

# Defining a Low Carbon Bus

This paper is provided to seek answers to questions posed at the last Bus Subsidy Advisory Group meeting. The feedback provided by the group will be feed into DfT at the next BSAG meeting.

There is an emerging consensus coming out of the discussions in the Bus Subsidy Advisory Group meeting with regard to how fuel efficiency should be measured, and how a LCEB is defined. At the last BSAG meeting the following working assumptions were developed and a number of outstanding questions emerged, which are detailed below. The views of the BWG is sought on these questions.

### Working assumptions

- The working assumption within BSAG is that the fuel efficiency will be based upon km per litre.
- The definition of a Low Carbon Bus will be based upon WTW.
- The level of overall biofuels in the UK will be wholly determined by the RTFO and so biofuels should not be incentivised via LCEBs.
- There is a working assumption with in BSAG that LCEB should at least have a level playing field and possibly that they should receive an additional incentive.
- LCEBs should not be overly incentivised.

### Defining a Low Carbon Emission Bus

- Should the definition of a Low Carbon Bus be expressed as km/l or CO2 g/km?
- What emission factors should be used? The original LowCVP definition was based upon Concawe data, although Defra provide emission factors which are specific to the UK.
- The DfT are concerned that biofuels are not incentivised twice and that "the level of overall biofuels in the UK will be wholly determined by the RTFO". It is proposed that a bus will not be allowed to qualify as a LCEB on the basis that it runs on biofuel. This is understandable for B5 is it appropriate for higher blends B30, B90?

### Alternative forms of incentives for LCEBs

• There are currently a number of alternative basis for providing an incentive for LCEB being considered, the front runners being considered by DfT are;



- A distance based approach, particularly if a higher rate p/km was offered to the BSOG equivalent.
- An operator specific distance based approach, which would be more complicated administer.
- A supplementary distance based rate p/km for LCEB, for the additional incentive for a LCEB.
- An alternative approach proposed by CPT is that the BSOG rate be linked to the percentage of vehicles of a particular standard in each claim?
  - DfT believe if this approach was used it would have to be targeted on LCEBs rather than all bus types. Is this approach worth considering?
- DfT do not want to provide an incentive for longer than is necessary. It might be that the LCEB incentive would only be available for the first X years of the buses working life. If a LCEB was to reach a break even point against a normal bus then this would be a sensible point to remove the incentive, how long should this be for?

## Additional information required

• DfT have concerns about the ability of LCEBs to deliver in service what is achieved in test. In particular would the 30% saving target on the route 159 test cycle be replicated in service. DfT have asked whether further data monitoring should be required as part of a BSOG claim and whether the incentive should be dependent on in service results?

### Next steps

- 1. A simple definition of a LCEB needs to be provided to BSAG by 6<sup>th</sup> March 2009.
- BSAG will be issuing a paper for comment by Friday 6<sup>th</sup> March which LowCVP will circulate for comment to BWG. Comments back to Jonathan Murray by Monday 9<sup>th</sup> March.
- The model test procedures produced by LowCVP needs to be reviewed to determine if and how they need to be updated to form the basis of testing procedures for LCEBs. 24<sup>th</sup> March 2009