

Title of the measure:	UK27_Fuel Economy Labels for new and used cars
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General description

EU Measure:

The European Commission has broadened the Car Fuel Efficiency Labelling Directive - (1999/94/EC) *Consumer information on fuel economy and CO₂ emissions in respect of the marketing of new passenger cars* - to improve and harmonise the design of the label throughout the EU to incentivise more efficient vehicles. It was approved in December 1999 and came into force on 18th January 2001.

As with other products, “A” label status will be reserved for the 10-20% best performing cars and the labelling scheme will be updated after 3 years. In Europe, this Directive is part of a trio of policy approaches, which includes fiscal measures, and an agreement by the motor manufacturers in Europe (ACEA) to reduce emissions of carbon dioxide by technical improvements to new cars. The ACEA agreement is voluntary, whereas compliance with the above Directive is mandatory. The Directive 99/94/EC allows each Member State to introduce its own schemes (labels, guides and posters) and stipulates a minimum amount of information that is required on each. Several Member States have used the opportunity to experiment with innovative approaches that go considerably beyond this minimum level. This is in order to help reduce further the contribution that new cars are making to environmental degradation and climate change.

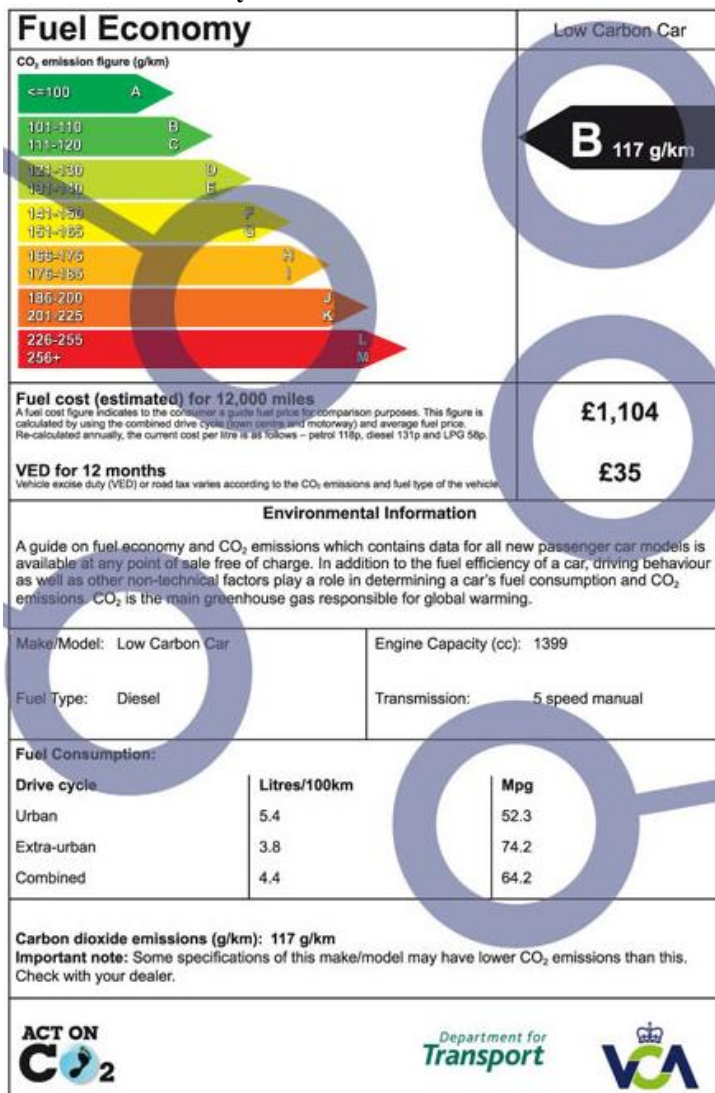
National supporting measures:

The decisions of individuals have a significant impact on carbon emissions. The UK Government has launched a consumer facing communications strategy reinforcing the colour-coded vehicle efficiency labels to ensure that consumers have the right information when buying vehicles to allow them to make choices informed by the impact on climate change. Since 1st September 2005, UK car showrooms now display colour-coded fuel efficiency labels, developed and delivered in close cooperation with the vehicle industry and the Low Carbon Vehicle Partnership (LowCVP), which are directly linked to the Vehicle Excise Duty (VED) bands.

The new labels were developed by the Low Carbon Vehicle Partnership (LowCVP) in the effort to help deliver information to car buyers on how they can save money and help the environment. All car brands selling vehicles in the UK have signed up to the introduction of the voluntary labelling scheme. As well as highlighting the fuel efficiency of every new car on sale, the labels also contain information on how much motorists can expect to pay in fuel bills in a typical year for a particular car, and whether the car qualifies for a reduction in Vehicle Excise Duty.

The UK Fuel Economy Label for all new cars can help consumers choose a vehicle which is fuel efficient and gives out fewer carbon emissions. It is similar to the European Energy label. By choosing a fuel efficient car, consumers can help tackle climate change. The label shows how much carbon dioxide a car emits. The label also gives estimated fuel costs for 12,000 miles and the Vehicle Excise Duty (vehicle tax) for 12 months, so you can see how much these will cost before you buy. The label, therefore, increases awareness of the graduated CO₂ banding used to determine Vehicle Excise Duty and increases market demand for improvements, if not from the environmental stance from demand for lower fuel costs and lower vehicle tax rates. The picture below is an example of the UK label with the key information circled. The UK Fuel Economy label has been revised to include more bands up to category M ‘worst’ associated with vehicles where CO₂ emissions exceed 225 g/km.

The UK fuel economy label



Source: www.lowcvp.org.uk

In early August 2009, the UK Fuel Economy Label for used cars was rolled out to dealerships. The label provides consumers with clear ‘at a glance’ information on the running costs, fuel consumption and environmental performance of used cars available from participating dealers. It is almost identical to the label for new cars except there is additional material on how the fuel consumption figure is calculated. The used car label is a voluntary initiative for dealers, developed by the Low Carbon Vehicle Partnership with support from the Retail Motor Industry Federation, the Society of Motor Manufacturers and Traders and the Government. In early November 2009, over 2,000 dealers had signed-up to participate in the scheme.

As at the end of May 2012, The VCA used car labelling system which was initially supplied through an online system developed by VCA, with funding from the Department of Transport (DfT) is no longer available. The Department and industry consider however, that the initiative is an important and valuable one in providing useful consumer-facing information on used cars. Following consultation, a number of external service providers were invited to take on the provision of the used car label. At the core of this request was an understanding that the label itself would continue to be provided free of charge. Provision of the label is also covered by a framework arrangement, developed and managed by the DfT. The purpose of this arrangement is to ensure that provision of the label is managed appropriately and that the

content is robust. At present, there are two service providers who have committed to supplying the used car label going forward, Experian and HPI.

On 11 February 2013 the Passenger Car (Fuel Consumption and CO2 Emission Information Regulations 2001) were superseded by the Passenger Car (Fuel Consumption and CO2 Emissions Information) (Amendment) Regulations 2013, SI 2013 No. 65. The amendment enables zero tail-pipe emission vehicles, notably battery electric and hydrogen fuel, to be covered by fuel economy labelling scheme. LowCVP have worked in partnership with DfT, SMMT and VCA to produce new label designs for electric and plug-in hybrid vehicles.

Impact evaluation (methods and results)

Methods

There is no quantitative analysis available.

Results

Ex-post evaluation	1995	2000		
direct CO ₂ (kt)				
Energy (TJ) (Fuels/Electricity)				
Ex-ante evaluation	1995	2000	2010	2020
direct CO ₂ (kt)				
Energy (TJ) (Fuels/Electricity)				

The estimated Measure Impact Level is low.

Measure Impact Level		
<input checked="" type="checkbox"/> low	<input type="checkbox"/> medium	<input type="checkbox"/> high

Definition of the qualitative impact level

- The categories (low, medium, high) are linked to the aggregate electricity or energy consumption of the respective sector (households, transport, industry or tertiary), and not to a particular end-use, because the aggregation of the impacts is easier.
- The following limits (in each case in % of the overall final energy or electricity consumption of the sector; in case of fuel substitution and CHP: of primary energy consumption) are defined for the three impact levels:
- **low impact: <0.1%**
- **medium impact: 0.1-<0.5%**
- **high impact: ≥0.5%**

Interaction of measures

The LowCVP played a key role in trialing and developing the UK fuel efficiency label, see UK19_Low Carbon Vehicle Partnership. The fuel efficiency label also provides information on whether the car qualifies for a reduction in Vehicle Excise Duty, see UK8_Graduated Vehicle Excise Duty.

References

Direct Gov: Vehicle Labels

http://webarchive.nationalarchives.gov.uk/+www.direct.gov.uk/en/Environmentandgreenerliving/Greenerhomeandgarden/Greenerlabelsandclaims/DG_064874

LowCVP: UK Fuel Economy Labels

<http://www.lowcvp.org.uk/cutting-carbon/fuels-labels-explained.asp>

2007 UK Energy Efficiency Action Plan

http://ec.europa.eu/energy/demand/legislation/doc/neeap/uk_en.pdf