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14 JUN 2017 BRIEFING
Office Hon. Simon Bridges

Joining the international EV Government Fleet Declaration

Reason for this briefing	To report to you with further information on joining the international electric vehicle Government Fleet Declaration.
Action required	Agree to New Zealand joining the Government Fleet Declaration, and refer this briefing to the Minister for Climate Change Issues for concurrence.
Deadline	None.
Reason for deadline	None.

Contact for telephone discussion (if required)

Name	Position	Telephone	First Contact
[REDACTED]	Adviser	[REDACTED]	✓
[REDACTED]	Acting Manager, People and Environment	[REDACTED]	

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

Date:	14 June 2017	Briefing number:	OC05065
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- Withdrawn*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. To provide you with advice on joining the Government Fleet Declaration (the Declaration) developed by the Electric Vehicles Initiative (the EVI), which is a sub-forum of the Clean Energy Ministerial (the CEM).
2. We recommend that you agree to New Zealand joining the Declaration, and refer this briefing to the Minister for Climate Change Issues for her concurrence.

Background

3. During the COP22 climate change talks in Morocco, in November 2016, eight countries – Canada, China, France, Japan, Norway, Sweden, the UK and the US – signed the 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.
4. The Declaration is an output of the EVI, a sub-forum of the CEM.

The Clean Energy Ministerial

5. 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.

The Electric Vehicles Initiative

6. The EVI is one of the multi-government policy forums operating under the CEM. EVI participants conduct cooperative activities that support the design and implementation of domestic EV uptake policies and programmes.
7. The International Energy Agency (IEA) serves as the 'coordinator' for the EVI. It carries out many of the EVI tasks and activities, and organises joint statements from EVI participants.
8. Current EVI participants are Canada, China, Finland, France, Germany, India, Japan, Korea, Netherlands, Norway, Sweden, United Arab Emirates, the UK, and the US.
9. We are exploring the merits of New Zealand becoming an EVI participant and CEM member. Our current view is that the resource and funding implications of CEM membership do not warrant joining, but that becoming an EVI participant may be a valuable opportunity.
10. A country can be an EVI participant without being a full CEM member, upon approval by the EVI Advisory Board (the Netherlands falls within this category).
11. We continue to analyse the benefits and costs of EVI participation. The costs include an annual financial contribution and a designated Ministry representative to attend overseas Advisory Board meetings twice a year.
12. To aid this analysis, we organised for two Ministry of Foreign Affairs and Trade (MFAT) officials from the New Zealand Embassy in Beijing to attend a side-event associated with the EVI, at the CEM's annual forum on 6 June 2017. The objective was to meet EVI participant representatives and IEA officials, network with other international stakeholders, and gather useful information to implement the current EV Programme.
13. Drawing upon MFAT's experience and further research, we will report to you later in 2017 recommending on New Zealand's involvement in the EVI.

Joining the Government Fleet Declaration

14. While the current parties to the Declaration are all EVI participants, any country is welcome to become an additional signatory. Therefore, New Zealand could join the Declaration independently of any decision to participate in the EVI.
15. New Zealand did not sign up during COP22 because we were unaware of the Declaration. At that time we knew little about the EVI. The Declaration is attached.

Commitments under the Declaration

16. Under the Declaration, government signatories:
 - 16.1. *note, with varying capabilities and circumstances, their commitment to cut down on carbon and air pollutant emissions by accelerating the introduction of low-emission vehicles, including electric vehicles, in their own fleets*
 - 16.2. *encourage non-state actors (such as cities, subnational government and companies) to echo their commitment and spearhead a short-term shift towards clean fleets (bus, taxis, municipal and corporate fleets)*
 - 16.3. *call on the sustained efforts of various organisations to mobilise and highlight the voluntary commitments of non-state actors towards clean fleets.*
17. It is a voluntary initiative, and joining would impose no legal obligations on New Zealand.

Benefits of joining the Declaration

18. Joining the Declaration would:
 - 18.1. reaffirm New Zealand's commitment to the Paris Agreement, including our Nationally Determined Contribution
 - 18.2. support the global transition to low-emission vehicles, to cut down on carbon and air pollutant emissions. In particular, it recognises the important role non-state actors play
 - 18.3. improve international awareness of New Zealand's EV Programme, which will support:
 - 18.3.1. New Zealand's international profile
 - 18.3.2. other countries' policy development. For instance, initiatives within our EV Programme could be adopted by others.
 - 18.4. begin New Zealand's involvement with the EVI, which could support our official participation in the future.

Risks of joining the Declaration

19. Joining the Declaration may raise expectations about New Zealand's capability to transition toward an electric fleet and the EV Programme's impact on EV uptake.
20. In many cases, this will be positive – other countries will become aware of New Zealand's goals and policy to support EV uptake. In other cases, it may raise expectations above what is possible or intended.
21. For example, the Declaration welcomes commitments released through the Paris Declaration on Electro-Mobility and Climate Change, which notes that at least 20 percent of all road transport vehicles globally should be electric by 2030 if warming is to be limited to 2 degrees or less. However, New Zealand may not achieve electrification of 20 percent of its vehicle fleet by 2030, given the average age and continued growth of our vehicle fleet.
22. In contrast to other countries party to the Declaration, New Zealand's EV Programme is designed to accelerate uptake without large financial subsidies. It also aims for 64,000 EVs by the end of 2021, which is a small figure relative to other countries' EV markets. Critics could perceive this as a modest policy package to encourage EV uptake.
23. However, the Declaration specifically notes that different countries have varying capabilities to achieve fleet electrification, and it is a separate document to the Paris Declaration on Electro-Mobility and Climate Change. We are also ready to answer any questions on the EV Programme and its ability to encourage EV uptake. Our view is that it is a policy package that suits involvement in the Declaration.

What would New Zealand's statement look like in the Declaration?

24. A proposed draft of New Zealand's statement is set out on page 7 of this briefing. The language used is consistent with other countries' statements and is not legally binding.
25. Countries' commitments in the Declaration are statements of existing commitments to EV uptake, under domestic law or policy, rather than new commitments made for the purposes of the Declaration. The statements range from very specific examples of incentives to improve EV numbers in government fleets, to general objectives around mitigating climate change by pursuing EV uptake across government and the private sector.

Next steps

Procedure to join the Declaration

26. New Zealand has signed up to a number of non-binding, voluntary initiatives in the margins of the United Nations Framework Convention on Climate Change meetings at COP21 and COP22 following joint agreement between the Minister for Climate Change Issues and the relevant portfolio Minister.
27. Therefore, if you agree to joining the Declaration, we advise that you refer this briefing to the Minister for Climate Changes Issues for her concurrence.
28. You do not need Cabinet agreement because no new policy development is involved.
29. If the Minister for Climate Change Issues concurs, we will work with both your and her office, in conjunction with MFAT and Ministry for the Environment (MfE) to finalise New Zealand's statement.
30. Ultimately, the Ministry would advise the IEA (as EVI coordinator) that New Zealand has decided to join the Declaration, and provide New Zealand's statement.

Announcing New Zealand's decision to join the Declaration

31. You and/or the Minister for Climate Change Issues may wish to make an announcement about New Zealand joining the Declaration.
32. The announcement could be made during COP23, which runs from 6-17 November 2017. The IEA advise that this may be an effective time to announce New Zealand's decision to join because it will coincide with other EVI events and announcements, and other countries may want to join the Declaration by November, so a joint statement could be made.
33. However, you could also:
 - 33.1. domestically announce our intention to join before COP23, but make the official announcement to join at COP23
 - 33.2. announce our decision to join before COP23.
34. In any case, New Zealand's national statement at COP23 will include all climate relevant activity for the preceding 12 months, including our involvement in the Declaration.
35. The IEA would certainly make an announcement about our decision to join at COP23. If you took option 33.2 above, it may also make a statement before COP23 in line with your announcement.
36. We would ensure that any IEA announcement is consistent and coordinated with announcements you wish to make.
37. We will work with your office and the Minister for Climate Change Issues' office to organise appropriate timing of an announcement, should you agree to join the Declaration.

Consultation

38. We consulted MFAT, MfE and the New Zealand Government Procurement Unit of the Ministry of Business, Innovation and Employment in developing this briefing.
39. All three agencies support New Zealand joining the Declaration, and helped draft the proposed statement.

Recommendations

40. The recommendations are that you:

- (a) **note** that the Ministry is considering whether official participation in the Electric Vehicles Initiative (EVI) would be a valuable endeavour for New Zealand, and will report to you later in 2017 with a recommendation
- (b) **agree** to New Zealand joining the EVI's Government Fleet Declaration (the Declaration) Yes/No
- (c) **refer**, if you agree to joining the Declaration, this briefing to the Minister for Climate Change Issues for her concurrence Yes/No
- (d) **consider** the draft statement to be included in the Declaration, which articulates New Zealand's commitment to government fleet electrification and to electric vehicle uptake generally
- (e) **note** that we will confirm the final statement for inclusion in the Declaration with your office and the Minister for Climate Change Issues' office before providing it to the EVI coordinator
- (f) **note** that we will work with your office and the Minister for Climate Change Issues' office to organise appropriate timing of an announcement to join the Declaration.

[Redacted]

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

[Redacted]

[Redacted]
Adviser

[Redacted]
Acting Manager, People and Environment

MINISTER'S SIGNATURE:

DATE:

Draft text for New Zealand's statement in the Government Fleet Declaration

1. The following is draft text for New Zealand's statement in the Government Fleet Declaration:

The New Zealand Government has ratified the Paris Agreement, committing to lowering our greenhouse gas emissions by 30 percent below 2005 levels by 2030. To help achieve New Zealand's climate change targets and global goals under the Agreement, the Government has established the Electric Vehicles Programme.

The Electric Vehicles Programme aims to encourage and accelerate the uptake of electric vehicles in New Zealand, reducing emissions from land transport in the process. New Zealand is well placed to reap the benefits of electric vehicles due to our abundant renewable electricity supply (over 80 percent of electricity is drawn from renewable sources). The Programme includes a target of doubling the number of electric vehicles on our roads each year, to reach approximately 64,000 by the end of 2021 – an ambitious but achievable target.

The Programme involves the government taking a coordinated and collaborative approach with the public and private sectors to deliver initiatives that encourage the uptake of electric vehicles. This included establishing a contestable fund, which will provide up to \$6 million per year to co-fund projects with private and public sector partners to accelerate electric vehicle uptake. The focus is on areas where commercial returns are not yet strong enough to justify full private investment.

The government is working with suppliers and large fleet owners to improve the availability of models and reduce purchase prices. This work includes an innovative approach to procuring electric vehicles through combining public and private sector demand to achieve improved pricing and choice of vehicles in New Zealand. The inaugural combined procurement process is underway and the results will be used to improve future procurements.

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Government Fleet Declaration

Marrakech (Morocco), 16 November 2016

Acknowledging that the Paris Agreement has laid down the foundation for collective efforts to limit the increase in the global average temperature to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels, and that the world's attention is now on the concrete policies and measures that will allow to meet this goal;

Stressing that the greenhouse-gases emissions from the transport sector are anticipated to rise from today's levels by nearly 20 percent by 2030 and close to 50 percent by 2050 unless major action is undertaken;

Recognizing that changing this transport emissions trajectory involves, among other measures and in conjunction with broader sustainable transport principles, a global shift towards low-emission vehicles;

Welcoming the commitments released through the Paris Declaration on Electro-Mobility and Climate Change and Call to Action at COP21 during the Lima-Paris Action Agenda (LPAA) Transport Focus, which specifies that at least 20 percent of all road transport vehicles globally should be electrically driven by 2030 – if warming is to be limited to 2°C or less;

Acknowledging that the introduction of low-emission vehicles in captive fleets can reduce both fleets' greenhouse-gases emissions and costs, while raising employee awareness for green technologies;

As members of the Clean Energy Ministerial's Electric Vehicles Initiative (CEM-EVI), cooperating to facilitate the global deployment of 20 million electric vehicles, including plug-in hybrid electric vehicles and fuel cell vehicles, by 2020:

We, the undersigned governments, with varying capabilities and circumstances, are committed to cut down on carbon and air pollutants emissions by accelerating the introduction of low-emission vehicles, including electric vehicles, in our own fleets.

We encourage non-state actors, such as cities, subnational governments and companies, to echo our commitment and spearhead a short-term shift towards clean fleets (bus, taxis, municipal and corporate fleets).

We call on the sustained efforts of cooperative initiatives, sectorial federations and other organizations to mobilize and highlight the voluntary commitments of non-state actors towards clean fleets.

Signatory governments

This Declaration is an open document; additional signatory governments are welcomed, whether or not they are CEM EVI members.

Contact: Pierpaolo Cazzola (EVI Coordinator)
transportinfo@iea.org

CEM EVI members

Canada

In December 2015, as part of COP21, Canada joined 195 other countries in committing to do our part to lower our GHG emissions, and address climate change. The Government of Canada is proud to re-affirm these commitments, and again join the international community which has, today, committed to lead by example and accelerate the deployment of lower emitting vehicles in government operations.

Canada is a leader in the fight against climate change. Both overseas and at home, we are taking action to reduce carbon pollution, spark innovation, and create jobs during what many are calling the clean energy century. But leadership starts with government itself. That is why we are committed to reducing emissions from government operations by 40 percent by 2030 (based on 2005 levels), and will strive to achieve this goal even earlier, by 2025. The federal government will use cleaner energy and become more energy efficient across many areas— from buildings, to transportation, to buying more sustainable products. A portion of these reductions will be achieved through strategic investments in the use of electric vehicles in our fleets, as well as building the requisite recharging infrastructure. We will also work with our Provincial and Territorial partners to encourage all levels of government to deploy lower emitting vehicles in their operations, through the establishment of best-practices and sharing of the experiences learned from early adopters.

China

The Chinese government promulgated in 2014 the *Implementation Plan for the Purchase of New Energy Vehicles by Government Organs and Public Institutions* ([link](#)).

From 2014 to 2016, new energy vehicles¹ accounted for a minimum of 30% of annual new vehicles purchased by government departments, government organs and public institutions at the level of central government. The minimum percentage of new energy vehicles in annual purchases by the categories of institutions listed above will gradually increase in subsequent years.

¹ New energy vehicles include Battery Electric Vehicles (BEVs), Plug-in Hybrid Electric Vehicles (PHEVs), Fuel cell Electric Vehicles (FCEVs), vehicles using hydrogen and dimethyl ether as a fuel, and other vehicles with highly efficient energy storage devices. BEVs and PHEVs have been those with the most significant market uptake.

The Implementation Plan further mandates minimum procurement shares by municipal and regional government organs and public institutions. In 2014, at least 10% of new vehicle purchases by regional and local organs and institutions were required to be new energy vehicles. The 2014 minimum procurement share is 15% in municipal and regional government organs and public institutions located in key developed regions and regions where particulate matter (PM) concentrations are particularly high. The minimum percentage increased for municipal and regional organs to 20% in 2015 and to 30% in 2016 and will subsequently gradually increase annually thereafter.

France

Since the adoption of the *Energy Transition for the Green Growth Act* in 2015 ([link](#)), the French State and its public bodies are committed to introduce a minimum share of 50% of vehicles with low emissions of CO₂ and air pollutants², including primarily BEVs and PHEVs, when renewing their fleets.

Local authorities are subject to the same requirement, with a minimum threshold set at 20% of the vehicles they will purchase to renew their fleets.

This is expected to result in 5 000 low emission vehicles per year for the central government and its public bodies and 4 000 low emission vehicles per year for local authorities from 1st January 2017.

All new buses and coaches that shall be acquired for public transport services from 2025 onwards must also be low-emission vehicles.

Japan

The Japanese *Plan for Global Warming Countermeasures Related to Government Affairs* ([link](#)) illustrates that the Japanese government is making every effort to ensure that, by 2030, all government vehicles will be next-generation vehicles³, except in cases where no alternative next-generation vehicles exist⁴.

As an intermediate goal, the Japanese government is making every effort aiming to ensure that, by 2020, approximately 40% of the governmental vehicle fleet (close to 9 thousand vehicles out of 22.6 thousand in the governmental fleet) will be composed by next-generation vehicles. This means that most of the governmental vehicles scheduled for renewal will need to be next-generation vehicles from now to 2020.

Governmental action on the renewal of its vehicle feet is expected to contribute significantly to the aim of the Japanese *Road Map for the Dissemination of Electric and Plug-in Hybrid Vehicles* to increase to one million the total stock of electric and plug-in hybrid vehicles.

Norway

Norway has ratified the Paris Agreement on climate change ([link](#)) and committed to 40 percent reduction of greenhouse gas emissions by 2030 compared with the 1990 level. As part of this agreement, Norway will continue their efforts for greenhouse gas reduction in the

² These vehicles have not yet been defined in detail. They are likely to include vehicles emitting less than 60 g of CO₂/km on a tank-to-wheel basis. As a result, they shall include primarily BEVs and PHEVs.

³ Including hybrid, electric, plug-in hybrid, fuel cell, clean diesel and compressed natural gas vehicles.

⁴ This is the case for specialized vehicles such as emergency response vehicles and snow plow trucks.

road transport sector. This will be central in our new National Transport plan for 2018-2029 that will be ready in the spring of 2017.

In May 2016, Norway became the fourth country in the world to reach 100,000 electric vehicles sold after the United States, China and Japan ([link](#)); and had 112,203 electric vehicles on the road in July 2016, of which a vast majority are all-electric ([link](#)). Norway has the highest number of electric vehicles per capita in the world ([link](#)). In 2015, market shares of electric cars of the annual sales reached 22% (17% all-electric vehicles and 5% plug-in hybrid electric vehicles) ([link](#)). The proportion of electric vehicles has now reached approximately 4% of the total passenger car fleet.

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 benefit tax for electric cars used as company 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

The Swedish government has announced that Sweden will be one of the world's first fossil-free welfare nations, and that in the long term our energy system will be based on 100 per cent renewable energy.

The transport sector is a particular challenge in the work that lies ahead of us, working towards this ambition. Electric vehicles are expected to play a key role and government fleets can act as precursors. Apart from general incentives, promoting environmental-friendly and electric vehicles, the Swedish government has launched particular incentives directed towards governmental fleets ([link](#)). 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 ([link](#)).

United Kingdom

The Government of the United Kingdom (UK) has a commitment ([link](#)) that nearly all cars and vans in the UK will be zero emission by 2050, and has committed over £ 600 million in the period 2015-2020 to support this. Government and wider public sector fleets must show leadership in supporting the inevitable switch to ultra low emission vehicles (ULEVs). A number of programmes, led by the Office for Low Emission Vehicles ([link](#)), are aimed at supporting the UK public sector in the uptake of ULEVs.

The UK Government has reviewed the largest UK public sector fleets to assess the opportunity for vehicles in these fleets to be switched to ULEVs. As a first positive step in this transition, a £ 5 million public sector ULEV readiness programme ([link](#)) is bringing 300 vehicles into the public sector fleet and supporting the installation of appropriate recharging infrastructure.

The UK Government worked with 12 local authorities on specific measures to increase the uptake of ULEVs and has supported action in 8 key areas under the UK's £ 40 million Go Ultra Low City scheme ([link](#)). Three exemplar cities – Bristol, Nottingham and Milton Keynes – have committed to increase the number of ULEVs in their fleets by around 200 vehicles.

Infrastructure is a key enabler for local authorities and Government has already helped them install nearly 1000 charge points. This number will be increased significantly through the UK's £ 7.5 million workplace charging scheme ([link](#)), announced in October 2016.

Around 30 fuel cell electric vehicles are being trialled by public sector bodies under the £ 11 million HyTAP (Hydrogen for Transport Advancement Programme) initiative ([link](#)).

The UK Government is undertaking a review of its Buying Standards for vehicles, and plans to amend these standards to encourage future Government and public sector vehicle purchases to be ultra low emission.

United States of America

The Obama Administration continues to lead by example to combat climate change and reduce the nation's carbon footprint. In 2015, the Federal government set aggressive targets to reduce its own greenhouse gas emissions 30% by 2025 and acquire 20% of all new passenger vehicles as zero emission (ZEV) or plug-in hybrid by 2020 and 50% by 2025 ([link](#)).

The U.S. Federal government has entered into a new partnership with state and local governments (*Supporting state and local partnerships to increase the electric vehicles on the road - [link](#)*) to make public commitments to fleet electrification. By working together, federal, state and local leadership can aggregate demand to lower purchase costs, promote electric vehicle innovation and adoption and expand our national electric vehicle infrastructure.

Twenty-four state and local governments have joined the Federal government to electrify our fleets. These new commitments account for over 2,500 new electric vehicles in 2017 alone and help pave a path for a sustained level of purchases into the future.

This builds upon prior commitment and action by forward leaning states and cities that have and continue to pursue fleet electrification.

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