EECA
TE TARI TIAKI PŪNGAO
ENERGY EFFICIENCY & CONSERVATION AUTHORITY

Low Emission Vehicles Contestable Fund

Camilla Cochrane, EECA

21 August 2019

Our strategy

Our purpose

Mobilise New Zealanders to be world leaders in clean and clever energy use

Our strategic principles

Focus on impact

Pursue high-impact change with agility and at pace.

Understand the customer

Focus on those it is important to influence and influence them based on what they care about.

Define the problem

Identify what's blocking progress and tackle it head on.

Join the dots

Work with and connect people and organisations who can be part of achieving our purpose.

Display leadership

Be proactive, have a fact-based point of view, own it.

Our strategic focus areas

Productive and low-emissions business

Mobilise decision makers and technical experts to accelerate action.

Efficient and low-emissions transport

Switch the fleet to low-emissions technology while ensuring that any remaining fossil-fuelled vehicles are as efficient as possible.

Energy efficient homes

Optimise New Zealanders' use of renewable energy through energy efficient homes, technologies and behaviours.

Government leadership

Equip the public sector to innovate and lead the transition to clean and clever energy use.

Engage hearts and minds

Foster a society in which sustainable energy is expected and demanded.

Our desired outcome

A sustainable energy system that supports the prosperity and well-being of current and future generations

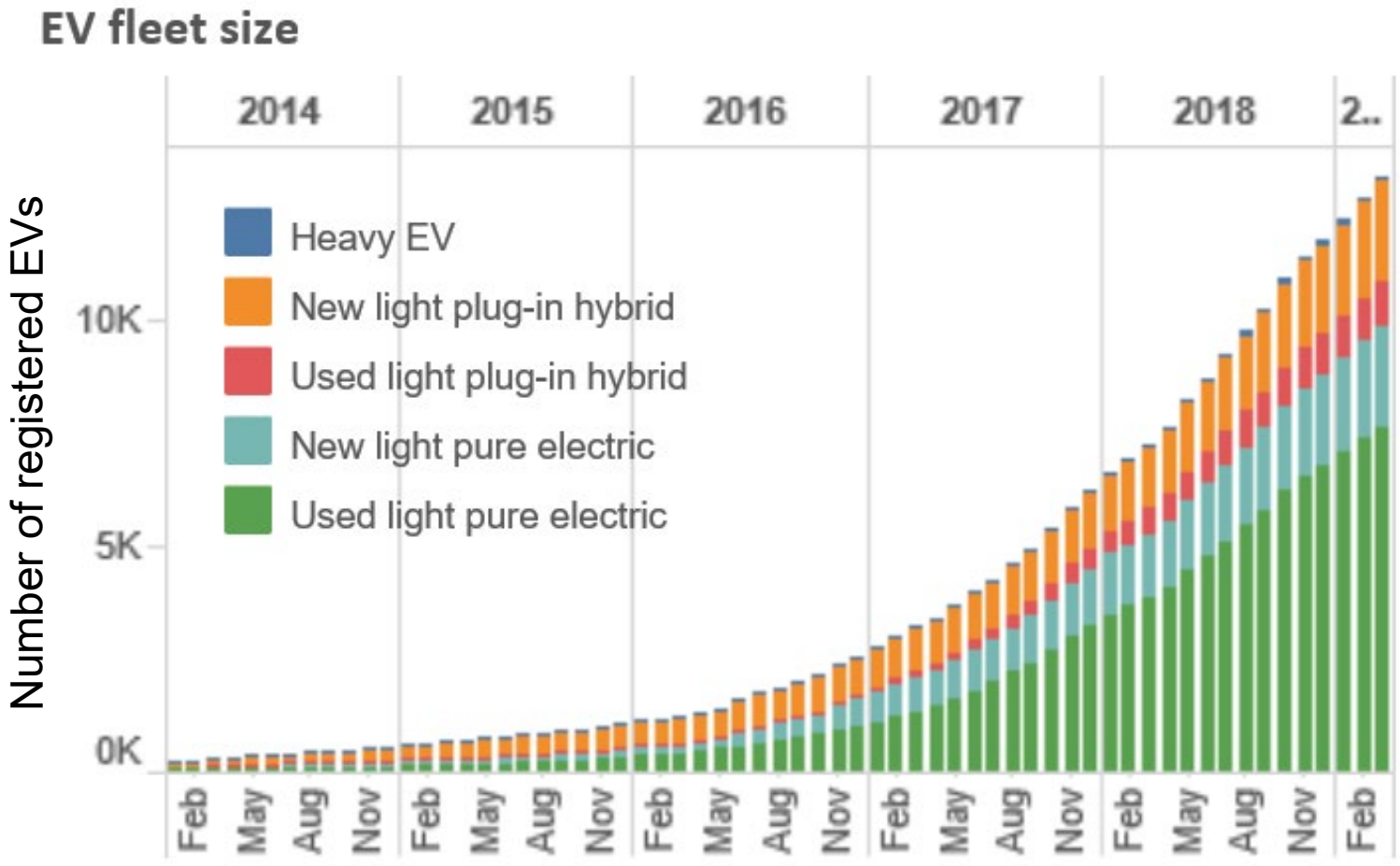
New Zealand Government

Ministry of Transport
TE MANATŪ WAKA
Enabling New Zealanders to flourish

NZ TRANSPORT AGENCY
WAKA KOTAHI

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

EV growth in NZ is accelerating – 15,538 registered EVs



143 are heavy electric vehicles

Source: https://www.transport.govt.nz/resources/vehicle-fleet-statistics/monthly-electric-and-hybrid-light-vehicle-registrations/

EECA TE TARI TIAKI PŪNGAO ENERGY EFFICIENCY & CONSERVATION AUTHORITY

Road User Charges: HV advantage

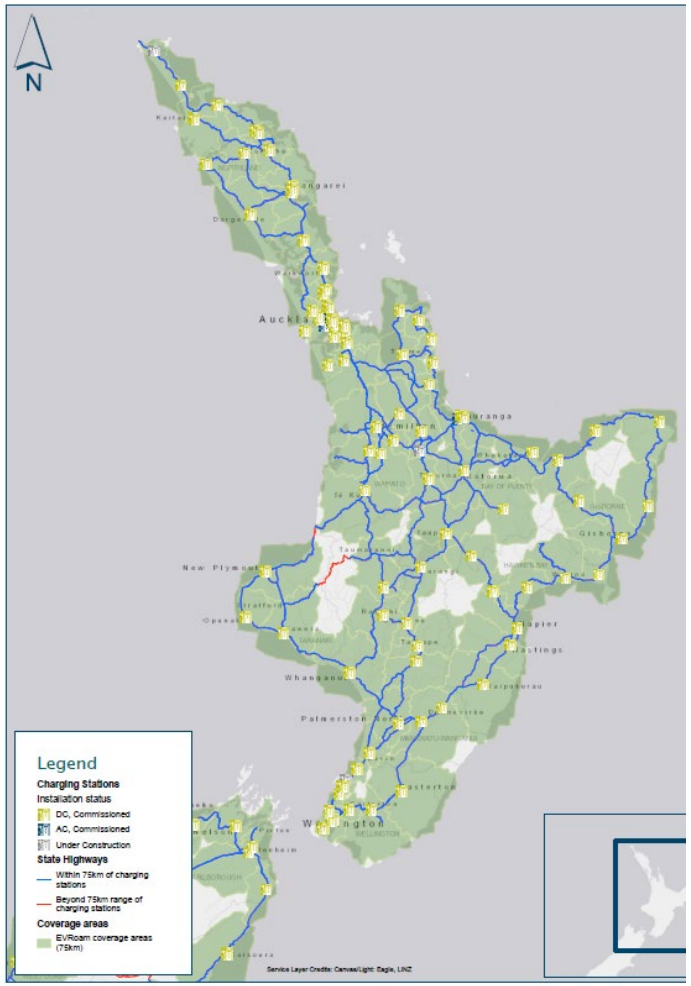
Light vehicles: Light EVs (e.g. cars and vans) are exempt from RUC until 2021

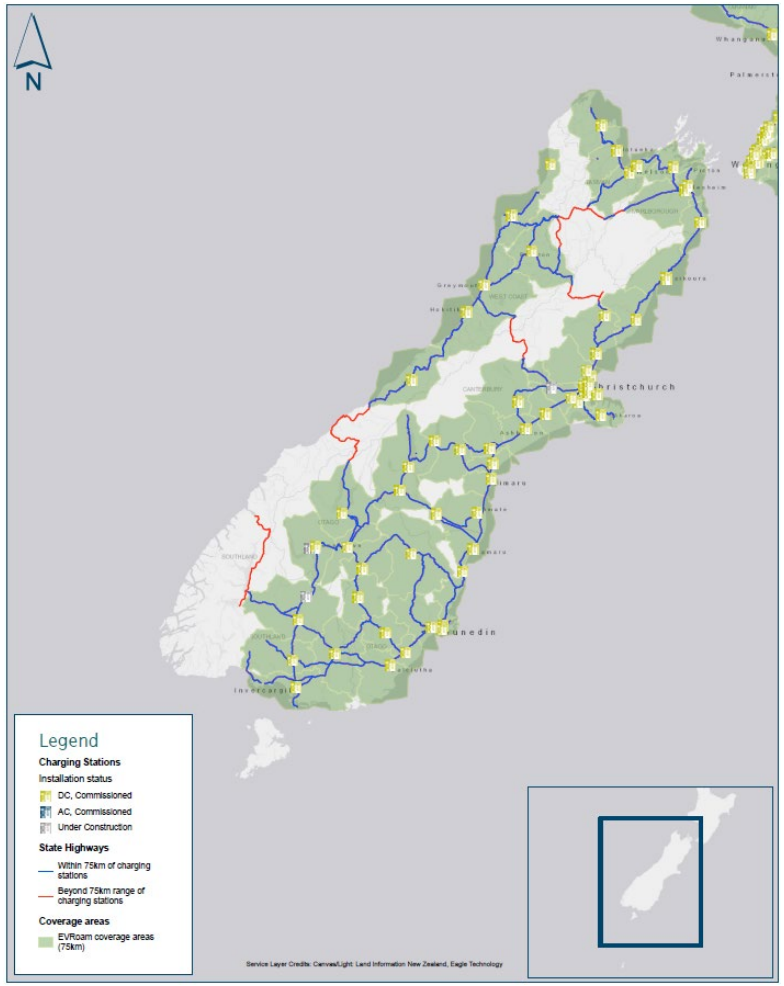
Heavy vehicles: From 1 September 2017 heavy electric vehicles have been exempt from road user charges until they make up 2% of the heavy vehicle fleet.

Examples of what this is worth:

Vehicle	Definition	RUC rate (GST incl)	Example annual distance	Example RUC exemption saving
Urban delivery truck	Under 6 tonnes, dual rear wheels	$66 / 1,000 km	30,000 km	$1,980 / year
Regional freight truck	12 – 18 tonnes, 3 axle	$292 / 1,000 km	75,000 km	$21,900 / year

Charging Coverage - 93% of State Highways have a 50kw charger every 75km





- New coverage represented in the East Cape.
- Higher density represented in urban areas and overall coverage of the state highway network than the South Island.
- Uncovered area remains on the West Coast of the South Island.
- Alpine routes present challenges – but round 6 will help.
- *(August 2019)*

Vehicle range becoming less of an issue

NEW EV CAR TYPES				
MAKE	MODEL	TYPE	PRICING RRP est.	APPROX RANGE KMS
BMW	i3	BEV	$76,900	200 km
	i3s	BEV	$84,300	200 km
Hyundai	Ioniq	BEV	$59,990	220 km
	Ioniq Elite	BEV	$65,990	220 km
	Kona	BEV	$73,990	400 km
	Kona Elite	BEV	$79,990	400 km
Kia	Niro EX289 (39 kWh)	BEV	$67,990	289 km
	Niro EX455 (64 kWh)	BEV	$73,990	455 km
LDV	EV80	BEV	$80,489	180 km
Renault	Zoe 40 kWh	BEV	$68,990	300 km
	Kangoo van	BEV	$74,990	160 km
Tesla	S - Standard Range	BEV	$137,120	520 km
	S - Long Range	BEV	$144,120	630 km
	S - Performance	BEV	$165,420	610 km
	X - Long Range	BEV	$152,220	565 km
	X - Performance	BEV	$172,820	540 km
Volkswagen	e-Golf	BEV	$61,990	220 km
Audi	A3 Sportback e-tron	PHEV	$69,900	45 km + 600 km
	Q7 e-tron	PHEV	$158,400	54 km + 800 km
BMW	i3 - Range Extender	PHEV	$84,500	200 km + 130 km

Low Emission Vehicles Contestable Fund (LEVCF)

Purpose: Encourage innovation and investment that will accelerate uptake of electric and other low emission vehicles.

- A Government fund, administered by EECA
- Helps overcome first mover risk
- Normalises EVs by making them more visible
- Up to 50% co-funding*
- Maximum of $500,000 per project*
- Central Govt excluded

** Exceptional circumstances may apply*

EECA TE TARI TIAKI PŪNGAO ENERGY EFFICIENCY & CONSERVATION AUTHORITY

120 projects in the first six rounds

Purpose: Encourage innovation and investment to accelerate the uptake of electric and other low emission vehicles that might not otherwise occur.

- received over 400 proposals; co-funded 1/4
- awarded $20.9 million in co-funding, and catalysed $40.7 million in private investment
- supported projects worth $61 million

Our 120 projects range from charging infrastructure to buses and trucks, to vans and battery testing

Project type	No. Projects
Charging	46
Vans	21
Cars	13
Trucks	13
Buses	6
Technology	9
Car share	6
Campervans	2
Training	1
Data sharing	1
Fleets	2
Total	120

Round six:
$4.5 million from Govt,
29 projects,
$16 million from applicants

4 truck projects

The Low Emission Vehicles Contestable Fund:
$21.5 million provided over six rounds so far;
$7 million this financial year

Case study: ContainerCo

- NZ's first electric container movement truck, Isuzu eHV
- Can move 3 empty containers at once, operate 18 hours before charging, 200km range when loaded
- Motor rated 195kW, can go to 250kW for towing
- Benefits: silent, no pollution, supports opening facilities for longer

Case study: Palmerston North District Council

- 2 waste collection trucks replacing diesel
- Built by Manco
- Council taking a leadership position
- Benefits: quieter service, lighter for drivers, reduced maintenance costs

Case study: Round 6 projects

- Dempsey Wood Civil Ltd
  - 1 tipper truck, 1 traffic safety truck, and 4 chargers around Auckland
- KAM Transport
  - a 24-tonne diesel truck replaced with electric, supplying chilled and frozen products to McDonalds restaurants and to wholesalers with an Isuzu electric truck in Wellington CBD
- The Warehouse Group
  - 4 electric trucks for home deliveries around NZ, with each truck driving upwards of 250km per day
- Blackwell Motors
  - an Isuzu truck to be used for long loaded test runs in Christchurch

Round 7 is open – we are looking for projects that…

- identify and fill key gaps in the public charging network
- reduce barriers in the fleet sector and public transport
- encourage uptake in sectors where EVs remain relatively unproven, e.g. high visibility heavy vehicle projects
- encourage EV technology innovation e.g. V2G and Smart Charging to reduce peak electricity demand
- support EV maintenance, repair and support services
- support battery refurbishment, recycling, repurposing
- demonstrate mobility-as-a-service, car share, taxis, rentals

What's in, what's not

What can be funded – the fund is limited to projects involving mainstream vehicles and related technologies/ charging infrastructure, such as:

- passenger vehicles (cars, SUVs, vans)
- omnibuses (buses)
- goods vehicles (trucks)

What will <u>not</u> be funded

- maritime, aviation and rail vehicles
- Off-road vehicles e.g. forklifts, specialist off-road vehicles e.g. diggers
- conventional hybrids and biofuel vehicles (they don't use electricity from an external source)
- biofuel vehicles (they don't use electricity from an external source)
- two or three wheeled vehicles, quadricycles and 'neighbourhood' vehicles
- activities representing an ongoing financial liability for EECA e.g. insurance underwriting
- projects purely focused on training or professional development or education/ information provision
- Research
- international travel
- "business as usual" costs of an organisation, e.g. costs associated with existing staff

4 questions you need to answer

1. How does your project contribute to the objectives of the Fund?
2. How does it fit the investment focus?
3. What is your ability to deliver?
4. What value for money does your project deliver?

Build a strong proposal

Practical things to show:

Internal approvals and budget approved

Regulations met

Any land / Council permissions provided

Costs clear – vehicles, chargers, transformers

Suppliers in place

What the panel asks:

Innovation – what's new or different?

Public benefit – why your project? What's in it for NZ?

Would you do it anyway?

Is it actually just a subsidy?

What does success look like?

Share incremental costs

What's the process?

- Two funding rounds per year – $3.1 million for round 7
- Round 7 open for 4 weeks – 16 August to 13 September
  - RFP document; Response form; Funding Agreement; tips
- Assessment
  - Eligibility and administration checks
  - Independent panel scoring and moderation
  - Panel recommendations to EECA Board
- Approval and contracting
  - EECA Board approves funding – mid-December

What you can do now

1. Download the RFP forms and read the case studies
2. Talk to us: LEVFund@eeca.govt.nz, 04 470 2229
3. Questions?