted efforts by bus industry members of the Low Carbon Vehicle Partnership to build a consensual, practical solution to replace BSOG and encourage the market for low carbon buses. It illustrates the value of the Partnership in tackling and overcoming market barriers to the introduction of low carbon vehicles."

The bus working group have also developed an operational requirements specification for a low carbon bus as part of a feasibility study into forming a consortium to procure low carbon buses in the UK outside London. The LowCVP low carbon bus specification has now been adopted by the COMPRO project, a consortium of Italian, French, German and Swedish cities intending to procure environmental buses, and Jonathan Murray now represents LowCVP on the COMPRO project's Procurement Management Group.

In the UK the LowCVP has been promoting low carbon buses through appropriate events including the Euro Bus Expo 08, held at the NEC in November. The Partnership, which hosted the seminar, examined the role of technology and design in tackling CO2 from buses.

3 LowCVP completes “engaging with investors” project

As part of the work on supporting SMEs in developing low carbon technology, the Innovation Working Group commissioned a study looking at access to finance to provide an evidence base in developing their work plan in this area. The report, undertaken by Orion Innovations, highlighted a potential lack of early stage equity funding and the relatively small proportion of deals for automotive applications. However, the analysis was frustrated by the lack of granularity to the deal data, which is reported for the Cleantech sector, of which transport is a subgroup. The report goes on to provide useful information regarding the sources and finance and their requirements. The IWG is now looking at how to take the work in this area focused upon developing services for SMEs. The Secretariat will be making the report and materials available via the LowCVP website.

4 Director addresses parliamentary group and climate change talks seminar

The LowCVP Director was invited to address the All Party Parliamentary Peak Oil and Gas Group on opportunities and technologies for fuel efficient cars. The presentation highlighted the projections for the global growth in demand for oil and opportunities to reduce this through greater vehicle efficiency and renewable alternatives. He highlighted the opportunities, issues and deployment challenges of biofuels, electric vehicle variants and fuel cells and explained that to 2020 the majority of savings would arise through improving the efficiency of current technologies.

LowCVP Director was invited to address a seminar in Poznan held in conjunction with the recent COP 14 (UN Climate Change Conference). The seminar, hosted by Econcern, focused on the challenges of creating a sustainable market for biofuels. The Director focused his presentation on the work LowCVP led to develop the UK's carbon and sustainability reporting scheme and results to date and lessons learned. Voting by delegates before and after the seminar indicated that more were persuaded of the benefits and roll of biofuels as part of a sustainable, low carbon transport future. Both presentations will be made available through the website.

5 Car Advertising Seminar

In conjunction with the SMMT and ISBA, LowCVP held a seminar on car advertising on 21st January. The seminar was intended to provide better clarity on the existing regulation on green claims in car advertising and was designed in response to the on-going high level of complaints the ASA are receiving regarding this issue. The event was well attended, with 65 attendees from car manufacturers, advertising industry, Government and NGOs. This represents the first output from Partnership's work on car advertising which we plan to build on in the coming year.

6 6th Annual Conference re-announced

The LowCVP's 2009 annual conference was originally planned to take place alongside the first London International 'Sexy Green Motor Show' on Thursday, 30th April 2009. However, 'the Show', has recently been cancelled due to lack of support. Subsequently, the Secretariat has agreed with the Greater London Assembly for the conference to take place at City Hall on Monday 8th June, with London Mayor Boris Johnson as one of the speakers. The Director has written to the Transport Secretary Geoff Hoon to invite him to give the keynote speech at the conference.

7 LowCVP membership reaches 300 organisations

Membership of LowCVP has now reached 300 organisations. Recently approved requests for membership are:

- Elsbett Ltd
- ADP Ltd
- Origo Industries Ltd
- EV Network
- MAST Carbon Automotive Ltd
- Zeroshift
- Hugh Frost Designs Ltd
- WhizzGo Europe Ltd
- Luxfer Group

8 Communication activities

LowCVP representatives have spoken at the following events since November:

- 12/11 Energy Efficiency Business – European Conference
- 2/12 2nd Energy Efficiency Finance and Investment Forum
- 6/12 COP14 Econcert Seminar, Poznan
- 20.1 All Party Parliamentary Peak Oil and Gas Group
- 21/1 Car Advertising Seminar

The monthly e-newsletter issued by the LowCVP has risen to over 1700 subscribers. The LowCVP website is undergoing a number of updates and design improvements. The site has received an average of around 10,000 visitors a week during the last three months.

9 Other Activities

The Secretariat has participated in a range of other member / government-led activities including:

- 7/11 Lunch with Michelin
- 18/11 Meeting Autolink
- 19/11 Shell stakeholder discussion
- 25/11 SMMT Dinner – guest of Ford Motor Co.
- 4/12 Meeting IMIE – Sexy Green Car Show
- 11/12 VIPER meeting
- 15/12 Meeting SMMT
- 16/12 Meeting with BERR – work programme
- 16/12 Meeting BMW
- 17/12 RFA Workshop
- 17/12 Honda Insight Preview
- 7/01 Meeting with IMIE (event organisers for Sexy Green Motorshow)
- 7/01 Meeting with DfT – use car label
- 12/01 Meeting with DfT – low carbon vans
- 12/01 Meeting with Defra – Green Claims Code
- 19/01 Meeting with DfT and BERR – work programme and funding 2009-10

10 Board and Steering Group

10.1 Board

The Board met on the 5th February. The Board agreed to proceed to incorporation of the partnership and thereafter to apply for charitable status. A number of Board members confirmed willingness to be founding members and trustees. It was confirmed that Government funding cuts would be limited to the efficiency savings gained from the incorporation process. The meeting also discussed:

- Government work programme priorities & funding 2009/10
- The Board also accepted proposals to the new fuel economy label.
- Finance report 2008/9

The next meeting is scheduled for 19th May 2009.

10.2 Steering Group

The Steering Group met on the 6th January. The meeting discussed:

- Funding cuts
- LowCVP Incorporation and membership fees
- Work programme priorities for 2009-10
- Proposal for revision to the car fuel economy label

The next meeting is planned to be held on the 21st April, however this will be the first meeting of the Membership Council under its new terms of reference if incorporation is approved by the Board on the 5th February.

11 Working Group Activities

Issues addressed during the most recent meeting are detailed below.

11.1 Bus Working Group

The Bus Working Group met on the 19th November. The meeting discussed:

- Bus Subsidy Review
- COMPRO comments on low carbon bus specification
- Project brief for survey of interest in low carbon bus procurement
- Report on the Euro Bus Expo and LowCVP involvement
- Work plan review
- Presentation on Biofuels post Gallagher Review

The next meeting will be held on the 4th March 2009.

11.2 Passenger Car Working Group

The Working Group met on 11th February and focussed upon:

- Incorporation and membership fees
- Government update
- Current and future workplan

- EC regulation on Van CO2
- Update on Van CO2 study

The meeting was followed by a High Blend biofuels workshop. The next meeting is provisionally scheduled for the 17th June 2009.

11.3 Innovation Working Group

The Working Group met on the 14th January. The meeting focussed upon:

- Update on incorporation and membership fees
- Members Council TOR
- Update on current work programme
- Presentation on work of Accelerate
- Presentation on European Automotive Strategic Network
- Update from SAIC Motor Corporation
- 2009/10 Work programme

The next meeting of the IWG will be held on 1st April 2009.

11.4 Fuels Working Group

The FWG met on 23rd January. The meetings discussed a range of issues including:

- Incorporation and membership fees
- Members Council TOR
- Update on the revision to the RTFO
- Update on Government's plan regarding the Renewable Energy and Fuel Quality Directives
- Consultation on RFA C&S Guidance
- 2009/10 Work programme

The next meeting of the FWG will be held on 23rd April 2009.

12 Future LowCVP meetings

Dates for LowCVP meetings in 2009 are detailed in the table.

	Board	SG	BWG	CVWG	FWG	PCWG	IWG
Jan		6 th			23 rd		14 th
Feb	5 th					11 th	
March			4 th				
April		21 st			23 rd		1 st
May	19 th		6 th				
June						17 th	24 th
July		22 nd	8 th		16 th		
Aug							
Sept	15 th					9 th	
Oct		22 nd			29 th		14 th
Nov	24 th		4 th			18 th	
Dec							