

Q&A for the Low Emission Transport Fund

TE TARI TIAKI PŪNGAO
ENERGY EFFICIENCY & CONSERVATION AUTHORITY



Questions from individual applicants should be referred directly to EECA:

LETFund@eeeca.govt.nz

Why has the Low Emission Transport Fund been created?

Budget 2021 provided funding to progressively increase the size and scope of the Low Emission Vehicles Contestable Fund (LEVCF) administered by the Energy Efficiency and Conservation Authority (EECA), with the LEVCF being reconfigured into the Low Emission Transport Fund (LETF).

The fund supports an expanded scope for projects to demonstrate and adopt low emission transport technologies, innovations, infrastructure and fuels to decarbonise the New Zealand transport sector.

How much funding is available?

This initiative progressively increases from \$13 million in its first year to \$25 million per year by 2023/24, split evenly between Crown funding and levy funding.

Budget 2021 provided \$41.36m of Crown funding over four years to deliver the Crown funding component of this initiative, which will be matched with levies.

Why is this fund important?

This initiative delivers on the Government's election manifesto commitment to expand the scope and funding for transport emissions reduction initiatives, building on the previous Low Emission Vehicles Contestable Fund (the LEVCF).

Transport makes up 21% of the country's greenhouse gas emissions, so is therefore a critical area to address. Low emissions infrastructure, technologies, fuels and innovative business models have a vital role to play; this initiative will further increase their uptake.

Where is the money coming from?

The funding will be evenly split between the Crown and the Petroleum or Engine Fuel Monitoring levy. In March 2021, Cabinet agreed to increase the cap on levy funding to EECA to allow the collection of up to \$12.5 million per year by 2023/24.

Who is eligible to apply to the fund?

The Fund is open to all New Zealand-based and New Zealand-registered legal entities except Public Service Departments, Non-Public Service Departments (such as the New Zealand Defence Force), and Statutory Crown Entities such as District Health Boards.

Does the scope include non-road based applications?

The fund covers transport, rather than just vehicles, enabling the funding of projects such as maritime and off-road motive power applications, where these meet the criteria to be set by EECA.

What about hydrogen, biofuels and other low emission fuels?

Yes, the LETF will be able to fund projects for low emission fuels such as hydrogen or biofuel from renewable energy sources. The criteria for this funding will include emissions reduction potential, so transport applications for low-emissions fuels are included.

How will the fund run?

Co-funding will be available in a series of investment activities such as funding rounds. EECA will announce the scope and terms of each one as it comes up.

As part of this programme, EECA will seek suppliers to become part of a panel for these funding rounds, with an RFP going out for each activity. As EECA scopes out new activity areas, funding rounds will be offered to the market.

When will off-road, marine and aviation be in scope?

A specific type of off-road vehicle and a specific type of marine electric outboard engine are in scope for the third round of Demonstration of Vehicles & Technology, refer to the RFP for more detail.

During 2022-23, EECA will scope new areas for co-funding, including off-road more generally, and aviation and marine. As these are new areas to the Fund, EECA will carry out a market study, engage with key market stakeholders, and identify the most viable and beneficial parts to focus on.

How much can I apply for?

Up to 50% of total core project costs, up to \$500,000 (unless specified in the RFP document). Co-funding above these levels is available in exceptional circumstances where there is significant public benefit. Refer to each RFP for details.

My project idea is similar to a successful LEVCF project or an LETF project, can I apply for co-funding?

Consider your proposal in light of previously approved LEVCF and LETF projects; projects that are similar or the same as previous projects will need to demonstrate a high level of innovation, advancement of the objectives and public benefit to score highly. Talk to us at EECA if you would like to discuss your project idea.

What do you mean by incremental cost in the RFP Response Form?

Your project may be very similar to what you do in your business as an ongoing activity, except for the fact that you are purchasing a low emission vehicle instead of an internal combustion engine (ICE) vehicle. By incremental cost we mean all the additional costs of going the low emissions route, e.g., project management for delivery, the difference in cost between the low emissions vehicle and the ICE, and the total cost of charging infrastructure.

What is new in Round 3: Demonstration of Vehicles & Technology?

Round 3 has added in applications for marine electric outboard motor projects of up to 40-50hp. Round 3 opens on 27 April 2022 and closes on 1 June 2022.

What is new in Round 4: Adoption of Public Charging Infrastructure?

This Request for Proposals (RFP) has available up to \$1 million excl. GST for projects addressing six identified locations for public charging infrastructure. Proposals for other locations will not be considered.

EECA recognises that the six identified locations pose challenges such as grid constraints, so for this round the standard LETF 50% co-funding cap does not automatically apply. Applicants can request a higher proportion of co-funding, with justification, noting that this is a competitive tender.

The criteria for this round have changed to better suit the limited nature and topic of the funding round.

Round 3 opens on 27 April 2022 and closes on 25 May 2022.

How can I apply?

You will need to submit a proposal for funding on the RFP Response Form. Instructions and guidance on completing the form are in the RFP document on the EECA website.

The RFP document outlines the scope of the funding round, and projects that would be outside the scope of the fund, for example research, projects purely focused on delivering education and information, and projects involving bicycles, quadricycles, and hybrid vehicles.

How soon can I access the funding if I am successful?

Once a proposal has been approved for funding by EECA, EECA and the successful applicant will negotiate a funding agreement that commits the recipient to implementing the project. The funding agreement will detail the obligations on the recipient for the duration of the project, which must be met in order to receive funding from the LETF.

Who decides which proposals will be funded?

An assessment panel will assess the proposals against a set of criteria and then make recommendations to EECA, which will make the final decisions on which proposals are offered funding and how much that offer will be.

Who is eligible to apply for funding from the LETF?

The Fund is open to all New Zealand-based legal entities except Public Service Departments, non-Public Service Departments, and Statutory Crown Entities such as District Health Boards.

Where can I find out what projects have been funded?

Details are available on the EECA website.

Who can I talk to about my project idea?

Our Point of Contact for all enquiries, such as questions on the scope of the Fund or assistance with filling in the Response Form: LETFund@eeca.govt.nz