

Activity Update (April- June)

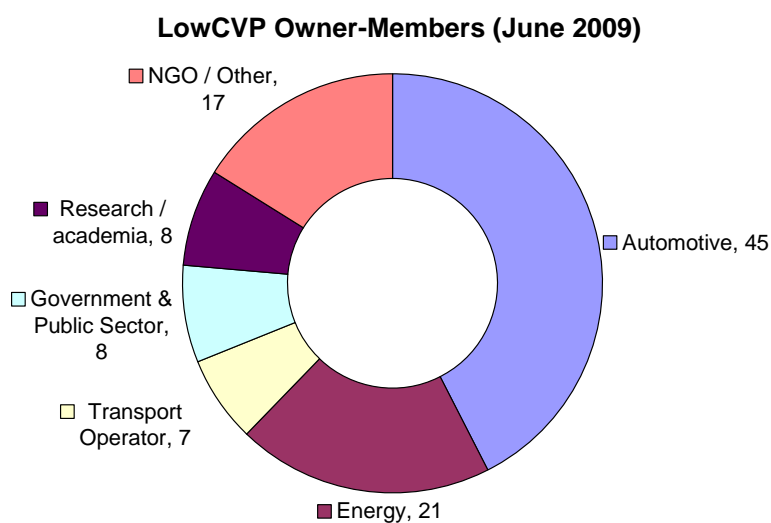
This paper provides an update on LowCVP activities since the last IWG Meeting 1st April and is provided for information.

Headlines

- LowCVP forms not-for-profit company and appoints new Chairman
 - Technology Challenge launched
 - Successful 6th Annual Conference and Spring Reception held
 - LowCVP membership exceeds 300 (over 100 as signed-up owner-members)
 - LowCVP welcomes changes to the Bus Service Operators Grant (BSOG) and introduction of £30 million fund to support purchase of low carbon buses
 - 9 communication activities with 4 more planned
 - 34 meetings and events participated in by secretariat.
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- Annex 1 Secretariat meetings and events
 - Annex 2 Other LowCVP Group meetings
 - Board
 - Steering Group
 - Bus Working Group
 - Fuels Working Group
 - Passenger Car Working Group

1. LowCVP forms not-for-profit company and appoints new Chairman

LowCVP has completed the creation of a new not-for-profit company limited by guarantee and became financially independent on the 1st April. The company was registered on the 20th March. Over 100 organisations have joined the new company from a wide range of sectors, as shown below. The company is now applying for charitable status.



Neville Jackson, Group Technical Director Ricardo has become the new Chairman supported by two Vice-Chairman, Jamie Borwick, Modec and Darren Messer, Shell.

2. Technology Challenge launched

LowCVP has launched a Technology Challenge to provide a platform for promising innovations to be showcased to senior managers and directors of the component and vehicle manufacturers. The LowCVP Technology Challenge is supported by the Institution of Mechanical Engineers (IMechE) and with an associated media partner, Cleantech Investor.

Market access and investment funding are key barriers for automotive technology companies. The Technology Challenge is designed to address these challenges by identifying the most promising innovations and who will receive assistance to progress their concept and in pitching this to an 'Innovation Executive', an audience of leading directors and technical experts from the automotive industry assembled by the LowCVP. A parallel activity will promote their investment potential.

The first Low Carbon Vehicle Partnership Technology Challenge is seeking innovative concepts that could make a significant contribution to improving vehicle efficiency without the need for radical new infrastructure.

See: <http://www.lowcvp.org.uk/technologychallenge>

3. Successful 6th Annual Conference and Spring Reception held

The LowCVP's 2009 annual conference took place at City Hall, London on June 8th. The event was held in association with the What Car? Green Awards and the Revolve Brighton to London Eco-Rally.

The conference, attended by 200 delegates heard a key note addresses from Lord Andrew Adonis, the new Secretary of State for Transport in his first engagement. The London Mayor, Boris Johnson, also spoke at the event which also heard, via video link from Wade Crowfoot, Director of Climate Protection Initiatives in the Mayoralty of San Francisco. Feedback on the day has been very positive and a feedback survey is underway.

LowCVP also hosted a Spring Reception on the 19th May at the London Transport Museum. The Reception provided networking opportunities and was addressed by Richard Parry-Jones (Chair of the NAIGT – New Automotive Innovation and Growth Team) about its recent work. There was also brief speech by the new Chairman (Neville Jackson, Ricardo) who presented a thank you gift to the outgoing Chairman (Graham Smith, Toyota).

4. LowCVP membership exceeds 300 (over 100 as signed-up owner-members)

Membership of LowCVP has now reached 303 organisations. Recently pre-approved requests for membership, subject to confirmation by the Members Council are:

1. Aixam Mega Limited
2. Arun Auto Gas Ltd
3. Astra Vehicle Technologies Ltd
4. Automotive PR
5. Confederation of British Industry
6. Connaught Engineering Ltd
7. East of England Development Agency
8. ECC Infracharge Ltd
9. Ecolane Ltd
10. Ecomotion PR Ltd
11. Fiat Group Automobiles UK
12. Good Energy Ltd

13. Ma Innovation Ltd.
14. Palmer PR
15. Powertrain and Vehicle Research Centre, University of Bath
16. Suzuki UK
17. Venutire Automotive Ltd
18. ZEMotive

Over 100 organisations are now owner-members.

5. LowCVP welcomes changes to the Bus Service Operators Grant (BSOG) and introduction of the £30m fund to support purchase of low carbon buses

Following five years of concerted action by its Bus Working Group, LowCVP welcomed changes to the Bus Service Operators Grant (BSOG) which removed the inherent bias against fuel efficient low carbon buses announced in the Budget. However, the Partnership cautioned DfT that the provision of only 6p per kilometre additional payment received by a low carbon bus only provided parity with the equivalent payment that a diesel bus would receive. The payment does not therefore provide the *incentive* promised by the Secretary of State when he announced the change (but not the amount) in December 2008 and that an additional incentive would be required to support the roll out of these buses initially.

The Partnership were therefore strongly welcomed the announcement by the Secretary of state for Transport that the DfT would introduce a £30 million fund to support the purchase of low carbon buses over the next two years. This will support the procurement of several hundred low carbon emission buses and should help transform the market in the UK.

LowCVP have been actively supporting the DfT Bus Subsidy Advisory Group that was established to advise the DfT on the amendments to BSOG. Detailed work by the Partnership showed that an additional 6p per kilometre for low carbon buses would provide equivalence with convention diesel buses and we recommended to the DfT initial support of 12p per kilometre and that the Department for Transport fund a demonstration programme to encourage bus operators outside London to gain experience of the new low carbon technologies. The Partnership continues to work closely with officials to encourage the creation of a demonstration programme for buses as part of one of the existing R&D programmes and is hopeful of a positive outcome.

6. Over 50% of car buyers now familiar with the car label as LowCVP announces plans to extend the scheme into the nearly new market

A survey conducted for the LowCVP has shown that 54% of car buyers are now aware of the new car fuel economy label. When asked how important the label was in helping them choose the make and model of car, 71% of car buyers who were aware of the label said that it was important. The most valuable information elements are the cost of running the vehicle for a year, fuel consumption and CO2 emissions.

The survey showed that the traditional sources of information for car buyers are changing. Both the car showroom and friends and family are becoming less important to car buyers, while internet sources are becoming more popular. However, it is clear that there is room for improvement with 81% of car buyers said that they would like to be provided with better comparative data between cars of a similar size.

In a related development, the LowCVP has announced that the labelling scheme is to be extended to include nearly-new vehicles. From October, all vehicles in participating dealerships selling nearly-new vehicles will be able to download labels without charge from the Vehicle Certification Agency (VCA) website. The LowCVP, working with the SMMT, Retail Motor Industry Federation and Department for Transport has brokered the

arrangement. By this time next year it is hoped 1200 dealers will have signed up and will be displaying labels on all vehicles at least up to two-years old (older at the dealers' discretion).

7. Partnership members attitudes survey reveals lack of Government leadership

A survey of 100 LowCVP members has found Government does not give enough priority to reducing transport emissions and is falling behind leading nations. Only a minority (16%) of respondents believe the Government is giving sufficient priority to low carbon transport issues, compared to 72% who disagree. (In a similar survey in 2007, 26% felt sufficient priority was given.) Only 4% believe the UK is a 'global leader', and 15% see the UK as a leader in Europe. In contrast, the majority believe that the UK is either an 'average performer' (49%) or lagging behind other countries (31%).

The UK Government ranked relatively well, however, in terms of the contribution made so far to cutting road transport emissions compared to other stakeholders, with only the European Government being seen to do more.

One area in need of clear improvement is in terms of clearer strategic thinking with 90% of respondents in favour the Government setting a specific sectoral target for carbon emissions from UK road transport as part of its carbon budgets to be prepared in response to Climate Change Act.

Around half of respondents also believe the car industry will meet its target of 130g/km by 2015, although nearly a third (32%) thinks it will be missed. Despite this, looking forward to 2020, the experts want more stretching targets. 84% support a target of at least 95g/km with over half proposing a level of 90g/km or lower.

Views on the value of biofuels are divided. 50% think that biofuels make a net positive contribution to tackling climate change, compared to 28% who disagree and 22% who are undecided. In spite of the well publicised concerns about biofuels, expert opinion has become only slightly more guarded among experts since 2007 when 56% were supportive. Two thirds (65%) of respondents said that the Government was right to slow down the introduction of biofuels following the Gallagher Review.

Just over half of respondents found Government support for electric and plug-in hybrid vehicles to be justified – but nevertheless felt Government should not pick technology winners. 61% of the experts responding to the survey believe the role of Government is to specify the aim but not the means for emissions reductions. A quarter supports Government adopting a "technology portfolio" which it backs with policies to reduce new car CO2 emissions were seen as the top priority.

8. Communication activities

LowCVP representatives have spoken at the following events since April

- 21/4 Clean Moves, Hanover
- 27/4 Additives 2009
- 11/04 Carbon Trust – biofuels investors event
- 14/5 Carbon Reduction 09
- 18/5 Hart Conference, Brussels
- 19/5 LowCVP 'Celebration Reception' at London Transport Museum
- 24/5 Biomethane conference

- 25/5 Sustainability live
- 8/6 LowCVP Annual Conference

Future events with LowCVP participation are:

- 18/6 All Party Parliamentary Renewable Transport Fuels Group
- 24/6 EIC conference
- 13/7 Challenges in the transition to a low carbon economy
- 17/9 Oxxera Conference

The number of subscribers to the monthly e-newsletter issued by the LowCVP has risen to over 1850. The LowCVP website has recently undergone a number of updates and design improvements and other enhancements are ongoing. The site has received an average of over 40,000 visitors a month, including over 7,000 unique visitors, since January 2009.

9. Other Activities

The Secretariat has participated in a range of other member / government-led activities, summarised below with full details contained in Annex 1.

- 8 activities (mainly meetings) with Government Departments
- 3 meetings with agencies or local government
- 1 activities with MPs, Ministers or other events with a Parliamentary focus
- 6 meetings or other activities with members
- 14 meetings or other activities with stakeholders
- 2 international meetings / seminars

10. LowCVP meetings

A list of LowCVP meetings held since February is detailed in Annex 2.

Future meetings are tabulated below

11. Future LowCVP meetings

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

Annex 1 – Meetings and other activities

- 01/04 All Party Parliamentary Renewable Transport Fuels Group
- 06/04 Renewable Energy Directive Stakeholder Group
- 08/04 Meeting East of England Development Agency
- 15/04 Meeting Carbon Trust
- 21/04 UKERC research report launch
- 22/04 Meeting National Business Travel Network
- 23/04 Meeting Gasrec
- 23/04 Meeting Dods – Alternative Fuels Dialogue
- 27/04 Meeting BERR – low carbon industrial strategy
- 24/04 Meeting DfT – reporting
- 28/04 Meeting DfT - electric vehicles
- 29/4 Foundation for Science and Technology evening seminar
- 30/4 Interview Dr Clare Dunlop – Exeter University
- 01/05 Meeting DfT – biofuels
- 07/05 Cenex Board meeting
- 11/05 Meeting IMechE
- 11/05 Meeting DfT - RED Stakeholder Group
- 14/5 Meeting Climate Clinic
- 20/5 Meeting Modec
- 21/5 Meeting Project Better Place
- 22/5 Meeting GLA
- 21/5 Meeting DfT Act on CO2
- 27/5 Low Carbon Emission Bus Advisory Group
- 29/5 Climate Change Committee Workshop
- 1/6 Meeting FIA Foundation
- 2/6 Meeting Rachel Aldred (University East London)
- 3/6 Biomethane Conference dinner
- 3/6 Fabien Environmental Quality Lecture
- 5/6 Politics of Climate Change Conference
- 9/6 Meeting LEV Australia Convenor
- 9/6 RMIF Midlands seminar
- 10/6 Meeting FIA Foundation
- 10/6 Meeting Jaguar Land Rover
- 12/6 GM technology showcase

Annex 2 – Board, Steering Group and Working Group Meetings

Board

The Board met on 19th May and:

- Approved the minutes of the 2nd February meeting & Matters arising
- Agreed how to proceed with the vacancy for an NGO member
- Received the Secretariat Activity report
- Received an update on the progress of the work programme which was deemed entirely satisfactory
- Received a presentation from DfT on the UK strategy for ultra-low carbon vehicles and discussed the role for the Partnership in electrification of transport
- Discussed LowCVP future priorities and asked for a paper to be prepared for the next Board outlining options
- Agreed LowCVP should not bid to manage the National Business Travel Network

- Agreed LowCVP should apply for membership of Cenex
- Received a paper on progress towards establishing new company procedures and agreed membership of the Audit Committee and it should meet prior to the September meeting.
- Discussed and agreed a paper on the roles and responsibilities of the Chairman, Vice-Chairman, Trustees and Managing Director
- Received a report on successes in 2008-9 and considered this to be a successful year
- Approved the 2008-9 accounts
- Approved the 2009-10 budget and accounts year to date
- Discussed and agreed the remuneration of the Managing Director
- Received a presentation on LowCVP input to the Act on CO2 Campaign.

The next meeting is scheduled for September 15th at BP's offices, County Hall, London.

Steering Group

The Steering Group met on the 29th April. The meeting considered:

- Secretariat Report
- Incorporation update and Members Council
- 2008-9 programme outcomes
 - Engaging with investors
 - Bus Incentives
 - High biofuel blends & biomethane
- LowCVP input to the Act on CO2 programme
- 2009-10 programme for Q1
- Communications programme 2009-10

The Members Council meets on 22 July at the DfT, Great Minster House, London SW1.

Bus Working Group

The Bus Working Group met on the 4th March 2009. The meeting discussed:

- Incorporation and fees
- LowCVP Membership Council
- Articles of Association
- DfT update
- Current and future work programme
- Survey of interest
- BSAG sub group
- Future priorities 2009-10
- Briefing on BSAG meetings
- Defining a low carbon bus

The next meeting will be held on the 8th July 2009

Fuels Working Group

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

- Appointments to Membership Council
- Policy Update
 - RTFO / RED / FQD
 - RTFO operation

- Current projects
 - High Blend Biofuels project
 - Carbon linkage
 - Advanced biofuels pathways
- Future projects
 - Impacts of the RTFO on UK business
 - Indirect land use change (ILUC)

The next meeting takes place on 15th July (venue tbc)

Innovation Working Group

The Innovation Working Group met on 24th June. The meeting covered:

- Review of IWG terms of reference
- Current work programme
 - The Technology Challenge
 - Resources for emerging businesses
- Strategic Networking
 - Funding from Europe
 - NAIGT update
 - TSB update
 - Automotive research at Imperial College

The next meeting will take place on 14th October (Kinetic, Farnborough)

Passenger Car Working Group

The Passenger Car Working Group met on 15th June. The meeting covered:

- Updates from DfT and BIS
- EC regulation of Car and Van CO2
- Car buyer attitudes and advertising survey results
- Work programme update: Van CO2 study; Car dealer survey; Used car label pilot
- Fleet commitment
- Improved consumer information
- Marketing best practice guide and ASA consultation response

The next meeting takes place on 9th September (venue tbc).