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- 9 DEC 2016
Hon. Simon Bridges

Joining the international EV Government Fleet Declaration

Reason for this briefing	You have asked for advice on joining the recently announced "Government Fleet Declaration", under which eight countries have committed to increasing the number of EVs in their government fleets.
Action required	This briefing note is for your information and requires no specific action.
Deadline	None.
Reason for deadline	

Contact for telephone discussion (if required)

Name	Position	Telephone	First Contact
[REDACTED]	Principal Adviser	[REDACTED]	✓
Glen-Marie Burns	Manager, People and Environment	[REDACTED]	

MINISTER'S COMMENTS: Withheld under section 9(2)(a) of the Official Information Act 1982

Date:	9 December 2016	Briefing number:	OC04683
Attention:	Hon Simon Bridges	Security level:	In confidence

Minister of Transport's office actions

- Noted*
 Seen
 Approved
- Needs change*
 Referred to
- Withdrawn*
 Not seen by Minister
 Overtaken by events

Purpose of report

1. Following the recent COP22 Climate change talks in Morocco, eight countries - Canada, China, France, Japan, Norway, Sweden, the UK and the US – signed a Government Fleet Declaration, pledging to increase the number of electric vehicles (EVs) in their government fleets. The voluntary commitment taken by these countries aims to encourage other governments and non-state actors to transition to low-carbon transport.
2. You have asked for a paper from the Ministry providing an overview of the Government Fleet Declaration, including obligations and commitments, and how New Zealand would go about joining if we wished to be a party to the declaration.

Overview

3. The Government Fleet Declaration was entered into by countries which are party to the Electric Vehicles Initiative (EVI) of the Clean Energy Ministerial (CEM). The CEM is a high-level global forum to promote policies and programs that advance clean energy technology, to share lessons learned and best practices, and to encourage the transition to a global clean energy economy.
4. Joining the CEM may bring some benefits, but has funding and resource implications. The Ministry, in conjunction with the Ministry of Business, Innovation and Employment (MBIE) and the Ministry of Foreign Affairs and Trade, has been considering the merits of joining. We have not yet reached a firm view and will advise you further on this in the New Year.
5. Although the eight current parties to the Government Fleet Declaration are CEM parties, it is an open document, and countries which are not CEM members are invited to become additional signatories. New Zealand could accede to the Declaration independently of (or prior to) any decision to join the CEM.
6. We are discussing with MBIE the benefits and implications of acceding to the Declaration, and anticipate that we can provide firmer advice on this in February 2017.

MBIE's views on joining the Clean Energy Ministerial

7. The global energy and transport landscapes are changing dramatically. There are now multiple organisations competing for relevance in the transition to a lower carbon future.
8. We understand that MBIE Energy Markets Policy is undertaking a review of New Zealand's international energy engagements to ensure that the Government's engagements align with New Zealand's strategic objectives. One emerging organisation that potentially appeals to New Zealand is the CEM and its sub-group, the EVI. The EVI conducts cooperative activities that support the design and implementation of domestic EV deployment policies and programmes. It does so through knowledge and policy collaboration.
9. Joining the CEM would require New Zealand to actively participate in two, or lead one, CEM Initiative (the EVI is one such initiative). Participating in the EVI would require the following commitments to be made:
 - Leading at least one, or actively participating in two of the CEM initiatives
 - Financial support of a minimum of US\$25,000 per annum (EVI only)
 - Regular attendance at semi-annual Advisory Board meetings

- Identification of a Representative, who would attend the meetings, vote on EVI Advisory Board decisions, and facilitate their country's participation
 - Identification of a Senior Representative – a Director-General or equivalent level person with overall responsibility for co-ordination between their country's participation in the EVI and domestic EV programmes and policies.
10. MBIE Energy Markets advises that it does not see any value in participating in the other initiatives under the CEM. Generally, the initiatives are related to the development of renewable electricity systems and the deployment of smart grid technologies such as smart meters. MBIE feels that the investment of resources in the other initiatives of the CEM would be of little or no benefit to the New Zealand energy sector.
11. Going forward, the Ministry and MBIE plan to take an NZ Inc. approach to ensure we are closely aligned on energy and transport issues internationally. Part of this work includes evaluating the CEM and EVI sub-group.
12. We are considering participating in the next EVI Advisory Board meeting in April 2017 to better assess the potential value of membership. The Ministry and MBIE would like the opportunity to report back to you on our thinking around international engagement following that meeting.

Commitments under the Government Fleet Declaration

13. Under the Government Fleet Declaration, government signatories:
- note their commitment to cut down on carbon and air pollutants emissions by accelerating the introduction of low-emission vehicles, including electric vehicles, in their own fleets
 - encourage non-state actors to echo their commitment and spearhead a short-term shift towards clean fleets
 - call on the sustained efforts of various organisations to mobilise and highlight the voluntary commitments of non-state actors towards clean fleets.
14. Highlights of the specific statements made by each of the eight countries which acceded to the Declaration are set out in the Appendix.

Does New Zealand's existing commitment to EV uptake align with the Government Fleet Declaration?

15. The EV Programme contains a comprehensive package of measures to support wider uptake of EVs. Specific public fleet procurement and public/private fleet procurement initiatives are included. The primary focus is on increasing the availability, and where possible reducing the cost, of EVs to public sector purchasers.
16. This policy framework is consistent with the Government's approach to many areas of business and consumer activity, which is to provide support, facilitation and information to encourage market participants to make decisions which will bring economic, social and environmental benefits.
17. This approach appears to be similar to that taken by Canada and the United States. Canada's statement in the Government Fleet Declaration focuses on general objectives, rather than specific regulations or incentives. The approach described by the United States seems similar to the Government procurement initiatives underway in New Zealand.

18. However, the approach taken by other signatories is different. As noted above, other signatories typically have existing packages of regulations and incentives, some specifically targeted at the Government sector, which they set out as their commitment to the Government Fleet Declaration. This is a different framework from that taken in New Zealand.
19. Careful consideration would need to be given as to whether New Zealand's approach to electric vehicle uptake would generally align with that of other parties to the Declaration. This, along with procedural matters around accession, will form the basis of our report back to you in February 2017.

Consultation

20. The MBIE Energy Markets Policy team has been consulted in the preparation of this briefing note and agrees with the contents.

Next steps

21. In February 2017 we will provide you with advice on acceding to the Government Fleet Declaration.
22. Following April 2017 we will provide you with advice on joining the CEM.

Withheld under section 9(2)(a) of the Official Information Act 1982



Principal Adviser

Glen-Marie Burns
Manager, People and Environment

MINISTER'S SIGNATURE:

DATE:

12/12/16

Appendix – specific commitments of signatory countries

Highlights of the statements made by each country party to the Government Fleet Declaration (published along with the Declaration) are set out below. These appear to be statements of existing commitments, under domestic law or policy, rather than new commitments made for the purposes of the Declaration.

Canada	“... a portion of these [emission] reductions will be achieved through ... the use of electric vehicles in our fleets as well as building the requisite charging infrastructure. We will also work with Provincial and Territorial partners to encourage all levels of government to deploy lower emitting vehicles ...”
China	“... the minimum percentage [of new energy vehicles] increased for municipal and regional organs to 20% in 2015 and to 30% in 2016 and will subsequently gradually increase annually thereafter.”
France	“the French State and its public bodies are committed to introducing a minimum share of 50% of vehicles with low emissions of CO2 and air pollutants ... local authorities are subject to the same requirement, with a minimum threshold set at 20% All new buses and coaches that shall be acquired for public transport services from 2025 onwards must also be low emission vehicles.”
Japan	“... that Japanese government is making every effort to ensure that, by 2030, all government vehicles will be next-generation vehicles (including hybrid, electric, plug-in hybrid, fuel cell, clean diesel and compressed natural gas vehicle vehicles), except in cases where no alternative next-generation vehicles exist.”
Norway	“The high proportion of electric vehicles has been spurred by a number of economic and other incentives: for electric vehicles there is no purchase tax, no VAT, reduced annual fee and reduced fringe benefit tax for electric cars. In addition electric vehicles have free passage on toll roads, access to public transport lanes and free passage on ferries connecting national roads.”
Sweden	“Apart from general incentives, promoting environmental-friendly and electric vehicles, the Swedish government has launched particular incentives directed towards governmental fleets. One example is that governmental agencies are forced to consider the environmental aspect in the procurement of vehicles, by purchasing electric vehicles or by using biofuels. Another example is a recently launched subsidy for electric buses used in public transport: Public transport agencies will receive up to 700 000 SEK for each electric bus and up to 350 000 SEK for each plug in hybrid bus [approximately NZD\$108,000 and NZD\$54,000 respectively].”
United Kingdom	<p>The Government of the United Kingdom (UK) has committed over £600 million in the period 2015-2020 to support nearly all cars and vans being zero emission by 2050. The UK’s statement acceding to the Declaration notes the following points:</p> <ul style="list-style-type: none"> • a £5 million public sector ultra-low emission vehicles (ULEV) readiness programme is bringing 300 vehicles into the public sector fleet and supporting the installation of appropriate recharging infrastructure • the £40 million Go Ultra Low City scheme is supporting 12 local authorities to increase the uptake of ULEVs • 3 exemplar cities have committed to increase their uptake of ULEVs by 200

	<p>vehicles</p> <ul style="list-style-type: none"> • A £7.5million workplace recharging scheme will significantly increase the number of recharging points • Around 30 fuel cell electric vehicles are being trialled by public bodies under the £11 million Hydrogen for Transport Advancement Project. • The Government is undertaking a review of its Buying Standards for vehicles.
United States	<p>"The US Federal government has entered into a new partnership with state and local governments ... [aggregating] demand to lower purchase costs, promote electric vehicle innovation and expand national electric vehicle infrastructure. Twenty-four state and local governments ... commitments account for over 2,500 new electric vehicles in 2017 ..."</p>

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