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11 August 2022

Dear [REDACTED]

Re: Low emission vehicle contestable fund

Thank you for your email of 15 June 2022 in which you requested information under the Official Information Act 1984 on the Low Emission Vehicle Contestable Fund (LEVCF). Your requests and our responses are provided below.

1. *Why was the contract with NZ Golf Incorporated for round 3 funding cancelled? For your reference the project title is “Energising Sport: A model to drive new growth into our sporting clubs throughout NZ.”*

EECA terminated the contract with mutual agreement from NZ Golf Incorporated. This was because the project was unable to materially meet the funding objectives of the LEVCF in an acceptable timeframe.

2. *What impact will this fund have on New Zealand’s net emissions given that transport emissions are already covered under the Emissions Trading Scheme?*

The LEVCF was reconfigured into the Low Emissions Transport Fund (LETf) in 2021 to better reflect an expanded scope for projects.

The original fund focused on accelerating the uptake of electric and other low emission vehicles, whereas the LETf supports decarbonisation of the wider transport system.

The purpose of the expanded LETf is on the demonstration of high potential and replicable low emission transport technologies and infrastructure to accelerate emissions reductions and the transition to a low-emission transport sector. Support is also targeted towards the development of market services, products and programmes to address identified barriers or opportunities. For this reason, EECA does not report directly on the net reduction in emissions achieved by the programme.

To deliver on its broad objective, the fund is guided by a set of six investment principles that projects need to give effect to. These include demonstrating innovative and replicable low emissions technologies; diffusion of knowledge and

learnings; encouraging sector transformation; leveraging co-funding; value for money; as well as enabling future emissions reductions.

The LEVCF and LETF also aims to reduce the risks associated with businesses trying new low emission solutions. Some of these projects will lead to wider replication across the sector, while others may not. This makes it challenging to identify if the uptake of demonstrated technologies is influenced solely by the demonstration projects. Also, many projects supported by the LEVCF and LETF (such as co-funding public EV charging infrastructure which is another major objective of the fund until public charging becomes more commercially viable and in some cases supporting public charging infrastructure where it will never become commercially viable) enable the uptake of low emission vehicles, but do not have direct emission reductions able to be attributed to the specific project.

Funding has gone towards a number of projects that have demonstrated innovative and replicable low emissions technologies to encourage sector transformation. For example, the first electric bus deployed in New Zealand was trialled using EECA funding in 2018. This resulted in increased market confidence to invest in electrification and the Government has now set a requirement that only zero emission public transport buses can be purchased from 2025.

You have the right, by way of complaint to the Ombudsman, to seek an investigation and review of the Energy Efficiency and Conservation Authority's response to your information request. You can do this by email to info@ombudsman.parliament.nz or by writing to the Office of the Ombudsman, PO Box 10152, Wellington 6143.

Yours sincerely



Andrew Caseley
Chief Executive