



Clerk of the Committee  
Transport and Industrial Relations Committee  
Select Committee Office  
Parliament Buildings  
WELLINGTON

## **Sustainable Energy Forum: Submission on the Road User Charges Amendment Bill**

The Sustainable Energy Forum supports the concept behind the RUC Bill's exemption of electric vehicles from Road User Charges. However, we consider that this measure does not go far enough, in three ways:

- 1) The initial period of the exemption should be longer, and hence the number of vehicles exempted greater, to encourage more electric vehicles to enter the light passenger fleet.
- 2) Other measures should be put in place to support and encourage the uptake of electric vehicles.
- 3) Further changes to the Road User Charges regime should be made to provide incentives for other classes of fuel-efficient vehicles.

### **1. Initial period/quantity of exemption**

The Bill proposes to maintain the initial exemption until 2013, by which time it is estimated that 500 electric vehicles will be on New Zealand roads. However, 500 electric vehicles is far too small a number to form a base from which to replace a high percentage of the present vehicle fleet with electric vehicles, and the foregone income from Road User Charges is minuscule.

SEF proposes that the exemption be maintained until there are a minimum of 5000 electric vehicles in the light passenger fleet.

### **2. Additional measures**

Additional measures should be put in place to encourage the uptake of electric vehicles:

- a) Government support for the installation of public electric vehicle charging infrastructure in cities. Although it is intended, and desirable, that electric vehicles be recharged primarily at home and overnight, the provision of public charging

infrastructure will help to overcome public fears over vehicles running out of charge during trips.

- b) A directive to Government departments that, if suitable electric vehicles are available for departmental vehicle fleets, they should be adopted as fleet replacement occurs.
- c) Adoption of home charging infrastructure, metering, and tariff rates that provide a strong incentive for electric vehicle owners to recharge these vehicles overnight. Overnight recharging both minimises the need for extra electricity generation, and ensures that electric vehicles are recharged from renewable electricity to the maximum possible extent.

### **3. Further changes to the Road User Charges regime**

The performance of modern light diesel vehicles has much improved in recent years to the extent where, in terms of fuel economy and carbon emissions, all significantly outperform their petrol equivalents and some are now superior to petrol electric hybrids. In the interests of fairness and in order to promote the benefits of this technology, SEF suggests that another tier of RUCs be created for vehicles weighing 1800 kg or less. We suggest that the rate be fixed at \$15 per 1000km for the same time frame as the electric vehicle exemption and, in order to minimise transaction costs, the minimum amount to be purchased at one time set at 20,000 km.

**Tim Jones**  
**Convenor, Sustainable Energy Forum**  
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