11 December 2014

Electricity Authority and EECA

PO Box 10041, PO Box 388

Wellington 6143 **Wellington 6140**

Consultation Paper - 2015/16 Appropriations, Authority Work Programme and EECA Work Programme

Background

1. This submission is made by the Association for Promotion of Electric Vehicles in New Zealand Inc. (APEV). APEV represents a member base comprising new car OEMs, infrastructure organisations (electricity generators and retailers, electric vehicle service equipment suppliers) and electric vehicle users, and is an advocacy organisation for the uptake of plug in electric vehicles (PEVs) in New Zealand.
2. APEV is in the process of renaming and rebranding itself as Drive Electric Inc. It expects to have completed this changeover within Q1 2015.
3. Drive Electric Inc will position itself as the go-to group for all electric vehicle discussions, given the diverse representation it has.
4. The core purpose of the organsiation is to assist New Zealand to realise the various health, environmental and economic benefits associated with electric vehicle uptake.
5. Drive Electric has two main workstreams- PlugIn- around education on myths associated with EV's; and EVNZ- industry grouping willing to work with central and local government to develop an EV Roadmap for New Zealand.
6. Drive Electric also owns a subsidiary organisation, Evolocity Limited- a company specialising in project based learning programs in partnership with secondary and tertiary educaters, promoting research and development and innovation in the EV sector.

Introduction

7. In general, APEV supports the proposals for funding of the Authority's functions, and the electricity efficiency functions of EECA. There is, however, some areas where we believe a greater level of funding can assist the uptake and optimisation of electric vehicles, and their benefits to energy efficiency, public health, and NZ's balance of payments.
8. APEV does not seek subsidies or handouts, rather we seek to engage the Government around the inevitable growth of PEVs, and ensure NZ plays to its strengths. PEVs are more environmentally benign, they utilise and leverage NZ's high investment in renewable energy, and totally endorse the "Pure NZ" positioning of NZ in the world. It also shows NZ is in step with the world in terms of providing the best and most liveable cities in the world, to its public.

9. The market for EV's in New Zealand is growings. New offerrings from BMW, Mitsubishi, Nissan and GM/Holden are in the market now. Audi will join with Plug in EV models in Q1 2015, and numerous other OEMs will follow. In addition as an open and deregulated economy. New Zealand benefits from used car imports. Numbers havent been quantified but market growth may well be lead via the used car sector e.g. Used 2-3yo Nissan Leaf models retail for circa NZ$25,000 incl GST in NZ. Nissan recently reduced theie new car pricing for Leaf from NZ$69990 to NZ$39990 reflecting a more competitive position , certainly in relation to the used car prices.
10. APEV notes little change to the appropriations proposal for 2015/16, and certainly little leaning towards a whole new automotive and energy sector where the gravitational pull is towards the electricity sector. These changes present a huge opportunity for the electricity sector to move into becoming the future fuel source for cars in NZ.
11. A strategic approach around PEVs, by both central and local government, and reflected in ithe government's procurement policy, will start the paradigm shift that is needed in NZ. Especially as it relates to congestion charging, and road tolling. Making such vehicles exempt from these charges, and ensuring smart thinking is applied to support the needed charging and charging infrastructure will (over time) change peoples' habits and feeling towards Public Transport, so a win:win ultimately.
12. APEV applauds, the UK Government strategy around Ultra Low EmissionVehicles- reference www.gov.uk/olev. It's the strategic approach that is our interest, not the extraordinarily high levels of incentive being applied.

Breakdown of electricity industry governance and market operations costs

13. APEV supports the Authority's work programme on distribution pricing and notes there would be significant NZ Inc benefits and consumer benefits from distributors offerring heavily discounted overnight distribution tariffs to send a clear signal to consumers to charge EV's overnight.

Proposed EECA priorities (Appendix D)

14. Much is written on energy efficiency and APEV mostly agrees with this.
15. EECA's priorities, whilst consistent with what it has been doing, seem to demand energy saving results inestricably linked to household power consumption. Undertsandable.
16. APEV challenges EECA to broaden its scope, and to allocate levy money to further understanding of the energy savings potential of moving car ownership from fossil fuelled vehicles to electric powered vehicles.
17. The average car owner travels 12,500 kms annually. This equates to more or less NZ$2500 in fossil fuels. Travelling the same distance using electric power would cost that average car owner NZ$500.00- not to mention the savings in crude oil imports and downstream processing and distribution costs!
18. APEV reminds EECA and the Electrical Authority of the wider economic benefits e.g. air quality and health just to name two; that accrue from such a focus.

Electric Vehicles

19. There is no reference in the document as to what role the Electricity Authority and EECA might play in giving the wider adoption of electric vehicles a "nudge" by assisting with the rollout of a needed rapid charging infrastructure.
20. PEVs also contribute to the Ministry of Transports GPS objective: "A land transport system that appropriately mitigates the effects of land transport on the environment"- refer paragraphs 90-94 Pg18 of the recent MoT GPS document.

21. The strategy highlights congestion as well as the desire to reduce fuel use and improve travel times. PEVs reduce fuel use substantially, whether moving or still.

I, and/or some APEV/Drive Electric Board members would be very happy to meet with officials to discuss these thoughts, suggestions and proposals.

Yours sincerely,

Mark Gilbert

Chairman

www.apev.org.nz P.O Box 87.274 Auckland 1072 Cell: +64.21.972.244