

Consultation on additional measures to support individuals and businesses affected by local NO₂ plans

The Natural Gas Vehicles Network (NGV Network) is an established trade body which represents a diverse range of businesses involved in the production of gas-derived fuels and gas-powered vehicles, particularly heavy goods vehicles. Given that air pollution, and related preventable deaths, are at unacceptably high levels, the work of our members is vital in developing the next generation of cleaner transport fuels and vehicles.

The NGV Network is one of the six divisions of the Energy and Utilities Alliance (EUA). Energy and Utilities Alliance (EUA). A company limited by guarantee and registered in England. Company number: 10461234, VAT number: 254 3805 07, registered address: Camden House, 201 Warwick Road, Kenilworth, Warwickshire, CV8 1TH.

1. Are there other policy options not set out in the list above that should be considered in order to minimise the impact of local air quality interventions on individuals or businesses?

This could include measures such as guidance or communications material. Please provide evidence to support your proposal. Any proposals should take into account the assessment criteria set out in the next section.

We welcome the inclusion of measures such as encouraging uptake of retrofitting, vehicle scrappage schemes and easing the burden of potential charging zones as part of the Department's wider plans to tackle unacceptably high levels of NO₂ in our towns and cities. These were some key areas of concern for us in our response to the latest consultation on plans to tackle poor air quality released last summer as any action taken will need to ensure that the involvement of individuals and businesses is as high as possible for it to be effective.

The range of measures identified is good and we look forward to seeing more detail on these in the future. Our overall hope is that these measures will incorporate consideration for the heavy vehicles sector, particularly HGVs and buses, which are often left out of plans to reduce transport emissions. This is despite the fact that these vehicles could be considered 'low-hanging fruit' due to their disproportionate emissions compared to the number on the road and the miles they drive.

Government support for upgrading vehicles to low emission alternatives will be vital, particularly for sectors that are difficult to decarbonise, such as freight and haulage. Conversion to gas is a commercially available, effective way to achieve CO₂ emissions reductions and dramatically cut pollutants; a recent report from the Low Carbon Vehicle Partnership suggested that compared to even the newest diesel Euro VI HGVs, a gas-powered equivalent reduces NO₂ emissions by an impressive 74% over a variety of cycles, total NO_x by 41% and particulates by 96%¹. In fact, conversion to gas is given by Transport for London as the first recommendation on how to ensure HGVs meet the standards of their Low Emission Zone.

¹ [Emissions Testing of Gas-Powered Commercial Vehicles](#), Low CVP, January 2017.

Action to encourage uptake of low emissions vehicles is almost entirely focused on subsidising electric vehicle charging points. Whilst this may incentivise car owners to choose hybrid and battery electric models, it does not provide an answer for heavier vehicle classes for which there is no viable electric alternative. Equivalent investment in infrastructure for HGVs could include support for gas filling stations, such as the innovative CNG Fuels site at Leyland in Lancashire. This is already the case for buses as grants are provided for local authority-led bids to the Office for Low Emission Vehicle's low emissions bus scheme.

Reducing the impact of charging zones on individuals and businesses should be dovetailed with incentivising cleaner alternatives as much as possible. In London, gas vehicles are exempt from charges under the Low Emissions Zone, including retrofitted vehicles as long as they have been accredited after demonstrating superior emissions standards. Exempting certain vehicles from charges or offering discounts is a key tool which can be used to put in place the financial signals which will encourage take up of cleaner vehicles.

This is also the case for vehicle scrappage schemes. However, it will be important for any scrappage schemes to encourage a shift away from diesel vehicles as even the newest Euro VI models do not offer a large enough reduction in NO_x and particulate emissions. Such schemes also need to be well communicated in order to ensure that individuals and businesses are clear on the vehicles being targeted and the available alternatives, including the benefits they can offer in terms of running costs and the environment.

2. Please provide evidence on what else could be done to support people to upgrade or retrofit their vehicles in line with the assessment criteria set out above. If there are specific sectors that need support, please set out evidence to support this.

Please provide evidence on potential limitations to uptake (e.g. industry capacity, refuelling infrastructure, consumer acceptance, examples of where retrofit has not worked as expected) and evidence of environmental impacts and the costs of potential technology for different vehicle types.

As mentioned above, we believe that sectors which rely primarily on HGVs and other heavy vehicles should be made a priority for support to transition due to their disproportionate emissions and their vulnerability to potentially large charges. Businesses in the freight and haulage sector typically operate large fleets of diesel vehicles which represent the vast majority of their expenditure in the form of initial purchase costs, running costs and any potential emissions charges which they may face. Unlike individuals who can be encouraged to use walk, cycle or use public transport in many cases, the freight and haulage sector will continue to rely on HGVs as its primary method of transportation.

Every pound spent on decarbonising HGVs will produce a relatively large benefits due to the fact that they represent just 2% of vehicles on the road and 5% of vehicle miles travelled but emit 21% of total transport-derived NO_x and 16% of transport greenhouse gas emissions¹. This represents good value for taxpayers and also one of the quickest ways to reduce NO₂ emissions in the most cost effective way. Additionally, given that manufacturers of gas HGVs are predicting growth of 1100% growth between 2017 and 2019, measures to encourage uptake would not disrupt the market or the ability of supply to meet demand.

We welcome the good work that has been done, alongside the industry, on the development of the Clean Vehicle Retrofit Accreditation Scheme. Once this scheme has been finalised, it should

be promoted to businesses and local authorities in order to emphasise retrofitting as a relatively low cost way to meet new standards on NO₂ emissions as they are introduced.

Additional funding for the retrofitting of buses is also to be welcomed, especially given that it the Office for Low Emission Vehicles (OLEV) is also providing grants for buses which run on renewable biomethane. However, we are concerned that take-up of funding for retrofitting could be limited by some reluctance on the part of private bus companies to switch their fleets away from diesel. Local authorities could play a key role in bridging the gap between the Government's ambitions on reducing NO₂ emissions and bus firms, an idea we expand on in our response to question 3.

3. We welcome views from stakeholders on what else government and industry can do to support local authorities to encourage the uptake of ultra low emission vehicles.

We believe that there is an appetite amongst many local authorities to be at the forefront of the drive towards lowering transport-derived emissions but in some cases they lack the powers necessary to realise this ambition. For example, the few local authorities which own or have ample control over bus companies in their area have been leading the switch to cleaner buses; Transport for London's fleet contains a range of low emission bus technologies and Nottingham City Council has a large fleet of natural gas and biomethane buses as well as a gas refuelling station funded by OLEV.

The devolution of bus franchising powers is an interesting development and could provide an opportunity for local authorities to exercise greater control over the type of buses which can operate in their zone of control with the stated aim of improving air quality. However, this process is in effect only open to certain combined authorities. There is a case to be made for widening these franchising opportunities much further, especially in areas that are struggling to comply with NO₂ limits. Empowering local authorities in this way will reverse the current situation which gives bus companies the upper hand and give councils another tool with which to assist the decarbonisation of some of the most polluting vehicles on their roads.

We also believe that both the Government and industry have a joint role to play in highlighting examples of best practice, such as in Nottingham, to local authorities across the country and in assisting them with developing their own strategies to encourage low emission buses.

4. Please provide evidence on how the measures to support individuals to switch to other forms of transport set out above could be designed to meet the assessment criteria.

We have no comment to make on this question.

5. We welcome views from stakeholders on how local authorities could use exemptions to support individuals and businesses affected by a charging Clean Air Zone taking into account the assessment criteria set out in this document and working within the terms of the Clean Air Zone Framework.

As previously stated in our response to question 1, we believe that local authorities should use charges and exemptions to provide a financial incentive for individuals and businesses to switch to cleaner alternative vehicles. This should be balanced in order to avoid overly burdensome charges but be robust enough to ensure switching to an alternative type of vehicle is as close to cost neutral on a whole life basis as possible. This is particularly true for businesses operating heavy vehicles as they will take a number of cost factors into consideration when making purchasing decisions for their fleets, such as initial purchase cost and running costs including charges.

Charges should always be coupled with a clearly communicated alternative, such as in London where Transport for London has set out a clear set of recommendations for those affected by its charges. These alternatives should, as far as possible, involve some level of support from local authorities and/or the Government in order to ensure maximum awareness and uptake.

6. Please provide evidence on whether a targeted scrappage scheme could be designed to meet the assessment criteria.

As previously stated in our response to question 1, targeted scrappage schemes should prioritise taking older diesel vehicles off the road as these are the vehicles producing disproportionately high levels of pollutants. We believe that it is vital for business to be included in the scope of scrappage schemes as encouraging them to switch their vehicles to cleaner alternatives will have a larger impact than several car drivers and is likely to be more cost effective for taxpayers given that most businesses own multiple vehicles.

Small businesses are likely to be the least able to afford low emission alternative vehicles and experience the greatest impact from charging zones. It will be important for local authorities operating Clean Air Zones to take account of this by actively promoting alternatives to businesses as well as individuals.