Item:
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HI TRANS
THE HIGHLANDS AND ISLANDS TRANSPORT PARTNERSHIP

Report to Partnership Meeting 4th April 2014

EU Funding

Hydrogen Bus Project Feasibility

Purpose of Report

To advise Members of developments on a Scotland wide Hydrogen Bus Project feasibility study being developed through the Scottish Cities Alliance in partnership with local authorities and Regional Transport Partnerships.

Discussion

Through the European Commission's Fuel Cell and Hydrogen Joint Undertaking (FCHJU), Scotland's seven cities have been invited to become a member of the coalition that will participate in the study for the commercialisation of fuel cell buses in Europe.

The purpose of the study is to bring forward 5 - 10 commercial scale hydrogen fuel cell bus business cases including concept engineering for a total of 500 - 1000 buses. The study will be undertaken in three phases with the first phase involving over 20 cities who will work with the FCHJU consultants to scope and develop city level business cases. The second phase will design refueling infrastructure and prepare national ramp up scenarios. The final phase, which is expected to be undertaken in 2016, will see the implementation of 5 – 10 business cases for commercial scale hydrogen fuel cell buses and an agreed EU zero emission public transport vision, regulatory framework, funding and incentive scheme to help the commercialisation of fuel cell bus transport.

The size of the project will require several sites within Europe and will involve bus OEMs and fuel suppliers. It will require subsidies in excess of EUR 200M which is not feasible due to the very high cost for any one city to bear. Bringing forward 5 -10 business cases will spread the risk among all sites and actors and will have a higher probability of receiving public funds from local, national and EU sources (FCHJU). A project of more than 500 buses is material to achieving a commercially feasible status and would have a total value of up to EUR 1Billion. This will allow the scale up of Fuel Cell bus drive train production and high capacity hydrogen refueling infrastructure which is seen by the EU as a key contributor to the future of affordable and flexible zero emission public transport.

At present, Aberdeen City Council is coordinating the seven cities involvement in the project and is in the process of agreeing memorandum of understandings and Non-Disclosure Agreements with the FCHJU. Following this Aberdeen City Council will recruit a project manager, who will coordinate Scotland's involvement in the project and work with key stakeholders (bus companies, RTP's and local authorities) within the seven cities. The project will not though be restricted to the 7 city regions alone and the SCA do understand the opportunity offered by converting excess renewable energy into hydrogen as a fuel source.

Further developments will be reported to future Partnership meetings.

Recommendation

1. Members are asked to note this report.

Risk	Impact	Comment
RTS delivery	√	This work supports RTS objectives.
Policy	√	This work will support the development of our Sustainable Travel and Green Transport policy.
Financial	√	There is no cost to HITRANS from our input to the Hydrogen Bus feasibility work.
Equality	-	No impact on Equalities issues.

Report by: Ranald Robertson
Designation: Partnership Director
Date: 14th March 2014