

● Case Study - Safeway

Safeway is at the forefront of environmentally responsible retailing, and has been using CNG-powered vehicles successfully from its Welwyn Garden City, Hertfordshire distribution centre since 1998. Safeway and its alternative fuel provider, Esso CNG,



have demonstrated in that time the commercial and environmental benefits of CNG. The company is now launching a major expansion of its CNG-powered fleet.

The benefits to Safeway.

Safeway spends a considerable amount of time evaluating the environmental and cost implications of the choices it makes. Fleet efficiency, is something Safeway considers very carefully. As the UK's fourth largest supermarket chain it moves vast quantities of fresh and ambient stock on a daily basis, and because of this it manages a large distribution fleet that needs to be efficient and reliable seven days a week. CNG vehicles have proven to be as reliable as traditional vehicles in the Safeway fleet.

One particular challenge Safeway faces is delivery curfews, which restrict the available delivery opportunities. This can lead to more congestion by travelling during peak traffic periods, increases in tail pipe emissions, the consumption of more fuel and an inefficient use of drivers' time. Without night-time vehicle curfews (which might be removed by quieter vehicles) Safeway could reduce its fleet size by 20%. Associated improvements in fuel consumption, air quality and CO2 emissions would also be achieved.

But its not just senior management who are pleased with the introduction of CNG. Drivers at Welwyn have been supportive from the beginning. They say, "They're a pleasure to drive really. They're not noisy or smoky; they're just comfortable. Also if you're fuelling up a diesel vehicle and you get it on you, it smells. You don't have that problem with gas."

Operational costs and savings



CNG is significantly cheaper for the Safeway fleet than conventional fuels. Safeway calculates that the operational cost savings of using CNG are circa 10% of the cost of running a diesel operation, when fuel consumption, fuel cost, VED and maintenance costs are all taken

into consideration.

In addition, if Safeway can realise the benefits of extended delivery hours through the use of quieter engines, the company will be able to employ a smaller HGV fleet and make additional cost and environmental savings.

CNG'S environmental benefits led to Safeway receiving a grant of £606K from the Government funded Transportation Clean-up initiative, run by the Energy Saving Trust.

As London moves towards congestion charging in February 2003, Safeway's CNG powered trucks will also be exempt from the E5 charge, if they become registered with the Energy Saving Trust providing a further commercial advantage over their competitors.

Project management

Safeway worked with Esso CNG, ERF and lately with Scania (Great Britain) Ltd to introduce CNG vehicles into its distribution fleets. Esso CNG has installed refuelling stations at Safeway's Welwyn Garden City and Aylesford distribution centres (with Bellshill, Scotland to be opened in the Autumn of 2002), which shall be used both by Safeway vehicles and, if possible, by third parties. Lawrence Christensen, CBE, Safeway's Supply Director, says, "Safeway's long-running relationship with Scania and Esso CNG, as like-minded innovators in the transport sector, has resulted in a very positive environmental improvement for the [Safeway] fleet.

"Best Environmental Practice is very important to Safeway, and we hope the success of this initiative will encourage the use of CNG by other companies and fleet operators. The Government's decision to maintain the reduced duty on road fuel gas and the introducing of a lower vehicle excise duty for qualifying low-emission vehicles should help to grow the market for clean-fuelled vehicles."

Safeway operates a predict of replacing its fleet every three years, and hopes that by so doing it will be in a position to stimulate the market for CNG. It aims to have over 60 vehicles running on CNG by the end of 2002, and 85 vehicles by March 2003.

The way ahead

At the beginning of 2002, seventeen CNG vehicles were delivering to Safeway stores. However, by the end of 2002, Safeway will have significantly increased its CNG fleet, with a new CNG refuelling site at Aylesford supporting 20 vehicles delivering to stores throughout Greater London; and a further 40 vehicles are planned for use throughout Scotland, based at a third Esso CNG refuelling site at Safeway's distribution centre at Bellshill, near Glasgow.

Rod Haswell, Fleet Engineer, who is responsible for integrating the new CNG vehicles into the Safeway fleets is a keen advocate of the fuel: "Safeway is a very forward thinking company, which is clearly committed to CNG. We know the benefits that CNG can offer in terms of environmental efficiencies, reduction in noise pollution, and cost savings and we now look forward to enjoying these benefits to a greater extent"