

ALTERNATIVE FUELS AND VEHICLES: SWEDISH STAKEHOLDERS' VIEWS ON CURRENT AND FUTURE POLICY INSTRUMENTS

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OVERVIEW

Within the Alter-Motive project the Swedish partner Chalmers has organised a national workshop with participants from a range of Swedish stakeholders. The participants represented energy companies, fuel producers, fuel distributors, vehicle providers, interest associations within fuels and fleets, local and regional policy makers, municipality representatives, NGOs within the environmental and innovation fields, academia as well as other research and development partners. The main purpose of the workshop was to discuss different aspects on current and future policy instruments affecting alternative fuels and vehicles. The Swedish national workshop was successful in many ways. From the feedback questionnaires it was shown that all participants found the workshop as well as the discussions useful and constructive. The invited speakers, Frances Sprei and Ingo Bunzeck, were given top marks and all participants found the given presentations informative. Results, conclusions and recommendations from the discussions are presented.

METHOD

The workshop was organised as starting with some inspirational speeches within the subject. Then the participants were divided into small discussion groups for a brainstorm around policy instruments that have been tested in Sweden/EU. List them and discuss/comment on their advantages and disadvantages. They were also encouraged to think about the future on what kind of policy instruments they would like to see and give arguments for their choices. At the end of the workshop the participants joined in a full group discussion where the policy instruments were systematically discussed.

RESULTS

Main results from the workshop was

- From Frances' presentation, the participants showed most interest in a specific effect that came from changing from one policy instrument to another. In Sweden customers buying a new "green" car have received 10,000 SEK in a governmental cash payback since April 2007. This policy is now replaced by a five year tax exemption from the annual circulation tax. The new policy, however, leads to that the largest subsidy goes to the biggest and thirstiest cars. Also more expensive technologies that have the potential of radically reducing CO₂ emissions have been disadvantaged in the new policy [1].
- The definition of a "green" car is extremely important. If the definition can be yearly strengthened, progressive, municipalities can continue to subsidize parking and congestion fees over a longer period. This would also lead to that car manufacturers would continue to improve "green" cars, e.g. towards increased energy efficiency.
- The pump law has led to frustration and irritation. It was said to be technology neutral but since investing in a pump for ethanol costs about 30 000 EUR and a pump

for biogas costs about 300 000 EUR, the majority of the new pumps turned out to be ethanol pumps. The petroleum industry has taken the cost, prioritizing necessary resulting in that some fuel stations were closed down. When the government later gave support to some fuel station owners (to avoid closing stations), and not to others, frustration grow.

- Sweden cannot develop a unique system that is not compatible with the rest of Europe. Drivers have to be able to fuel their cars also when going abroad. Due to production cost reasons, car manufacturer can neither develop country specific vehicles that differ too much from each other.

Reed more about the results in [2].

CONCLUSIONS

Swedish stakeholders would like to recommend to policy makers that future policy instruments should (i) be as technology neutral as possible, (ii) be stable over long-term time horizons and (iii) steer towards energy efficiency no matter fuel and technology.

The recommendations were then divided into two tracks where one was focusing on that we cannot wait for the very best solution but need to make radical changes now. That the society should have the courage to take a decision and stand by it even if it later turns out to be a second best solution. Future policy instruments should then (i) be very clear with the goal, (ii) stimulate a quick phase out of old cars (e.g., introduce a scrapping premium, take away current policy that cars older than 20 years are exempted from annual circulation tax), (iii) create niche markets (e.g., purchasing requirements for authorities) and (iv) stimulate radical different innovations. Technologies that have the potential of replacing the entire use of gasoline and diesel.

The other track was more focusing on doing the changes as thoughtful as possible. Future policy instruments should then (i) be transparent and progressive, (ii) be as compatible as possible with other EU member states, (iii) be carefully tested in models before implemented (to avoid unwanted side effects), (iv) less focusing on specific new technologies. We have no idea what has not yet been invented, (v) focusing on what we don't want in society (e.g., introduce a much higher cost on fossil fuels) and use the revenues to stimulate a broad range of innovations, (vi) encouraging a change towards lower transport demand or less amount of vehicles (e.g., allow longer vehicles in road freight sector, steer towards more compact cities, improved public transport systems, car pools etc.) and (vii) avoid dictating an increased use of biofuels.

REFERENCES

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