

Dear

### **New opportunities to buy electric vehicles**

I am writing to encourage you to consider whether some of your fleet vehicles could be transitioned to electric vehicles (EVs). This is an opportunity for your agency to show environmental leadership, as well as benefiting from the lower running costs of EVs—calculated to be equivalent to buying petrol for 30 cents per litre.

The Electric Vehicle Programme, announced by me in May 2016, introduces a range of initiatives to encourage the uptake of EVs in New Zealand with the aim of helping New Zealand's vehicle fleet move towards a lower carbon future.

With 80% of New Zealand's electricity generated by renewable resources, a move from petrol and diesel to low emission transport is a natural evolution. Last year 30 of New Zealand's leading businesses, including Air New Zealand, Mercury, and Westpac, committed to converting 30% of their fleet to EVs by the end of 2019. The cheapest new EV on the market has an estimated range on a single charge of 200 kilometres.

EVs offer a way to leverage greater value from New Zealand's renewable electricity supply and reduce transport greenhouse gas emissions, without compromising individual mobility or economic growth. EVs include both motor vehicles powered solely by electric batteries as well as plug-in hybrid electric vehicles that operate on a combination of externally charged batteries, along with a petrol or diesel motor (PHEVs).

The package of measures approved by Cabinet includes:

- A national target of 2% of the vehicle fleet being electric by the end of 2021.
- Road User Charges exemptions – for both light electric vehicles and heavy electric vehicles, until EVs reach 2% of those categories.
- A contestable fund of up to \$6 million per year to support innovative private and local government sector projects which will encourage the uptake of electric vehicles. You may have seen recent media coverage showing how some of the successful applicants are changing their fleets to electric vehicles.
- The Government is also working to address the financial, infrastructure and regulatory barriers to electric vehicle ownership, and clarifying the regulations for vehicle charging infrastructure.

To support these initiatives New Zealand Government Procurement has:

- Made 15 models of electric vehicles available on the All-of-Government (AoG) catalogue. This significantly expands the number of electric vehicles models which government agencies can purchase.

- Extended the existing All-of-Government (AoG) Vehicle Agreement to provide for an open panel of EV providers. This means that as additional models of EVs become available, agencies can access them through the AoG contract.

The AoG Vehicles contract secures EVs for agencies at discounted prices. Even lower prices are expected to be achieved when public sector and private sector demand is periodically aggregated. The first aggregated tranche is being assembled in 2017.

Agencies already participating in the AoG Vehicles contract can access catalogue information and current pricing on the [New Zealand Government Procurement website](#)<sup>i</sup>. For information on how to sign up to the contract, access the catalogue of EVs, or participate in the forthcoming aggregated tranche, contact [vehicles.coe@mbie.govt.nz](mailto:vehicles.coe@mbie.govt.nz).

These options give you a tangible and achievable way for your agency to show leadership in this important change to the New Zealand vehicle fleet.

Yours sincerely

Hon Simon Bridges

Minister for Economic Development

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OFFICIAL INFORMATION ACT

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<sup>i</sup> <http://www.procurement.govt.nz/procurement/all-of-government-contracts/current-all-of-government-contracts/vehicles>