

OC250960

11 November 2025

Tēnā koe [REDACTED]

I refer to your email dated 13 October 2025, requesting the following under the Official Information Act 1982 (the Act):

1. *I request the release of the itemised costs and benefits that were analysed and considered in the 'robust CBA' mentioned in para 22 and 23 of Ref A<sup>1</sup>.*
2. *I request the release of information pertaining to the elements of the 'CBA framework' mentioned in para 20 of Ref B<sup>2</sup>. This release should include any weighting criteria or guidance given on the application of the Costs and Benefits to the resultant analysis.*
3. *I request the release of information on the proportional allocations of DC fast charging, DC moderate charging and AC charging that is planned for the anticipated 8700 or so chargers that will be added to the network under the 10,000 public charger work programmes as alluded to in para 26.1 of Ref A. This request should include the number of proposed sites, number of proposed charging stations (ie multiple chargers per site) and capacity of the chargers or charge points (ie 300kw/150kw/75kw/22kw/7kw etc).*
4. *I request the release of information on the consideration of the public charger infrastructure required for the medium utility and truck fleets (namely utility vehicles in the 3-10t range). Ref A only makes reference to light and heavy fleets.*
5. *I request the release of information or guidance provided to tender submitters on the physical design and layout of the intended public charging infrastructure. In particular interest is information relating to a transition from a 'supermarket carpark' style to a 'fuel station forecourt' style that would enable simultaneous charging of both a vehicle and towed equipment, such as mowers or tractors.*
6. *I request the release of information pertaining to how electricity distribution businesses (EDBs or lines companies) are providing relevant geographical information system (GIS) data on potential charging point locations to providers free of charge as per para 39 of Ref B and if this is not yet completed, an estimated time until this information is available, noting it was supposed to be available by 30 August 25.*

<sup>1</sup> [OC2309964] Ministry of Transport letter to Hon Simeon Brown, Minister of Transport, dated 14 February 2024, titled Initial Briefing on Electric Vehicle Charging Network and Infrastructure. <https://www.transport.govt.nz/area-of-interest/environment-and-climate-change/supercharging-ev-infrastructure>.

<sup>2</sup> Hon Simeon Brown, Minister of Transport, Supercharging Electric Vehicle Infrastructure Work Programme, undated. <https://www.transport.govt.nz/area-of-interest/environment-and-climate-change/supercharging-ev-infrastructure>.

Two of your requests, numbers 3 and 5, have been transferred to National Infrastructure Funding and Financing Limited for its response. Responses to the remainder of your requests are included in schedule 1.

Six documents fall within scope of your request and are enclosed:

| # | Title   | Treatment under the Act  |
|---|---|--|
| 1 | OC241302 Next Steps to Improve the EV Charging Co-Investment Model – Briefing                             | Some information withheld under:<br>s 9(2)(a)<br>s 9(2)(ba)(i)<br>s 9(i) |
| 2 | Improving the government co-investment in public electric vehicle charging infrastructure – Cabinet paper | Some information withheld under:<br>s 9(f)(iv)                           |
| 3 | EXP-25-MIN-0041   | Release in full  |
| 4 | CAB-25-MIN-0121   | Release in full  |
| 5 | OC240520 Options for EV Charging Co-Investment Model – Briefing   | Some information withheld under:<br>s 9(2)(a)                            |
| 6 | OC240627 Recommendations on Co-Investment Model for Electric Vehicle Charging Infrastructure – Briefing   | Some information withheld under:<br>s 9(2)(a)<br>s 9(i)                  |

Certain information is withheld under the following sections of the Act:

- 9(2)(a) to protect the privacy of natural persons
- 9(2)(ba)(i) to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied
- 9(2)(f)(iv) to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials
- 9(2)(i) to enable a Minister of the Crown or any public service agency or organisation holding the information to carry out, without prejudice or disadvantage, commercial activities

With regard to the information that has been withheld under section 9 of the Act, I am satisfied that the reasons for withholding the information at this time are not outweighed by public interest considerations that would make it desirable to make the information available.

I am refusing parts of your request under the following sections of the Act:

- 18(e) that the document alleged to contain the information requested does not exist or, despite reasonable efforts to locate it, cannot be found

You may also find this proactively released Cabinet paper of interest: Changes to appropriations to implement concessionary loans for public electric vehicle charging - <https://www.transport.govt.nz/assets/Uploads/Proactive-release-Changes-to-appropriations-to-implement-concessionary-loans-for-public-electric-vehicle-charging-infrastructure.pdf>

You have the right to seek an investigation and review of this response by the Ombudsman, in accordance with section 28(3) of the Act. The relevant details can be found on the Ombudsman's website [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz)

The Ministry publishes our Official Information Act responses and the information contained in our reply to you may be published on the Ministry's website. Before publishing we will remove any personal or identifiable information.

Nāku noa, nā



Nick Paterson  
**Manager, Environment**

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## Schedule 1

|    | Request   | Response   | Treatment under the Act   |
|----|---|--|---|
| 1. | Itemised costs and benefits that were analysed and considered in the 'robust CBA' mentioned in para 22 and 23 of Ref A.   | Please see documents #:<br>1<br>2  | Some information withheld under sections:<br>s 9(2)(a)<br>s 9(2)(ba)(i)<br>s 9(f)(iv)<br>s 9(i) |
| 2. | Information pertaining to the elements of the 'CBA framework' mentioned in para 20 of Ref B. This release should include any weighting criteria or guidance given on the application of the Costs and Benefits to the resultant analysis.   | Please see documents #:<br>1<br>2<br>5<br>6  | Some information withheld under:<br>s 9(2)(a)<br>s 9(2)(ba)(i)<br>s 9(f)(iv)<br>s 9(i)          |
| 3. | Information on the proportional allocations of DC fast charging, DC moderate charging and AC charging that is planned for the anticipated 8700 or so chargers that will be added to the network under the 10,000 public charger work programmes as alluded to in para 26.1 of Ref A. This request should include the number of proposed sites, number of proposed charging stations (ie multiple chargers per site) and capacity of the chargers or charge points (ie 300kw/ 150kw/ 75kw/ 22kw/ 7kw etc). | Request transferred to NIFFCo for its response.  | Transferred under<br>s 14(b)(i)   |
| 4. | Information on the consideration of the public charger infrastructure required for the medium utility and truck fleets (namely utility vehicles in the 3-10t range). Ref A only makes reference to light and heavy fleets.  | Generally, in New Zealand, vehicles under 3.5 gross tonnes (GT) are considered light vehicles and those over 3.5 GT are considered heavy vehicles. The documents referred to in your request follow this approach, meaning that the references to 'light fleet' covers vehicles up to 3.5GT and 'heavy fleet' refers to those over 3.5GT. There was no separate, discrete consideration of EV charging infrastructure needs for a 'medium fleet' of 3-10t not covered already by the light or heavy fleet. | Refused under<br>s 18(e)  |

|    | Request  | Response   | Treatment under the Act      |
|----|--|--|------------------------------|
| 5. | Information or guidance provided to tender submitters on the physical design and layout of the intended public charging infrastructure. In particular interest is information relating to a transition from a 'supermarket carpark' style to a 'fuel station forecourt' style that would enable simultaneous charging of both a vehicle and towed equipment, such as mowers or tractors.                 | Request transferred to NIFFCo for its response.  | Transferred under s 14(b)(i) |
| 6. | Information pertaining to how electricity distribution businesses (EDBs or lines companies) are providing relevant geographical information system (GIS) data on potential charging point locations to providers free of charge as per para 39 of Ref B and if this is not yet completed, an estimated time until this information is available, noting it was supposed to be available by 30 August 25. | <p>EDBs have been required to disclose GIS information from August 2025. Specifically, for each of their zone substations, EDBs must publicly disclose:</p> <ul style="list-style-type: none"> <li>• Its name</li> <li>• Location (in coordinates)</li> <li>• Names of any connected feeders</li> <li>• The input and output voltages it primarily transforms</li> <li>• The boundary of the area it serves</li> </ul> <p>Further detail on this requirement can be found on the Commerce Commission's website at page 33 of the <a href="#">Targeted Information Disclosure Review (2024) Final reasons paper<sup>3</sup></a>.</p> <p>The relevant geospatial are now available on each EDB's website alongside their other disclosure materials, and the Commerce Commission is also aiming to publish a consolidated version of this information on its website in the next future.</p> | Refused under s 18(e)        |

<sup>3</sup> [https://www.comcom.govt.nz/assets/pdf\\_file/0034/344869/Targeted-Information-Disclosure-Review-2024-Electricity-Distribution-Businesses-Final-decision-Reasons-paper-29-February-2024.pdf](https://www.comcom.govt.nz/assets/pdf_file/0034/344869/Targeted-Information-Disclosure-Review-2024-Electricity-Distribution-Businesses-Final-decision-Reasons-paper-29-February-2024.pdf)



27 November 2024

OC241302

Hon Simeon Brown

**Action required by:**

Minister of Transport

Friday, 6 December 2024

## NEXT STEPS TO IMPROVE THE EV CHARGING CO-INVESTMENT MODEL

### Purpose

To seek your decisions on the co-investment model for public electric vehicle (EV) charging infrastructure following industry feedback.

### Key points

- Feedback from the Request for Information confirms that the challenging economics in installing and operating public EV charging infrastructure continues to impede the development of an effective network. Submitters consider government co-investment essential to overcoming this barrier.
- Submitters generally support the government co-investment being provided as concessionary loans, as long as loans have the following terms: a 50% Crown contribution, loan tenor of 10–15 years, a zero interest rate, and favourable repayment terms.
- The financial information provided by some submitters shows that the economics of public EV charging is more challenging than we previously advised. We had assumed per site utilisation and revenue would keep increasing as EV uptake increases. However, it is more likely that per site utilisation will stabilise over time, reflecting increased competition from other sites and people bypassing sites to avoid queues. As a result, it will take longer for revenue to build and loans to be repaid. Consequently, we now recommend a maximum loan tenor of 13 years, rather than our previously advised 7–10 years.
- The main alternative approaches suggested were joint ventures with government equity and debt investment, a market loan with a Crown under-write, and a contract for service type approach. However, concessionary loans are more likely to achieve the objectives you set for investment in public EV charging infrastructure with less complexity, cost and risk.
- We have worked with the Ministry of Business, Innovation and Employment (MBIE), the Energy Efficiency and Conservation Authority (EECA) and Crown Infrastructure Partners in developing this briefing. Treasury has been consulted on the financial implications.

- The Supercharging EV Stakeholder Reference Group is due to meet on 3 December 2024. At this meeting we intend to update the Group on the key themes from the submissions. However, we could share more information if you have considered this paper prior to the meeting, and you are comfortable with us doing so.

## Recommendations

We recommend you:

- |   |  |   |
|---|--|---|
| 1 | <b>agree</b> to move to concessionary loans to co-invest in public EV charging infrastructure, with the repaid capital recycled into new loans where Cabinet agrees there remains a need for government co-investment  | Yes/No  |
| 2 | <p><b>agree</b> the terms of the concessionary loans be the following:</p> <ul style="list-style-type: none"> <li>• a loan size capped at 50 percent of the capital costs of establishing a proposed portfolio of sites, with the Crown contribution limited to the amount required to make the relevant charge points commercially viable</li> <li>• a maximum loan tenor of 13 years</li> <li>• a zero interest rate</li> <li>• repayments commence once an agreed utilisation rate or revenue metric is met, or in year 6, whichever is the sooner</li> <li>• a security is provided for the loan unless an alternative risk mitigation is negotiated with the relevant applicant</li> <li>• earlier loan repayments are required where:                             <ul style="list-style-type: none"> <li>○ the minimum terms of operation (eg the maximum timeframe for new public sites to become operational) and reporting requirements are not met</li> <li>○ reporting of actual upfront establishment costs reveals lower costs than originally projected</li> </ul> </li> </ul> | <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> |
| 3 | <b>agree</b> that loans be awarded through annual contestable co-investment rounds administered by EECA  | Yes/No  |
| 4 | <b>agree</b> that applications be assessed and ranked against the value-for-money criteria in Annex 3, noting that the criteria favour proposals requiring lower percentage Crown contributions, shorter loan tenor, and earlier repayments  | Yes/No  |
| 5 | <b>note</b> that once you have taken decisions on the above recommendations, we will provide a draft Cabinet paper with a view to securing Cabinet decisions by early March 2025.  |   |

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Ruth Fairhall  
**Deputy Chief Executive, Policy Group**

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Hon Simeon Brown  
**Minister of Transport**

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- Minister's office to complete:**
- Approved
  - Declined
  - Seen by Minister
  - Not seen by Minister
  - Overtaken by events

**Comments**

**Contacts**

| Name  | Telephone | First contact |
|---|-----------|---------------|
| Ruth Fairhall, Deputy Chief Executive, Policy Group | s 9(2)(a) |               |
| Nick Paterson, Manager, Environment                 |           | ✓             |
| Gayelene Wright, Principal Adviser, Environment     |           |               |

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## NEXT STEPS TO IMPROVE THE EV CHARGING CO-INVESTMENT MODEL

### We previously advised you on co-investing in EV charging infrastructure through concessionary loans

- 1 The challenging economics in providing public EV charging infrastructure is a significant barrier impeding the development of a comprehensive charging network. The key cause is the chicken and egg problem that charging infrastructure will not be provided unless there is sufficient demand. However, demand for charging will not build until the uptake of EVs stops being impacted by a lack of charging infrastructure.
- 2 Government can overcome this co-ordination problem through co-investment with the private sector. Co-investment transfers a share of the demand risk to government, making it more attractive for the private sector to invest ahead of demand.
- 3 With a target to achieve 10,000 public charge points by 2030, you decided to increase the value-for-money from the current co-investment by moving away from grant funding. You set objectives for future government co-investment:
  - 3.1 **Invest ahead of demand and commercial provision** by supporting sites that are close to being commercially viable but unlikely to proceed in the short- to medium-term without a degree of government assistance.
  - 3.2 **Maximise private sector investment**, with the default approach that any Crown capital is recycled over time to support further investment.
  - 3.3 **Take a technology- and market-neutral approach**, given there will be changes to battery and charger technology over time, and potential changes to the market providers of charging infrastructure.
- 4 To achieve these objectives, we previously recommended using concessionary loans, where repaid Crown capital would be reinvested over time to deliver more charge points [OC240627 refers]. The reinvestment would continue where there remains a net benefit from government co-investment. This would be subject to consideration by Cabinet.

### We completed a Request for Information to seek market feedback on the concessionary loan model

- 5 On 4 October 2024 EECA released a Request for Information (RFI) to test market views on what form of co-investment would best meet your objectives. The RFI sought feedback on:
  - barriers to the installation of public EV charging infrastructure
  - the economics of providing public EV charging sites
  - the extent to which concessionary loans could accelerate charge point rollout and the terms that would make loans effective

- any alternative approaches that could be more effective than loans in meeting your objectives and accelerating charge point delivery.

6 Ten submissions were received from s 9(2)(ba)(i)

### **The feedback confirmed the barriers to private sector investment**

- 7 The responses to the RFI confirmed our understanding that the top barriers to private sector investment in public EV charging infrastructure are the high upfront costs, future revenue uncertainty, and long returns on investment. To overcome these barriers submitters reiterated the need for government co-investment to continue.
- 8 Submitters also restated views about the need for parallel regulatory interventions to streamline network connection processes, ensure efficient connection costs, and address resource consenting barriers. Regulatory work programmes to address these issues are ongoing, including current consultations on network connection costs and processes. You have received a briefing from MBIE on the Electrify NZ work programme, including a recommendation on making consenting easier for EV charging [BRIEFING-REQ-0006211 refers]. This briefing seeks your and the Minister for Resource Management Act Reform's agreement to bring forward public consultation on this aspect of the reforms to February 2025.

### **The financial information shows that the economics of EV charging is more challenging than we had assumed**

- 9 While the feedback on the barriers confirms our previous understanding, the financial information on the economics of public charging has led us to revise our assumptions and analysis in the following ways.
- 9.1 At a new charging site utilisation (and revenue) can be expected to increase for the first 5–10 years but then flatten, or stabilise, as competition from other sites increases, and people bypass sites with queues. Our previous modelling assumed utilisation would keep increasing as EV uptake increases.
- 9.2 A more conservative per site utilisation profile means that charge point operators will take longer to repay loans than we previously assumed. Our previous analysis suggested that a feasible loan tenor would be 7–10 years. Our updated analysis suggests 9–13 years.
- 9.3 Annual operating costs are likely to be lower than our previous assumptions, suggesting that an average site could break-even (on operating profit) with lower utilisation. However, it does not change the need for a longer loan tenor because of the lower per site margins that would be expected as per site utilisation stabilises.

### **Concessionary loans are viewed as being effective if they have favourable terms**

- 10 Submitters generally support the government co-investment being provided as concessionary loans as long as the loans have favourable terms. These are a 50

percent Crown contribution for upfront project costs, loan tenor of 10–15 years, a zero interest rate, and favourable repayment terms.

- 11 This feedback is consistent with our previous advice that such terms would be necessary to sufficiently lower the cost of capital. Some submitters also noted that if the government contribution were lower, a longer loan term would be needed to deliver the same level of subsidy. As noted earlier, while a loan tenor of 10–15 years is longer than the 7–10 years we had previously assumed necessary, it aligns with our updated modelling that suggests that a realistic term is 9–13 years.
- 12 The loan term you choose will have an impact on the required future funding and/or proportion of remaining EECA funding that can be put toward chargers because extending the term:
  - 12.1 means it takes longer for the funding to be paid back and potentially reinvested
  - 12.2 increases the cost that needs to be absorbed by the Crown for fair value write downs (i.e. the forgone interest revenue and time value of money). If the appropriation is a fixed amount, this cost will reduce the amount available to be loaned and therefore the number of charge points delivered.
- 13 Submitters' views varied about the repayment terms. The main options favoured were:
  - 13.1 **One off repayment of the full loan at the end of the tenor.** This option would maximise the value of the loan to recipients. However, it would significantly slow the recycling of Crown capital and establishment of new sites.
  - 13.2 **Fixed repayment schedule after a specified grace period eg 3-5 years.** This option would recycle Crown capital quicker than a one-off repayment and provide certainty about the timing of repayments. It would also give providers time for revenue to build up before repayments commence. However, compared to the other options it could deter investment as the level of demand risk taken on by government is lower and there is no guarantee that specific sites will achieve sufficient cashflow over the grace period to cover repayments.
  - 13.3 **Repayment linked to a utilisation or revenue metric.** This option would transfer a greater share of the demand-risk to government. For sites that become commercial early in the loan tenor it would enable Crown capital to be recycled quicker than a one-off repayment. However, the timing of repayment would be less certain and would vary significantly between sites. It would also need to be accompanied by a requirement for eventual full repayment.
- 14 Some submitters also sought loan reductions, or write-offs, if certain utilisation thresholds are not met by the end of the loan term. We do not support this approach as it shifts most of the demand risk to government and effectively turns the co-investment back into a grant. It would also weaken the incentives for providers to select near-commercial sites and to work to make them viable.
- 15 On the issue of security, some submitters have no issues with providing security. Others consider it would be challenging and require working through with shareholders and other investors. Submitters noted that a particular challenge is that

charge point operators' sites are often licensed, or leased, making it complex for them to be used as security.

**Alternative approaches were suggested but concessionary loans will likely deliver your objectives with lower complexity, cost and risk**

- 16 The main approaches suggested as alternatives to concessionary loans were:
- 16.1 establishing regional joint venture(s) funded through Crown and private equity investment and concessionary loans. These entities would install and operate public charging sites to contracted requirements. The Crown's equity and loan would be repaid over time from the income generated by the public EV charging network
  - 16.2 having New Zealand Green Investment Finance (NZGIF) provide loans for electricity network connection costs with a Crown funded underwrite. Charge point operators would repay NZGIF the loan principal and interest. Any defaults in the first 5-years would be met by the Crown funded underwrite. Any remaining underwrite funding could be recycled. To reduce the interest costs for charge point operators, NZGIF would aggregate the loans into a debt product sold to international investors
  - 16.3 using a type of contract for service where a private provider designs, finances, builds, and operates a national EV charging network, with the Crown paying a monthly fee per charge point. The provider would establish a company to hold operating assets and debt including government equity and debt investment. A second company would deliver charging services.
- 17 The table in Annex 1 assesses the approaches against your objectives for co-investment. This analysis shows:
- 17.1 some of the alternatives have potential to at least partially meet your objectives for co-investment
  - 17.2 all of the alternatives fail to satisfy at least one of your objectives or one of the feasibility criteria
  - 17.3 all of the alternatives would require further work to fully develop and understand how they would work and whether they would meet the objectives.
- 18 Overall, none of the alternatives demonstrate sufficient advantages over concessionary loans or sufficient certainty of executability. In our view, concessionary loans is the preferred approach as it is more likely to achieve your objectives with lower complexity, cost and risk. It would also be quicker to implement.

**Given the feedback we propose refinements to the concessionary loan model**

- 19 Based on the feedback received and further analysis we recommend that concessionary loans be established with the following terms.
- 19.1 **50 percent cap on Crown contribution** – concessionary loans would be capped at 50 percent of the capital costs of establishing a portfolio of charging sites, with the Crown contribution limited to the amount required to make the

relevant charge points commercially viable. The 50 percent cap may be revised downwards, following the first round of loan applications, if the bids received are predominately for a loan size of 50 percent of costs.

- 19.2 **Zero percent interest rate** – this would substantially lower the cost of capital for charge point operators and support the return and reinvestment of Crown capital as early as possible.
- 19.3 **A maximum loan tenor of 13 years** - applicants would be invited to submit bids with shorter loan terms as part of the procurement process. As the proposed assessment criteria focus on value from Crown investment, bids with shorter terms would rank more favourably. A competitive tension on this element may yield lower costs of writing down loans for the Crown.
- 19.4 **Repayment profile** – repayment would commence the sooner of either year 6 or once an agreed utilisation threshold or revenue metric was met (eg, 12 percent average utilisation over the previous six months). This approach would provide a suitable sharing of risk, without lessening the incentives for businesses to develop near-commercial sites and to strive to make them commercial. As with the loan tenor, applicants would be invited to bid better repayment terms.
- 19.5 **Security** – security would be required for a loan unless an alternative risk mitigation is negotiated by the relevant applicant. This approach would allow a case-by-case approach to be taken recognising the different circumstances and risk profiles across charge point operators.
- 19.6 **Minimum terms of operation** – accelerated repayment of the loan would be required if minimum terms of operation are not met. These would be set by EECA and would include a maximum timeframe for public chargers to be installed, minimum operating period, and maintenance and performance standards.
- 19.7 **Reporting** – loan agreements would require reporting of actual costs and performance information. If reporting reveals lower upfront costs than previously anticipated, then earlier loan repayments would be required.

**The recommended longer loan tenor of 13 years will reduce the number of charge points delivered**

20 As discussed in paragraph 12, a longer loan tenor will reduce the number of charge points delivered from a given amount of funding as it will take longer for the capital to be recycled.

21 s 9(2)(i)



22 The estimates also assume all the chargers are fast DC chargers. In practice, we would expect a proportion of the chargers to be AC chargers, which will increase the

number of charge points delivered as they are cheaper to provide. However, further funding will likely be required to achieve the goal of 10,000 charge points by 2030.

- 23 Annex 2 provides estimates of charge point delivery with loan terms ranging from 7–13 years. The estimates for 7-years are included as a reference as they are unlikely to be achievable based on the information we received from submitters.

### **We recommend having annual contestable co-investment rounds**

- 24 Contestable co-investment rounds open to portfolios of sites are seen as the best way to support scaled-up development and to maximise competitive tension between providers. Such tension will help ensure public investment flows to the proposals delivering the best value-for-money.
- 25 Submitters generally support this approach, with the majority favouring annual application rounds with comparatively large amounts of funding, rather than multiple in year rounds with smaller amounts. This is because annual rounds enable better planning and reduce application costs.
- 26 A minority prefer an “always-on” model in which they could apply for co-investment when they are ready rather than at pre-set times. However, we do not recommend this approach as it would dilute the competitive tension between applicants.
- 27 Instead, we recommend having annual contestable co-investment rounds. The date of the annual rounds would be scheduled and announced well in advance. This would go some way to increase the certainty about the availability of funding and assist with industry planning. If Cabinet decisions were taken in early March 2025, EECA envisage the first round opening for applications by the end of April 2025.
- 28 Several submitters indicated that they may be able to utilise all the \$67 million of Crown funding currently available for public EV charging. EECA intend to make the full remaining appropriation available to commit to projects in the first funding round (and subsequent rounds). This creates the potential that all the Crown funding would be committed in one or two funding rounds. As well, depending on the applications the funding could be allocated to a small number of charge point providers.

### **Applications would be assessed against value-for-money criteria**

- 29 We recommend that eligible applications be assessed and ranked against the value-for-money assessment criteria in Annex 3 that are based on cost-benefit analysis principles. These criteria would rank proposals based on the proportion of Crown contribution sought, the rate of loan repayment, the cost per unit of charging capacity delivered, and the net present value of the Crown investment. These criteria together with the competitive tension between bidders to be awarded loans, will ensure public investment flows only to proposals of greatest net benefit.

### **Delivering a network of 10,000 charge points will require regular refinement of the co-investment model**

- 30 Finally, the submissions confirm our view that concessionary loans would primarily support sites that are close to being commercially viable. However, they are unlikely to be effective in encouraging charging sites in areas with more challenging

economics, such as in remote or rural locations, and in holiday destinations. This could be addressed with a limited use of grants or suspensory loans<sup>1</sup>.

- 31 As well, the focus, scale, assessment criteria and terms of the concessionary loans will need to be refined over time to manage progress against the 10,000 public charge points target and to ensure it continues to deliver value-for-money. It is likely that loans will evolve to increasingly focus on addressing uncommercial sites that are critical to achieving a network with sufficient coverage across New Zealand. Refinements may also be needed to the criteria to ensure the loans support charging sites that meet user needs (e.g. ensuring the market is not flooded with one charger type such as slow AC or ultrafast DC charging).
- 32 Officials will monitor how the network is developing with concessionary loans and provide advice on refinements as necessary.

### **EECA would finalise the operational design elements**

- 33 To implement concessionary loans EECA would develop the loan scheme's operational design elements. This includes setting the minimum terms of operation, reporting requirements, the detail of the procurement process, finalising loan terms with successful applicants, and loan documentation. EECA would provide updates to you and the EV Taskforce as implementation progresses.

### **Financial implications**

- 34 The change from grants to concessionary loans requires a change to the existing appropriations. There is approximately \$67 million of funding remaining to be used to deliver concessionary loans for co-investment in public EV infrastructure.
- 35 Further discussions with Treasury have established that implementation could be achieved through MBIE investing the remaining funding into EECA. This would be subject to approval by EECA's Board. To make the investment, the remaining funding would be transferred to a new capital appropriation, which can be done through Cabinet approval early in 2025. EECA will manage the delivery of the loans and will need to cover the concessionary loan expenses (fair value write down and debt write off) either through its baseline, or using a portion of the existing funding, or a combination of the two.
- 36 Treasury advice is that this approach (changing from grants to loans) would likely be fiscally positive.
- 37 EECA would return the loan funding to the Crown once it has been repaid. This would enable the funding to be recycled into more public EV infrastructure if co-investment is still required at the time. Otherwise, it would be available for other initiatives. Cabinet would need to receive advice on the options and make the decision.

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<sup>1</sup> Loans with repayments suspended if certain conditions are met.

**Next steps**

- 38 Subject to your feedback on the proposals in this paper, we will prepare a draft paper seeking Cabinet’s agreement to the revised co-investment model. Our suggested timeline for Cabinet decisions and EECA’s first loan round is in the table below.
- 39 Treasury has suggested that it would be advisable for you to share the draft Cabinet paper with the Minister of Finance in advance of Ministerial consultation. This will give the Minister time to consider the fiscal implications and receive advice if requested.
- 40 The Supercharging EV Stakeholder Reference Group is due to meet on 3 December 2024. At this meeting we intend to update the Group on the key themes from the submissions. However, we could share more information if you have considered this paper prior to the meeting, and you are comfortable with us doing so.

| Date                | Milestone   |
|---------------------|---|
| 13 December 2024    | Draft Cabinet paper for your consideration                                |
| January 2025        | Revised draft Cabinet paper circulated for government agency consultation |
| Early February 2025 | Draft Cabinet paper finalised and sent to the Minister of Finance         |
| Mid February 2025   | Ministerial consultation completed  |
| Late February 2025  | Cabinet committee paper lodged with the Cabinet Office                    |
| Late February 2025  | Cabinet committee decisions   |
| Early March 2025    | Cabinet confirmation  |
| Late April 2025     | EECA’s first loan round open to applications                              |

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**ANNEX 1 – ASSESSMENT OF CONCESSIONARY LOANS AND ALTERNATIVES AGAINST OBJECTIVES**

|       |                   |                 |               |
|-------|-------------------|-----------------|---------------|
| Meets | Potentially meets | Partially meets | Does not meet |
|-------|-------------------|-----------------|---------------|

| Objectives/criteria                            | Investment approach  |   |  |   |
|--|--|---|--|---|
|  | Concessionary loans  | Electricity connection financing structure, with Crown underwrite s 9(2)(ba)(i)   | Joint venture with concessionary debt s 9(2)(ba)(i)  | NZ government procures 'Charging as a Service' s 9(2)(ba)(i)  |
| <b>Accelerate roll-out</b>                     | Provides capital to enable investment in infrastructure, while also reducing demand-risk for private sector. | Addresses legitimate issues, although has not been tested with charge point operators.  | Based on the UFB model. This could accelerate rollout, however, unlike in the UFB programme it would be more challenging to specify service requirements in advance. | Having one large charging operator (the Government) could accelerate rollout, however the government would need to play a significant role. |
| <b>Maximise private sector investment</b>      | Loan repayment terms set a minimum requirement for recycling of capital investment.                          | Could be more attractive to private capital. Ability to recycle capital dependent on the extent to which the underwrite is called upon. | Subject to terms and profitability, the Crown could potentially exit the JV to recycle capital.  | Crown capital locked into long term service contracts.  |
| <b>Technology- and market-neutral approach</b> | Market makes decisions about infrastructure.   | s 9(2)(ba)(i) would work with government to select sites if needed and would limit their role to financing.                             | No obvious issues.   | Government would identify charger locations, prices etc.  |
| <b>Simplicity / cost</b>                       | Relatively simple and well understood model.   | Complexities including in relation to site selection and mechanics of underwrite.   | Likely more complex and expensive to implement and operate than concessionary loans, but not necessarily insurmountable.   | Likely complex and expensive to implement and operate. Scale of programme would likely need to be significant to justify.                   |
| <b>Executability</b>                           | Ready to be implemented in the short-term.   | Further work to be done to confirm key elements of the model.   | Reasonable extent of work confirming the appropriate characteristics of the model, developing transaction documentation and implementing.                            | Significant issues to consider, including the idea of Government becoming a competitor to existing charge point operators.                  |

**Assessment objectives/criteria**

**Objective 1 (Accelerate Rollout):** Accelerate roll-out and invest ahead of demand and commercial provision by supporting sites that are close to being commercially viable but unlikely to proceed in the short- to medium-term without a degree of government assistance.

This objective considers the extent to which the option enables more EV chargers to be delivered, bringing New Zealand closer to the Government’s target of 10,000 charge points by 2030. This objective does not intend to support the ongoing subsidisation of charging sites experiencing low utilisation.

**Objective 2 (Maximise private sector investment):** Maximise private sector investment, with the default approach that any Crown capital is recycled over time to support further investment.

This objective considers the extent to which the option manages or balances risks in context of expected benefits to the Crown, i.e. consideration of the number of charge points delivered versus level of risk for Crown capital.

**Objective 3 (Technology- and market-neutral approach):** Take a technology- and market-neutral approach, given there will be changes to battery and charger technology over time, and potential changes to the market providers of charging infrastructure. For clarity, this objective relates to the approach used by government not influencing the business models or technologies (e.g. AC versus DC charging) utilised by EV charging businesses. The objective does not relate to market competition and so would not penalise an approach that could support a single business installing a large number of chargers.

**Feasibility criteria 1 (Simplicity/ cost):** The cost and complexity of setting up and administering the investment approach is reasonable for the level of investment and benefit achieved.

**Feasibility criteria 2 (Executability):** There is reasonable confidence that the proposed alternative model can be successfully implemented (i.e. contracts signed and funding committed) with industry within a reasonable time - including consideration of New Zealand precedent, the level of detail provided about the model and views on likelihood of market acceptance.

## Description of co-investment approaches

### **Concessionary loans**

The Crown providing zero percent interest loans for the installation of public EV charging infrastructure. A contestable application approach would be used, with minimum loan terms set and applicants able to propose more competitive terms.

### **Electricity connection financing structure, with Crown underwrite** s 9(2)(ba)(i)

The respondent proposes that Crown funds are used to underwrite a s 9(2)(ba)(i) loan product, designed to finance new electricity line connections. This would support the public EV charging rollout as line connections typically constitute a material part of the capex of public EV charging sites.

s 9(2)(ba)(i) becomes a party to the relevant connection agreement and pays 100 percent of the connection costs upfront with the EV charging company making repayments over a 10+ year period. s 9(2)(ba)(i) could aggregate these into a financial product and sell it down to international/private capital. The Crown would provide an underwrite for the first ~5 years (depending on a site and forecasted utilisation growth) such that if there was not sufficient utilisation at the charging station it would make the relevant principal and interest payments. Requirements or guardrails could be used to limit utilisation of the underwrite. s 9(2)(ba)(i) would work with the Crown to determine which sites or areas should prioritise to receive funding (or where to target the underwrite) to maximise effectiveness, address the first mover disadvantage, and ensure the necessary grid upgrades are implemented.

### **Joint venture with concessionary debt** s 9(2)(ba)(i)

Crown investing concessionary debt and equity in newly established joint ventures with a regional charging provider, selected through formal procurement. The entities are tasked to roll out and operate public EV charging infrastructure to contracted requirements. The Crown's equity and debt investments would be repaid over time from the income generated by the public EV charging network (equity buy-out would occur in advance of debt repayment).

### **Charging as a service to NZ government** s 9(2)(ba)(i)

A public-private partnership like approach with a private company providing 'Charging as a Service' to government. The private provider designs, finances, builds, and operates a national EV charging network, with government backed service contracts. The commercial structure involves an AssetCo (which holds operating assets and debt, including potential government investment) and TopCo (which delivers services).

It proposes several partnership approaches (equity partnership, debt partnership and revenue sharing).

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## ANNEX 2 – UPDATED MODELLING ON EXPECTED CHARGE POINT DELIVERY

s 9(2)(i)

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The estimates for 7-years are included as a reference only as they are unlikely to be achievable based on the information received from submitters.

The intention of this modelling is to indicate the impact of different loan terms. It does not actually forecast how many chargers will be installed. The modelling is based on all chargers being ultrafast DC chargers, which is currently the majority of what has been installed. The chargers installed on the network in the future are likely to be a mix of slow, cheap AC chargers and fast DC leading to a higher total number of chargers installed.

The modelling is also based on the funding being recycled once repaid. Reinvestment would only continue if there remained a net benefit from government co-investment and would be subject to consideration by Cabinet.

## ANNEX 3 – PROPOSED ASSESSMENT CRITERIA

| Criteria  | Measure   | Nature of information           | Priority/ weighting                                       |
|---|---|---------------------------------|---|
| <b>Alignment to investment objectives</b>   |   |                                 |   |
| Minimise value of Crown subsidy and maximise private investment   | Crown contribution (% of total portfolio). Lower Crown contribution will rank more highly.  | Quantitative                    | High  |
| Advancing commercial provision of chargers  | Time benefits related measure - how much will government support bring investment forward?  | Qualitative                     | High  |
|   | Charger capacity in area (i.e. is there need?). Measured on a basis of number of chargers or capacity per EV or registered vehicle, and indications of demand for additional charging.                  | Qualitative                     | Medium  |
| <b>Ability to deliver the desired outcomes efficiently</b>  |   |                                 |   |
| What is the cost per unit of what is delivered (charging capacity)?   | Charging capacity delivered (\$/kW).  | Quantitative                    | High  |
|   | Net Present Value (NPV) of Crown investment (i.e. value of concessionary loan over forecast loan term).   | Quantitative                    | High  |
| <b>Ability to deliver the desired outcomes effectively</b>  |   |                                 |   |
| Does the bidder have the right system and process in place to deliver effectively (including ability to repay lending)? | Demonstrated ability to deliver (track record of similar projects etc), and confidence financing terms will be met.   | Qualitative                     | Medium  |
| Does the proposal rely heavily on other inputs and assumptions (e.g. electricity grid connection)?                      | Certainty of site tenure, access to capital, electricity supply.  | Qualitative                     | Medium  |
| Quantifiable and unquantifiable wider benefits and impacts.   | Benefits beyond just increasing charger capacity (e.g. battery storage or demand flexibility solutions to reduce electricity connection requirements, improving community resilience or accessibility). | Likely to be mainly qualitative | Low   |
| <b>Ability to reduce barriers to effective and efficient delivery</b>   |   |                                 |   |
| Have the estimates/projections been sense checked against known investment?   | Are cost estimates reasonable?<br>Is the design/capacity appropriate for the proposal?  | Qualitative                     | Medium  |
| Is there ongoing monitoring and management of delivery in place to ensure successful delivery of the investment?        | Demonstrated plans for monitoring and management practices.   | Qualitative                     | Low (as requirements will also be set through contracts). |

**IN CONFIDENCE**

Office of the Minister of Transport  
Office of the Minister for Energy

Cabinet Expenditure and Regulatory Review Committee

**Improving the government co-investment in public electric vehicle charging infrastructure**

**Proposal**

- 1 This paper seeks Cabinet’s agreement to increase the value from the government co-investment in public electric vehicle (EV) charging infrastructure by moving from grants to concessionary loans.

**Relation to government priorities**

- 2 The Government is committed to meeting New Zealand’s 2050 net zero climate goal. Remaining on track to meet the 2050 target and achieving the first two emissions budgets is one of the nine Government Targets. The proposal in this paper will help meet this target.

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**Executive Summary**

- 3 Market feedback indicates that the challenging economics in providing public EV charging infrastructure continues to impede the development of an effective network. The key cause is the chicken and egg problem that the private sector will not provide charging infrastructure unless there is sufficient demand. However, demand for charging will not build until the uptake of EVs stops being impacted by a lack of charging infrastructure.
- 4 Currently this co-ordination problem is slowly being addressed through government co-investment provided via contestable grants. However, to achieve 10,000 public charge points by 2030, we need a co-investment approach that provides better value-for-money and encourages a faster roll-out.
- 5 To deliver this, we propose replacing the current grants with concessionary loans. Of the co-investment options, concessionary loans will be relatively quick to implement and are likely to achieve the objectives for public EV charging infrastructure with less complexity, cost and risk.
- 6 To give effect to the National-ACT Coalition Agreement we propose that cost benefit analysis be applied at the point loan applications are assessed. This will be done through assessment criteria that require successful applicants to have demonstrated that the benefits to New Zealand of their projects outweigh the costs.
- 7 To enable the expansion of the charging network to be informed by the successful Ultra-Fast Broadband initiative, the concessionary loans will be administered by the National Infrastructure Funding and Financing Limited (NIFFCo). This will shift the administration of the government co-investment in public EV charge points from the Energy Efficiency and Conservation Authority (EECA) to NIFFCo.

- 8 To resource the loans, we will seek decisions following the Budget 2025 moratorium for the remaining \$68.5 million of grant funding to be converted into capital funding. Decisions will also be sought on the transfer of EV Charging operating funding from EECA to NIFFCo. Beyond these decisions, further funding will be required to achieve the target of 10,000 charge points by 2030.
- 9 The change from grants to loans will be fiscally positive over time. The funding co-invested via concessionary loans will return to the Crown as the loans are paid back. The repaid capital could be recycled into new loans if Cabinet agrees there remains a need for government co-investment. Otherwise, it would be available for other initiatives.

## Background

- 10 The Coalition Government's priorities include the commitment to supercharge electric vehicle infrastructure with a comprehensive, nationwide network of 10,000 public EV chargers by 2030.
- 11 As at 31 December 2024, New Zealand has 1,378 public EV charge points<sup>1</sup>, which is around one for every 84 EVs (battery electric and plug-in hybrid). Although another 714 charge points are in the pipeline for installation, most comparable countries have one public charge point to fewer than 40 EVs.<sup>2</sup>
- 12 In 2024 EVs were 6.7 percent of light vehicle registrations and 2.6 percent of the total number of light vehicles in the fleet. Ministry of Transport modelling suggests that by 2030 the share of light EVs could be expected to be around 7.2–11.2 percent of the fleet.
- 13 Targeting a network of 10,000 public charge points by 2030 will bring New Zealand closer to the charge point density levels in comparable countries and provide New Zealanders greater confidence to switch to EVs. It is difficult to quantify the extent to which EV uptake will increase as the number of public charge points rises. However, New Zealand surveys of vehicle purchasing intentions and international analysis suggest that access to public EV charging is a key factor in enabling a faster uptake of EVs.
- 14 To achieve the 10,000 charge point target, on 15 April 2024, Cabinet agreed the *Supercharging EV Infrastructure* work programme [CAB-24-MIN-0123 refers]. The work programme includes updating the co-investment model and actions to reduce the regulatory barriers inhibiting a rapid rollout of charging infrastructure. Work on the latter includes the consultations that concluded in December 2024 to reduce and streamline network connection costs and processes. As well as work to ensure the installation of EV chargers is a permitted activity under the Resource Management Act 1991.

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<sup>1</sup> Charge points refer to how many vehicles can be charged simultaneously. A charger may have multiple charge points.

<sup>2</sup> The International Energy Agency's annual Global EV Outlook for 2024 shows Australia has approximately one charge point to every 68 EVs, while the United Kingdom has one to every 31 EVs and Germany has one to every 25 EVs. Currently, New Zealand has the highest proportion of fast DC chargers to slower but cheaper AC chargers globally. However, this partly reflects the priority placed on developing "journey charging" to support inter-regional travel. More AC chargers are expected to be installed as the focus expands to meeting public charging needs in cities and communities.

## To achieve our 10,000 target co-investment needs to deliver better value-for-money

- 15 The challenging economics in providing public EV charging infrastructure is a significant barrier impeding the development of a comprehensive charging network. The key cause is the chicken and egg problem that charging infrastructure will not be provided unless there is sufficient demand. However, demand for charging will not build until the uptake of EVs stops being impacted by a lack of charging.
- 16 Government can overcome this co-ordination problem by co-investing with the private sector. Co-investment transfers a share of the demand risk to government, making it more attractive for the private sector to invest ahead of demand.
- 17 Since 2016 government has co-invested through contestable grants. This approach was suitable when the market for public EV charging was being established. However, the market has developed significantly over the last eight years. EVs now make up over 2 percent of the light vehicle fleet and a range of charge point operators have entered the market.
- 18 We now need an approach that will accelerate the rollout and brings forward private investment in a way that delivers maximum value from public money. To achieve this, we propose the objectives for government co-investment in public EV charging infrastructure be:
  - 18.1 **Invest ahead of demand and commercial provision** by supporting sites that are close to being commercially viable but unlikely to proceed in the short- to medium-term without a degree of government assistance.
  - 18.2 **Maximise private sector investment**, with the default approach that any Crown capital is recycled over time to support further investment.
  - 18.3 **Take a technology- and market-neutral approach**, given there will be changes to battery and charger technology over time, and potential changes to the market providers of charging infrastructure.

## The market responded favourably to concessionary loans

- 19 On 4 October 2024 EECA released a Request for Information to test market views on what form of co-investment would best meet these objectives and whether there were preferable alternatives. Ten submissions were received and the key themes that were raised are as follows.
  - 19.1 Government co-investment needs to continue to overcome the challenging economics that impedes private sector investment in public EV charging infrastructure. At the same time, submitters consider regulatory interventions are needed to streamline network connection processes, reduce connection costs, and address resource consenting barriers.
  - 19.2 Submitters generally support the government co-investment being provided as concessionary loans as long as the loans have the following terms:
    - 19.2.1 a loan size that provides up to 50 percent of the upfront costs of establishing a proposed portfolio of sites
    - 19.2.2 a loan tenure of 10–15 years
    - 19.2.3 a zero interest rate

- 19.2.4 favourable repayment terms. The main options supported by submitters were either making a one-off payment at the end of the loan tenure, or commencing repayments after a significant grace period, or commencing repayments once a set utilisation or revenue metric had been met.
- 19.3 Given the high risk, some submitters also consider there needs to be loan reductions, or write-offs, if certain utilisation thresholds are not met by the end of the loan term.
- 19.4 Most submitters support loans being allocated through annual contestable application rounds with comparatively large amounts of funding, rather than multiple in year rounds with smaller amounts. This is because annual rounds would enable better planning and reduce application costs.
- 19.5 Concessionary loans would primarily support public EV charging sites that are likely to become commercially viable over the short to medium term. However, loans may reduce development in sites with challenging economics, such as in holiday destinations and rural or remote areas.
- 19.6 While most submitters supported concessionary loans, several alternative approaches were suggested. The main alternatives were joint ventures funded through Crown equity and debt investment, a market loan with a Crown funded under-write, and a contract for service type approach.

### **We propose replacing grants with concessionary loans**

- 20 On the basis of industry feedback and further analysis by officials, we propose replacing the current grants with concessionary loans. Compared to the alternative approaches suggested by submitters, concessionary loans are more likely to achieve the objectives for public EV charging infrastructure with less complexity, cost and risk. Loans would also be quicker to implement.
- 21 Concessionary loans will bring forward private investment in public EV charging infrastructure by lowering the cost of capital. They will also provide better value for money by enabling Crown capital to be recycled over time to support the delivery of more charge points, or other initiatives.
- 22 We also propose that the concessionary loans be established with the following terms.
- 22.1 **A maximum loan size of 50 percent of upfront capital costs** – with the Crown contribution limited to the amount required to make the relevant charge points commercially viable. Applications requesting smaller percentage contributions would be favoured over others. Following the first round of loan applications, the 50 percent maximum may be revised downwards if the bids are predominately for a loan of maximum size.
- 22.2 **Zero percent interest rate** – this is the key loan term to stimulate private sector investment. It will substantially lower the cost of capital for charge point operators and support the repayment of Crown capital as early as possible. Without it, the level of investment is unlikely to be sufficient to support the 10,000 charge point target.
- 22.3 **A maximum loan tenure of 13 years** – modelling of operators' financial information suggests this period is needed to ensure loans will be repaid.

However, to incentivise efficiency and value-for-money, the assessment criteria will favour loan applications requesting tenures shorter than 13 years.

- 22.4 **Repayment profile** – repayments would commence the sooner of either year 6 (i.e. 2031 for loans issued in 2025), or once an agreed utilisation threshold, or revenue metric is met (e.g. 12 percent average utilisation over the previous six months). This approach would provide a suitable sharing of risk, without lessening the incentives for businesses to develop near-commercial sites and to strive to make them commercial. As with the loan tenure, applicants would be expected to bid better repayment terms.
- 22.5 **Security** – security would be required for a loan unless an alternative risk mitigation is negotiated by the relevant applicant. This would allow a case-by-case approach to be taken recognising the different circumstances and risk profiles across operators.
- 22.6 **Minimum terms of operation** – accelerated repayment of the loan would be required if minimum terms of operation are not met. These would be set by NIFFCo and would include a maximum timeframe for public chargers to be installed, minimum operating period, and maintenance and performance standards.
- 22.7 **Reporting** – loan agreements would require reporting of actual costs and performance information. If reporting reveals lower upfront costs than previously anticipated, then earlier loan repayments would be required.

#### **Loans would be awarded through annual contestable co-investment rounds**

- 23 We propose loans be awarded through annual contestable co-investment rounds. This includes the potential for the first round to allocate all the remaining Crown funding for public EV charging infrastructure as a single round. Applications would be open to proposals to establish portfolios of public EV charging sites (i.e. multiple charging locations). This is the best way to support scaled-up development and to maximise competitive tension between providers. Such tension will help ensure public investment flows to the proposals delivering the best value-for-money.
- 24 The date of the annual rounds would be scheduled and announced well in advance to increase certainty about the availability of funding and assist with industry planning.

#### **Cost benefit analysis of funding decisions**

- 25 We propose that cost benefit analysis be applied at the point loan applications are assessed and that this be done using the value-for-money assessment criteria in the Annex. These criteria require a successful applicant to have demonstrated that the benefits to New Zealand of its project outweigh the costs. They also favour applications requesting low percentage Crown contributions, shorter loan tenures, and earlier repayments.
- 26 The measures and weighting of the criteria and any needed additional criteria will be finalised in the development of the procurement process.
- 27 The criteria, together with the competitive tension between applicants, will ensure public investment flows only to proposals of greatest net benefit. This assessment approach is a practical way to give effect to the National-ACT Coalition Agreement and Cabinet's decisions in April 2024 [CAB-24-MIN-0123 refers] that cost-benefit

analysis inform the design and scale of delivery to ensure the highest return from taxpayer funding.

- 28 Decisions on charger types and locations would be led by the market and would not form part of the assessment. However, there may be a need for some moderation of the top-ranking proposals as a package if the geographical spread would be sub-optimal or there were equity or competition concerns. The moderation would be done through negotiation with providers.

**The remaining grant funding will initially resource the loans but to achieve our 10,000 target additional funding will be required**

- 29 Approximately \$68.5 million remains in the appropriation for public EV charging infrastructure. Subject to Cabinet agreement to the proposals in this paper, we intend for concessionary loans to be implemented with this remaining funding.
- 30 However, further funding will be required to achieve our target of 10,000 charge points by 2030. The amount will depend on the proportionate split of AC versus DC chargers. AC chargers are substantially cheaper to provide and have a lower electricity demand, but are better suited to locations where a vehicle will be parked for a period of time as they charge at a slower rate.
- 31 In the European Union the public charging network is predominantly AC with less than 20 percent DC. Australia's network is around 25 percent DC. China with one of the world's greatest level of EV uptake has a network with around 45 percent DC.
- 32 Assuming 20 percent of additional charge points are DC, then estimates suggest that around s 9(2)(f)(iv) (in addition to the existing \$68 million) could be needed to achieve our 10,000 target. This amount could increase to about s 9(2)(f)(iv) if 50 percent of the additional charge points were DC. These estimates are indicative and make no allowance for the non-cash concessionary loan expenses (i.e. fair value write down and any bad debt write-offs).
- 33 We will discuss with the Minister of Finance when the best time to seek additional funding might be, and the options for its source. Ahead of any request, the first round of loans would be reviewed in terms of how well the financed projects meet the objectives in paragraph 18 and provide value for money.

**Delivering a network of 10,000 charge points will also require regular refinement of the co-investment model**

- 34 Along with further government capital to co-invest, the focus, scale, assessment criteria and terms of the concessionary loans will need to be refined over time to stay on track against the 10,000 public charge points target, and to ensure loans continue to deliver value-for-money.
- 35 We note submitters' caution that concessionary loans are unlikely to be effective in encouraging the development of charging infrastructure in areas with very challenging economics, such as in remote or rural locations, and in holiday destinations. We consider that this could be addressed with a limited use of grants or

suspensory loans. Officials will monitor how the market develops with concessionary loans. We will bring recommendations to Cabinet if refinements are required.

### **NIFFCo would administer the concessionary loans**

- 36 In December 2024 NIFFCo was formally established as part of the reforms to create a highly performing infrastructure system. As NIFFCo's commercial and financing expertise will be key to rapidly delivering a network of 10,000 public charge points, we propose NIFFCo administer the concessionary loans. NIFFCo is experienced in delivering large-scale network infrastructure, having successfully completed the Ultra-Fast Broadband initiative that rolled-out fibre-optic broadband access across New Zealand.
- 37 This proposal will shift the administration of the government co-investment in public EV charging from EECA to NIFFCo. With Cabinet's agreement, we will progress this shift by seeking the approval of NIFFCo's Shareholding Ministers (Infrastructure and Finance) for:
- 37.1 NIFFCo to take on the new function and for it to be able to enter into financial products and derivatives under sections 161 and 164 of the Crown Entities Act 2004
- 37.2 Ministers of Infrastructure, Finance and the Minister for Energy to send a joint letter to NIFFCo's Board requesting that NIFFCo assume the administrator role.
- 38 To prepare for the implementation of concessionary loans EECA has been working, with NIFFCo's involvement, on a Request for Proposal (RFP) to open the loans scheme to applications. To avoid losing momentum, we propose EECA release this RFP. NIFFCo would assume the administration function following this step. We have asked officials to develop a four to six month transition process for this change.

### **Financial Implications**

- 39 The change from grants to concessionary loans requires changes to appropriations for public EV charging infrastructure. We will bring recommendations for these changes to the Cabinet Expenditure and Regulatory Review Committee following the Budget 2025 moratorium. The changes will:
- 39.1 convert the remaining \$68.5 million grant funding into a capital injection via share capital into NIFFCo
- 39.2 transfer EV Charging operating funding from EECA to NIFFCo to cover the latter's administration costs. If this funding is insufficient, there may be the potential for a small share of the remaining grant funding to be used
- 39.3 note that the non-cash expenses associated with concessionary loans could potentially be met via an accounting adjustments to NIFFCo's balance sheet. These expenses are the Crown's forgone interest revenue (fair value write down expense) and the risk that some loans may not be repaid (bad debt write off expense).
- 40 NIFFCo would return the loan funding (less any bad debt) to the Crown once it is repaid by charge point operators. At the latest repayments would commence in 2031 for loans issued in 2025. Repayments could be recycled into more public EV infrastructure if co-investment is still required at the time or be available for other

initiatives. At the relevant time, Cabinet would receive advice on the options, including any fiscal implications, and make decisions.

- 41 Treasury advice is that this approach will be overall fiscally positive as changing a grant to a one-off concessionary loan will improve both the Operating Balance before Gains and Losses (OBEGAL) and could improve the net core Crown debt key fiscal indicator. The exact improvement will depend on the fair value write down and bad debt write-off expenses, and the amount of loan funding repaid.

### **Cost-of-living Implications**

- 42 This paper does not have any direct cost-of-living implications.

### **Legislative Implications**

- 43 There are no direct legislative implications from this paper.

### **Impact Analysis**

#### **Regulatory Impact Statement**

- 44 A Regulatory Impact Statement (RIS) has not been prepared for this paper as it does not involve introducing or changing legislation or regulation.

#### **Climate Implications of Policy Assessment**

- 45 The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that the CIPA requirements do not apply to this policy proposal, as the threshold for significance is not met. This is a fiscal proposal supporting the targeted network of 10,000 public EV charging points by 2030, a policy that is part of the second Emissions Reduction Plan (ERP2). This policy is projected to deliver 0.21 Mt CO<sub>2</sub>-e of emissions reductions across Emissions Budget 2 and Emissions Budget 3. This policy was included in the ERP2 CIPA evaluation.

#### **Population Implications**

- 46 Implications for specific population groups are limited. However, the benefits of these proposals may accrue disproportionately to New Zealanders on higher incomes as they are more likely to own EVs.

#### **Human Rights**

- 47 This paper does not have implications for human rights.

#### **Use of external resources**

- 48 KPMG were contracted to provide financial analysis and modelling.

#### **Consultation**

- 49 The following departments and agencies have been consulted: Treasury, the Ministry of Business, Innovation and Employment, the Energy Efficiency and Conservation Authority, National Infrastructure Funding and Financing Limited, the Ministry for the Environment, the Ministry for Primary Industries, the Electricity Authority and the

Commerce Commission. The Department of the Prime Minister and Cabinet has been informed.

## Communications

- 50 We intend to issue a media release announcing the Government's decisions to improve co-investment in EV charging infrastructure. This will be supported by information on the websites of NIFFCo and EECA.

## Proactive Release

- 51 We intend to proactively release this Cabinet paper within 30 business days of confirmation of Cabinet's decisions.

## Recommendations

The Minister of Transport and Minister for Energy recommend that the Committee:

- 1 **note** that co-investment in public EV charging infrastructure currently occurs through grants and this approach requires updating to align it with the current stage of market development, better accelerate the rollout of charging infrastructure, and improve value for money
- 2 **agree** the following objectives for government co-investment in public EV charging infrastructure:
  - 2.1 *Invest ahead of demand and commercial provision* by supporting sites that are close to being commercially viable but unlikely to proceed in the short- to medium-term without a degree of government assistance
  - 2.2 *Maximise private sector investment*, with the default approach that any Crown capital is recycled over time to support further investment
  - 2.3 *Take a technology- and market-neutral approach*, given there will be changes to battery and charger technology over time, and potential changes to the market providers of charging infrastructure
- 3 **agree** to move from grants to providing concessionary loans to co-invest in public EV charging infrastructure to achieve the objectives in recommendation 2 in a way that quickens delivery and improves value-for-money
- 4 **agree** the following terms of the concessionary loans:
  - 4.1 a maximum loan size of 50 percent of the upfront capital costs of establishing a portfolio of charging sites, with the Crown contribution limited to the amount required to make the relevant charge points commercially viable
  - 4.2 a maximum loan tenure of 13 years
  - 4.3 a zero interest rate
  - 4.4 repayments commence once an agreed utilisation rate or revenue metric is met, or in year 6 (i.e. 2031 for loans issued in 2025), whichever is the sooner
  - 4.5 a security is provided for the loan unless an alternative risk mitigation is negotiated with the relevant applicant

- 4.6 earlier loan repayments are required where:
- 4.6.1 the minimum terms of operation (e.g. the maximum timeframe for new public sites to become operational) and reporting requirements are not met
  - 4.6.2 reporting of actual upfront establishment costs reveals lower costs than originally projected
- 5 **agree** that the concessionary loans be awarded through annual contestable rounds
- 6 **agree** that cost benefit analysis be applied at the point loan applications are assessed and that this be done using the value-for-money assessment criteria in the Annex
- 7 **agree** that the concessionary loans be administered by National Infrastructure Funding and Financing Limited (NIFFCo) enabling the delivery of our 10,000 target to be informed by the successful Ultra-Fast Broadband initiative
- 8 **agree** that to avoid losing momentum as the administration of the government co-investment shifts from the Energy Efficiency and Conservation Authority (EECA) to NIFFCo, that EECA release the Request for Proposal that opens the loan scheme to applications

#### *Financial implications*

- 9 **note** that there is \$68.478 million of funding appropriated for co-investment in public EV charging infrastructure through grants and that appropriation changes are needed to implement concessionary loans with this remaining funding
- 10 **note** that decisions on the appropriation changes will be sought following the Budget 2025 moratorium and these will include recommendations to transfer EV Charging operating funding from EECA to NIFFCo and any other transitional matters
- 11 **agree** that Cabinet will consider whether the capital funding provided for the public EV charging concessionary loan scheme, should be recycled into further loans, or be withdrawn from NIFFCo once the borrowers start repaying loans
- 12 **note** that further funding will be needed to achieve the target of 10,000 charge points by 2030 and the Minister for Energy intends to discuss with the Minister of Finance when the best time to seek the additional funding might be, and the options for its source

#### *Communications*

- 13 **note** that the Ministers of Transport and for Energy will issue a media release following Cabinet's approval of the recommendations in this paper.

[Authorised for lodgement]

Hon Chris Bishop  
**Minister of Transport**

Hon Simon Watts  
**Minister for Energy**

**Annex – Proposed value-for-money assessment criteria**

| <b>Criteria</b>  | <b>Indicative measures</b>  | <b>Priority/<br/>weighting</b>                            |
|--|---|---|
| Minimise value of Crown subsidy and maximise private investment  | Crown contribution (% of total project cost proposed as loan).  | High  |
| Advancing commercial provision of chargers   | Number of charge points to be installed and pace of installation  | High  |
|  | Time benefits related measure - how much will government support bring investment forward?  | High  |
| What is the cost per unit of what is delivered (charging capacity)?  | Total charging capacity proposed to be delivered (\$/kW) and/or average cost per charge point.  | High  |
|  | Value of the loan concessions over forecast loan term (eg net present value (NPV) of Crown investment)).  | High  |
| Does the bidder have the right system and process in place to deliver effectively (including ability to repay lending)?                                    | Demonstrated ability to deliver (eg track record of similar projects)<br>Confidence financing terms will be met.  | Medium  |
| Does the proposal rely heavily on other inputs and assumptions and have these and any estimates/ projections been sense checked against known investments? | Demonstrated access to capital.<br><br>The location of chargers is appropriate (eg electricity can be accessed and the site is likely to become commercially viable).                                   | Medium  |
| Quantifiable and unquantifiable wider benefits and impacts.  | Benefits beyond just increasing charger capacity (e.g. battery storage or demand flexibility solutions to reduce electricity connection requirements, improving community resilience or accessibility). | Low   |
| Is there ongoing monitoring and management of delivery in place to ensure successful delivery of the investment?   | Demonstrated plans for monitoring and management practices.   | Low (as requirements will also be set through contracts). |



# Cabinet Expenditure and Regulatory Review Committee

## Minute of Decision

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*This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.*

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### Improving the Government Co-investment in Public Electric Vehicle Charging Infrastructure

**Portfolios**                      **Transport / Energy**

On 8 April 2025, the Cabinet Expenditure and Regulatory Review Committee **referred** the submission under EXP-25-MIN-0041 to Cabinet on 14 April 2025 for further consideration.

Sam Moffett  
Committee Secretary

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**Present:**

Hon David Seymour (Chair)  
Hon Nicola Willis  
Hon Chris Bishop  
Hon Shane Jones  
Hon Brooke van Velden  
Hon Erica Stanford  
Hon Paul Goldsmith  
Hon Louise Upston  
Hon Mark Mitchell  
Hon Casey Costello  
Hon Simon Watts  
Hon Andrew Hoggard  
Hon Chris Penk  
Hon Mark Patterson

**Officials present from:**

Office of the Prime Minister  
Officials Committee for EXP

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# Cabinet

## Minute of Decision

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### Improving the Government Co-investment in Public Electric Vehicle Charging Infrastructure

**Portfolios**                      **Transport / Energy**

On 14 April 2025, following reference from the Cabinet Expenditure and Regulatory Review Committee, Cabinet:

- 1        **noted** that co-investment in public electric vehicle (EV) charging infrastructure currently occurs through grants, and that this approach requires updating to align it with the current stage of market development, better accelerate the rollout of charging infrastructure, and improve value for money;
- 2        **agreed** to the following objectives for government co-investment in public EV charging infrastructure:
  - 2.1      invest ahead of demand and commercial provision by supporting sites that are close to being commercially viable but unlikely to proceed in the short- to medium-term without a degree of government assistance;
  - 2.2      maximise private sector investment, with the default approach that any Crown capital is recycled over time to support further investment;
  - 2.3      take a technology- and market-neutral approach, given there will be changes to battery and charger technology over time, and potential changes to the market providers of charging infrastructure;
- 3        **agreed** to move from grants to providing concessionary loans to co-invest in public EV charging infrastructure to achieve the objectives in paragraph 2 above in a way that accelerates delivery and improves value-for-money;
- 4        **agreed** to the following terms of the concessionary loans:
  - 4.1      a maximum loan size of 50 percent of the upfront capital costs of establishing a portfolio of charging sites, with the Crown contribution limited to the amount required to make the relevant charge points commercially viable;
  - 4.2      a maximum loan tenure of 13 years;
  - 4.3      a zero interest rate;
  - 4.4      repayments commence once an agreed utilisation rate or revenue metric is met, or in year 6 (i.e. 2031 for loans issued in 2025), whichever is the sooner;

- 4.5 a security is provided for the loan unless an alternative risk mitigation is negotiated with the relevant applicant;
- 4.6 earlier loan repayments are required where:
- 4.6.1 the minimum terms of operation (e.g. the maximum timeframe for new public sites to become operational) and reporting requirements are not met;
  - 4.6.2 reporting of actual upfront establishment costs reveals lower costs than originally projected;
- 5 **agreed** that the concessionary loans be awarded through annual contestable rounds;
- 6 **agreed** that cost benefit analysis be applied at the point loan applications are assessed, and that this be done using the value-for-money assessment criteria in the Annex to the paper under CAB-25-SUB-0121;
- 7 **agreed** that the concessionary loans be administered by National Infrastructure Funding and Financing Limited (NIFFCo), enabling the delivery of the Government's 10,000 target to be informed by the successful Ultra-Fast Broadband initiative;
- 8 **agreed** that to avoid losing momentum as the administration of the government co-investment shifts from the Energy Efficiency and Conservation Authority (EECA) to NIFFCo, EECA release the Request for Proposal that opens the loan scheme to applications;
- 9 **agreed** that the Ministry of Transport will review the scheme after two years, examining value for money and cost-effectiveness for the reduction of transport emissions;

### Financial implications

- 10 **noted** that there is \$68.478 million of funding appropriated for co-investment in public EV charging infrastructure through grants and that appropriation changes are needed to implement concessionary loans with this remaining funding;
- 11 **noted** that decisions on the appropriation changes will be sought following the Budget 2025 moratorium, and that these will include recommendations to transfer EV charging operating funding from EECA to NIFFCo and any other transitional matters;
- 12 **agreed** that Cabinet will consider whether the capital funding provided for the public EV charging concessionary loan scheme should be recycled into further loans, or be withdrawn from NIFFCo once the borrowers start repaying loans;
- 13 **noted** that further funding will be needed to achieve the target of 10,000 charge points by 2030, and that the Minister for Energy intends to discuss with the Minister of Finance when the best time to seek the additional funding might be, and the options for its source;

### Communications

- 14 **noted** that the Minister of Transport and Minister for Energy will issue a media release following Cabinet's decisions.

Rachel Hayward  
Secretary of the Cabinet



4 June 2024

OC240520

**Hon Simeon Brown**  
**Minister of Transport**

**Action required by:**  
Wednesday, 12 June 2024

## OPTIONS FOR ELECTRIC VEHICLE CHARGING CO-INVESTMENT MODEL

### Purpose

To seek your feedback on the preferred model for government co-investment in electric vehicle (EV) charging infrastructure.

### Key points

- We have investigated different models for government co-investment into an EV charging network, including looking at overseas examples and undertaking initial engagement with charge point operators (CPOs).
- We are seeking your feedback on options for the procurement approach, financing model and value-for-money criteria.
- Decisions you make on these options need to link to your investment objectives – that is, the extent to which you want to support the market to deliver near-commercial sites faster, vs. targeting government investment to less commercial areas.
- With limited government investment, you can prioritise speed of rollout and repayment of Crown investment, or investing in a network that is less likely to be provided in the near-term, but not both.
- Subject to your decisions, we will report back with a refined co-investment model by 3 July 2024. This will include procurement and value-for-money criteria to support effective cost-benefit assessment.

### Recommendations

We recommend you:

*Objectives for the co-investment model:*

- 1 **note** we consider charging sites to fall within three broad categories – near-term commercially viable, medium-term commercially viable, and uncommercial.

- 2 **note** that prioritising each category would have different implications for the pace of the rollout, speed of repayment of Crown investment, and spread of the network.
- 3 **provide feedback** on the balance you wish to strike between co-investment in these three categories of sites:
  - a) near-term commercially viable sites (fastest rollout, fastest repayment of Crown investment, spread of the network entirely market-led).
  - b) medium-term commercially viable sites (rollout and repayment will take longer than 3a, but greater network spread).
  - c) uncommercial sites (slowest rollout, unlikely to repay Crown investment, able to target a more comprehensive spread of network).

*Procurement approach:*

- 4 *Either:*

**agree** that the co-investment model use a single large tender. Yes / No

OR

**agree** that the co-investment model use closed bidding or contracting rounds (officials' preferred approach). Yes / No

OR

**agree** that the co-investment model use an open access ("always on") funding model where charge point operators can apply at any time (charge point operators' preferred approach). Yes / No
- 5 **provide feedback** on the extent to which the government should direct the market in terms of charger types and locations (noting that this ties in with choices you make in Recommendation 3 above).

*Financing model:*

- 6 **agree** that the preferred co-investment approach should primarily use concessional loans. Yes / No
- 7 **indicate** if you are prepared to consider grant funding or suspensory loans (i.e. where repayments are suspended) in situations where sites are otherwise non-viable. Yes / No

*Cost-benefit assessment:*

- 8 **note** we will progress work on assessment criteria and minimum specifications, and more detail will be provided in our next advice.
- 9 **provide any early feedback** on the assessment criteria and minimum specifications outlined.

Next steps:

- 10 **note**, following your feedback, we will prepare advice seeking your agreement to a preferred co-investment model (due to you on 3 July 2024).
- 11 **agree** that officials continue to engage with charge point operators in developing the detailed design of the preferred co-investment model. Yes / No
- 12 **forward** this briefing to Parliamentary Undersecretary Simon Court MP. Yes / No

*Siobhan Routledge*

Siobhan Routledge  
**Acting Deputy Chief Executive, Policy**  
 04 / 06 / 2024

Hon Simeon Brown  
**Minister of Transport**  
 ..... / ..... / .....

- Minister's office to complete:**
- Approved  Declined
  - Seen by Minister  Not seen by Minister
  - Overtaken by events

**Comments**

**Contacts**

| Name   | Telephone | First contact |
|--|-----------|---------------|
| Siobhan Routledge, Acting Deputy Chief Executive, Policy | s 9(2)(a) |               |
| Chris Nees, Director, Sector Strategy                    |           | ✓             |
| Nick Paterson, Manager, Environment                      |           |               |
| Emma Wardle, Senior Adviser, Environment                 |           |               |

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## OPTIONS FOR ELECTRIC VEHICLE CHARGING CO-INVESTMENT MODEL

### There are currently multiple market failures facing the EV charging market

- 1 The public EV charging business model faces challenges while EV numbers are low, and there is not high enough utilisation for charge points. This creates a ‘chicken and egg’ problem where charging infrastructure will not be provided unless there is sufficient demand, and EV uptake will be impacted by the availability of charge points.
- 2 Beyond demand/utilisation risk, additional barriers to private investment in charging infrastructure in New Zealand include the costs and processes to connect to electricity networks, and potentially to gain resource consents.
- 3 The *Supercharging EV Infrastructure* work programme includes several workstreams to address these market failures:

| Barrier  | Role of government   | Current status  |
|--|--|---|
| <b>Costs and processes to connect to electricity networks</b> and ‘first mover disadvantage’ (cited by charge point operators (CPOs) as the key barrier limiting the speed of charger rollout).  | <ul style="list-style-type: none"> <li>• The Electricity Authority (EA) is responsible for addressing this issue.</li> <li>• This work will be reported on under the <i>Electrify NZ</i> work programme. However, the <i>Supercharging EV Infrastructure</i> Taskforce is monitoring the progress of the EA’s workstreams.</li> </ul>  | <p>With respect to connection costs, the EA will consult on a draft Code amendment, (expected October 2024) then, subject to the outcome of consultation, will amend the Code in 2025.</p> <p>The EA has also convened an industry working group on standardising connection processes.</p> |
| <b>Consenting timeframes and processes.</b>  | <ul style="list-style-type: none"> <li>• The role of government here is to address any regulatory barriers.</li> </ul>   | <p>These issues will be addressed through Resource Management (RM) Reform work/<i>Electrify NZ</i>. RM Reform Ministers are set to receive advice on timing and content for a package of national direction changes (including EV charging) in coming weeks.</p>                            |
| <b>Demand/utilisation risks:</b> <ul style="list-style-type: none"> <li>• <b>Demand risk</b> – commercial viability is subject to EV uptake and charger utilisation.</li> <li>• <b>Location risk</b> –the ‘right’ point in the network to locate charge points.</li> <li>• <b>Technology risk</b> – what capacity and standards should be provided, and risks of technology obsolescence.</li> </ul> | <ul style="list-style-type: none"> <li>• <b>Demand risk:</b> Government is well placed to take on this risk to overcome the ‘chicken and egg’ market failure.</li> <li>• <b>Location risk:</b> Government is not well placed to pick specific locations that are commercially viable. However, it does hold data on EV uptake, traffic flows, and the status of the charging network.</li> <li>• <b>Technology risk:</b> Government is not well placed to ‘choose’ a preferred technology and this will emerge from the market. Any government intervention should be ‘technology neutral’.</li> </ul> | <p>Government co-investment provides a way for the government to take on some demand risk to accelerate charger rollout.</p> <p>This briefing provides options for the updated co-investment model and the way in which these demand risks could be addressed.</p>                          |

*Status of the EV charging network*

- 4 New Zealand has a good base network of journey chargers across the country, including at least one fast charger every 75km across over 97% of the State highway network (expected to increase to around 99% in coming months).
- 5 The focus for government investment is currently on supporting scaled-up charging provision, building depth and density into the ultrafast journey charging network, and improving provision of destination chargers at locations where people spend longer amounts of time (e.g. shops, community facilities).
- 6 \$95 million of funding for government co-investment in public charging infrastructure was allocated through Budget 2023. Of this, \$12.6 million has been contracted to projects and an additional \$15 million is expected to be committed through the recent urban infill charging round. This leaves approximately \$67 million remaining in the appropriation.
- 7 More detail on the status of the EV charging network is provided in Annex 1.

**Government co-investment is one tool to manage demand risk and support private investment in charging infrastructure**

*Your objectives for the co-investment model*

- 8 You have confirmed the following objectives for any government co-investment in the EV charging network:
  - **Invest ahead of demand** and commercial provision by targeting areas where the market is not expected to provide chargers (at least in the short-term).
  - **Maximise private sector investment**, with the default approach that any Crown capital is recycled over time to support further investment.
  - **Take a technology- and market-neutral approach**, given there will be changes to battery and charger technology over time, and potential changes to the market providers of charging infrastructure.
- 9 As we have developed our advice, we have noted that charging sites can fall into three broad categories (set out in the table below), with different implications for your objectives above. We seek your feedback on the balance you want to strike between government co-investment in these three categories.

| Site category  | Trade-offs  |
|--|---|
| <p><b>Near-term commercially viable sites</b> – sites with characteristics of demand and cost which mean they are commercially viable without government assistance (which we can expect the private sector to deliver of their own accord). However, government assistance could accelerate the delivery of more sites.</p> | <p>Delivers fastest pace of rollout and greatest certainty of achieving 10,000 chargers.</p> <p>Highest certainty of repayment. However, focusing co-investment on near-term commercially viable sites may counteract your objective of investing where the market is not expected to provide in the near-term.</p> <p>Feasible period of repayment may be in the range of 3-5 years (noting further analysis is required on repayment timeframes).</p> |

|  |   |
|--|---|
|  | <p>Market determines spread of chargers and charger types (will not necessarily deliver to under-served areas).</p> <p>We note that work to reduce regulatory barriers is expected to play a role in accelerating delivery of near-term commercially viable sites, irrespective of government co-investment.</p>  |
| <p><b>Medium-term commercially viable sites</b> – sites with characteristics of demand and cost which mean they are close to being commercially viable but are unlikely to proceed in the short- to medium-term without a degree of government assistance.</p> | <p>Moderate speed of rollout and repayment.</p> <p>Feasible period of repayment may be in the range of 5-15 years (noting further analysis is required on repayment timeframes).</p> <p>Able to influence spread of network by bringing forward investment in sites.</p> <p>We note that work to reduce regulatory barriers is expected to play a role in accelerating delivery of medium-term commercially viable sites, irrespective of government co-investment.</p> |
| <p><b>Uncommercial sites</b> – sites with characteristics of demand and cost which mean they are not commercially viable and will not proceed in the short- to medium-term without material government assistance (but may be economic in the long-term).</p>  | <p>Rollout is slowest, and capital may not be repaid in full which may counteract your objective to maximise private sector investment and recycle Crown capital.</p> <p>Able to focus on under-served areas that are important for the network.</p>  |

- 10 We note, as the rollout scales up, we plan to increasingly look at investing in ‘portfolios’ of sites proposed by a CPO, as opposed to investing in individual sites. A portfolio approach is suited to a faster pace of rollout and enables CPOs to compensate for some of the demand risk of uncommercial sites with their more commercially viable sites.

*Principles for the co-investment model options*

- 11 We have developed the following key principles that complement your stated objectives for the co-investment model:
- **Take appropriate account of barriers** – the model should take account of barriers to gaining network connections and the parallel regulatory processes underway. However, as these should be solved over time, the model should not be solely dictated by these barriers.
  - **Simple** – complex procurement approaches and contracting terms may lead to an inefficient rollout, high administration costs, and increased risks of non-repayment of Crown capital.
  - **Market-led** – the charging network must be commercially operated and viable over the long-term and the market has more information than government on many aspects of charger rollout. Therefore, the market needs to guide the specific location and charging services provided.
  - **Value-for-money and competitive** – any approach should optimise competitive tension to ensure maximum value from government investment.

- **Take a long-term view of the market** – we need to consider any long-term implications that the design of the co-investment model may have on the market, for example avoiding approaches that may create excessive market concentration and a lack of competition in the long-term.

12 An assessment of the below options against the objectives and principles is provided in Annex 2.

## We have considered a range of design choices and their implications

### *Which market participants should government co-investment target?*

- 13 Given the different market failures discussed above, we have considered how government co-investment could be targeted towards different market participants (such as CPOs and Electricity Distribution Businesses (EDBs)) to speed the rollout of charging infrastructure.
- 14 Our view is that CPOs should remain the funding recipient as they are the providers of charging infrastructure and co-investment most closely targets the ‘demand risk’. Funding other participants could be more complex, and less certain to achieve your objectives of speeding the rollout of charging infrastructure.

### *Procurement approach*

#### *How should proposals be invited and contracted?*

- 15 There is a range of options for seeking proposals. One key decision is whether to use a single large tender, repeated closed bidding rounds, or to use an “always on” model.

| Options   | Analysis  |
|---|---|
| <p><b>Single large tender:</b></p> <p>The government issues a tender for the delivery of a large number of chargers through to 2030 to deliver on the 10,000 target (to one or multiple providers).</p> | <p>Could provide greater certainty of delivering the 10,000 charge point target.</p> <p>Provides certainty of direction for the government, public and CPOs.</p> <p>Enables bids to be compared against one another to ensure most competitive bids are selected.</p> <p>Requires significant upfront capital availability and clear government direction on the shape of the network over the medium- to long-term.</p> <p>Likely to exclude new entrants from joining the market at a later point, and (depending on design) could lead to high market concentration over the longer-term.</p> <p>Does not provide flexibility to phase the procurement of chargers as our knowledge of EV uptake, charger demand and technology development evolves.</p> |
| <p><b>Closed bidding or contracting rounds:</b></p> <p>Regular funding rounds seeking bids for a portfolio of charging</p>  | <p>Enables bids to be compared against one another to ensure most competitive bids are selected.</p> <p>Can provide some certainty for CPOs around timing and scope of future rounds to factor into their network planning.</p> <p>Allows for a flexible procurement approach where criteria (e.g. for location or charger type) can be adjusted between rounds.</p>  |

|  |  |
|--|--|
| points, with a cap on maximum Crown contribution.                                    | <p>Frequency of investment rounds and scale of funding allocated could range from multiple rounds a year, through to every 2-3 years with longer-term agreements to deliver multiple sites.</p> <p>The frequency and design of rounds will dictate the administration costs for government, bidding costs for CPOs, forward planning for CPOs, and the accessibility of funding for new entrants.</p>                              |
| <p><b>Open access:</b><br/>“Always on” funding where CPOs can apply at any time.</p> | <p>Generally preferred by CPOs as provides greatest certainty of upcoming funding availability and criteria and enables new entrants access at any time.</p> <p>Provides less competitive tension than in contestable rounds, which is a challenge to value-for-money. This approach also relies heavily on the criteria developed to determine eligible applications and provides less flexibility to adjust these over time.</p> |

16 Our view is that the competitive tension enabled by closed bidding or contracting rounds is necessary to maximise value from government investment. Regular bidding rounds would also provide valuable flexibility to evolve the procurement approach over time.

*To what extent should the government direct the market on location and charger type?*

17 Another key decision for the procurement approach is the extent to which it directs locations and charger types.

| Options   | Analysis   |
|---|--|
| Entirely market-led.                                      | <p>Recognises the market is likely to be best placed to pick charger types and locations, leading to a likely faster rollout (in terms of charge point numbers) and faster recycling of Crown capital.</p> <p>Likely to lead to gaps in the network where less-commercial sites are not provided (at least in the near-term).</p>  |
| Some government specification of areas or charging types. | <p>Able to target funding as appropriate to close important gaps in the network. However, this would be expected to lead to a slower rollout (in terms of charge point numbers and recycling of Crown capital).</p> <p>Some specification of charger types and locations could allow closer comparisons to be made between applications, increasing competitive tensions.</p> <p>There is a range of options available for how some specification of location and charger type could be built into the procurement approach. Examples include:</p> <ul style="list-style-type: none"> <li>• Most rounds could be open and market-led, but targeted rounds could be run as needed to address obvious gaps forming in the market.</li> <li>• Broad areas or regions could be specified as given greater weighting in assessment, but the market has the ability to select and justify sites and charger types within those areas.</li> </ul> |

18 We note that this decision links with the question in paragraph 7 on the balance you want to strike between focusing government investment on near-term commercially viable sites, medium-term commercially viable sites and uncommercial sites.

**Financing model**

- 19 A key design choice is the form of funding used to co-invest with the private sector. There are a number of options open to the Crown, including grant funding, concessional loans, equity investment or a blend of options.

| Options   | Analysis   |
|---|--|
| <p>Concessional financing/loans (including a range of options for how loans and repayment may be structured).</p> | <p>Variations of a loan-based model have been the main options we have considered as a mechanism to recycle Crown capital.</p> <p>The ability of a loan-based model to deliver on your objectives will depend on the detail of the contractual terms, including:</p> <ul style="list-style-type: none"> <li>• the level of concession (our initial view is that a zero coupon loan will be most appropriate).</li> <li>• consideration for when loans will start to be repaid and the rate of repayment (e.g. on a set schedule/gradual ramp; based on a defined demand point such as charge point revenues/utilisation/profitability; paid in full at maturity) noting that different sites are likely to have different feasible repayment timeframes, including some where it may not be feasible to ever repay a loan.</li> </ul> <p>Other matters will need to be considered including the nature of any security the Crown can realistically obtain to secure loans and the priority of that security in relation to other debt, noting this will be heavily dependent on the existing debt arrangements of individual participating CPOs.</p> <p>Some CPOs have also indicated that even with zero-interest loans, it may not be sufficient to make a site attractive for private investment. The impact of concessional loans is also likely to vary across CPOs, depending on their business model and business structure.</p> <p>Further work will be required to test the feasibility of using concessional loans to meet policy objectives – including the likely parameters for such loans (e.g. what tenor of loans will be required to make the option viable for CPOs) and accordingly what reasonable assumptions can be made around the speed at which Crown capital will be recycled. We note that even for medium-term commercially viable sites, feasible repayment timeframes for loans may be upwards of 5 or 10 years.</p> |
| <p>Equity investment</p>  | <p>Under an equity investment model, the government would own shares in a company which would be bought out over time (similar to the ultrafast broadband model).</p> <p>Some CPOs have indicated that, in their view, it may be possible to recycle Crown capital more quickly under an equity investment model.</p> <p>The use of an equity solution is likely to be overly complex given the corporate structures of potential counterparties (some of which include multinational entities), the potential number of counterparties and the anticipated levels of co-investment with individual counterparties. However, it may be more suitable if considering a single large tender.</p>   |
| <p>Grants</p>   | <p>Grants are the status quo under the current funding model and are the dominant approach to funding EV charging infrastructure internationally.</p> <p>However, the use of grant funding (at least when used on its own) is inconsistent with your objective to recycle Crown capital to support further investment over time.</p>   |

|  |   |
|--|---|
|  | <p>Grants or suspensory loans (where payments are suspended) may have more of a role to play if you want to place more focus on addressing under-served parts of the charging network.</p> <p>There is also potential to use grant funding in combination with loan financing for different elements of a project, or for different projects within a portfolio of sites.</p> |
|--|---|

- 20 Our current view is that the use of concessional loans is likely to be the preferred financing model for future co-investment rounds. However, grant funding or suspensory loans may be appropriate in some cases, depending on the extent you want to target uncommercial sites.

**Cost-benefit assessment**

- 21 Criteria for assessing proposals are needed to ensure value for money and provide a cost-benefit analysis framework<sup>1</sup> to guide investment decisions.
- 22 The criteria will need to reflect your choices on the procurement approach (above), but we are seeking your comfort with the direction of the following:

*Quantitative factors*

- **The speed of repayment of the government investment.** Comparing the net present value of the loan repayment (per charging point) would incentivise faster capital repayment.
- **The total Crown contribution sought** (per charge point or kW of charging provided). This allows a comparison of charging points delivered per dollar invested, noting that there will be variation across locations and charging types.
- **The impact on charging capacity in the area** (e.g. number of chargers or kW of charging per EV or registered vehicle in the area, and number of chargers or kW of charging per average daily traffic counts). This allows government to consider the extent to which a proposal supports a well served or under-served area.
- **Project value** – criteria considering the proposed total project cost such as cost per charger or kW, electricity connection cost and speed of delivery.

*Qualitative factors*

- **Ability to implement** – criteria related to certainty of site tenure, access to capital, electricity supply etc.

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<sup>1</sup> Under the National-ACT Coalition Agreement, “National’s commitment to supercharge electric vehicle infrastructure with a comprehensive, nationwide network of 10,000 public EV chargers by 2030 will specifically take into account ACT’s concern that there be robust cost benefit analysis to ensure maximum benefit for government investment”. On 15 April 2024, Cabinet “noted that a cost benefit analysis framework will be developed in consultation with the Minister for Regulation, and the intention is that this framework will be used as a regular tool to inform decisions on government investment in public EV charging infrastructure” [CAB-24-MIN-0123 refers].

- **Ability of the project to meet needs** – criteria relating to ensuring appropriate charger capacity, safety and accessibility to a range of people.
- **Additionality** of how much the project has been brought forward by government co-investment.

23 These criteria could be given different weightings over time to provide additional support for charger types and locations that are identified as being under-served by private investment.

#### *Minimum standards*

24 We intend to set minimum specifications for charging projects, to support the development of a high-quality and consistent charging network. We expect these specifications may include:

- A timeframe within which chargers must be installed and operational (e.g. 12 months).
- Projects must meet the definition of a ‘public charger’ (i.e. available to any member of the public, 24 hours a day, seven days a week).
- Power output must be appropriate for the location/application of the charger. However, operators would be able to provide a mix of charging speeds or justify why their solution works.
- Charger reliability – chargers must comply with WorkSafe guidance and Standards New Zealand’s Publicly Available Specifications (PAS) on EV charging.
- Chargers must be available for use for a minimum period, and are well maintained, meeting minimum availability requirements (e.g. in working order 98% of the time, including scheduled maintenance activity).
- Chargers must be registered on EV Roam (the Government’s EV charger database managed by the New Zealand Transport Authority (NZTA)) and provide real-time availability data.
- Appropriate contractual and security arrangements to secure Crown capital and the delivery of policy objectives in situations such as the sale of charging stations or if an operator becomes insolvent.

25 Although not done currently, there is potential to introduce requirements for the use of open payment systems (so users do not need to have an account with a CPO to use their charger or at the least allow them to use a credit card as payment). There are trials underway to enable roaming between charging providers. If these are adopted by industry, specifying this as a requirement for investment may not be needed.

#### **Feedback from engagement with CPOs**

26 We have engaged with CPOs in developing this advice. As well as informing our analysis on the options above, key points highlighted by CPOs included:

- The importance of thinking holistically about how the co-investment approach fits into the wider context, including any interactions with the regulatory work underway.
- To achieve the 10,000 public charge point target, the updated co-investment model needs to support a significant scale-up of charger rollout.
- A preference for an open funding model (an “always on” model with little specification in terms of charger types and locations).
- A desire that the preferred model clearly communicate potential upcoming investment opportunities so that they can factor this into their network planning.
- A desire that the co-investment model builds in sufficient time for them to develop proposals for funding once opportunities are announced.

### Next steps

- 27 We are seeking your feedback on the design choices that we have outlined above to inform our next advice (due 3 July 2024). Officials are available to discuss these design choices at the transport officials meeting of 10 June 2024.
- 28 The next advice will seek your agreement to a preferred co-investment model and will also detail:
- 28.1 How EECA plans to trial aspects of the preferred funding approach in their remaining funding rounds for 2024.
- The current thinking is to test an approach that moves away from the current discrete funding rounds for a particular segment of the charging landscape (e.g. urban infill, hubs on State highways) and moves towards a more open model (where CPOs can apply for support across different charging types and locations). This will also be an opportunity to test various design criteria, and see the extent to which they enable a good spread of charger types and locations, without the government having to be overly prescriptive.
- Work is also currently underway to determine the feasibility and value of testing a loan-type financing tool in 2024.
- 28.2 Implementation considerations of the preferred model (e.g. the investment delivery agency, appropriation impacts, legislative and operational requirements, and Budget considerations).
- 29 Upon your agreement, we propose to engage further with CPOs in developing the preferred co-investment model. This engagement would inform our advice on the detailed design of the model to ensure it can work for CPOs and deliver on your objectives. We are also engaging with Electricity Networks Aotearoa (ENA) to inform them of the progress of this work.
- 30 The timeline for upcoming advice is set out in more detail in Annex 3.

## ANNEX 1: CURRENT STATUS OF THE EV CHARGING NETWORK/ MARKET

**Table 1 - Breakdown of public EV chargers in New Zealand**

| Charger power output | Total public chargers in New Zealand | EECA co-funded chargers |               | Installed EECA co-funded chargers |               |
|----------------------|--------------------------------------|-------------------------|---------------|-----------------------------------|---------------|
|                      |                                      | Chargers*               | Charge points | Chargers                          | Charge points |
| AC ≤ 22kW            | 400                                  | 318                     | 320           | 318                               | 320           |
| AC >22kW <50kW       | 101                                  | 15                      | 15            | 15                                | 15            |
| DC ≤ 50kW            | 406                                  | 294                     | 298           | 288                               | 292           |
| DC > 50kW ≤ 350kW    | 341                                  | 243                     | 428           | 104                               | 176           |
| <b>Total</b>         | <b>1248</b>                          | <b>870</b>              | <b>1,061</b>  | <b>725</b>                        | <b>803</b>    |

\*There is not currently an accurate record of the number of charge points installed without EECA co-funding.

Source: EECA records and EECA's [Public EV Charger Dashboard | EECA](#)

**Table 2 - Current distribution of EV chargers across New Zealand compared to number of electric vehicles**

| Region             | Charge Points | Battery EVs  | BEVs per Charge Point | KW Charging per BEV |
|--------------------|---------------|--------------|-----------------------|---------------------|
| Northland          | 42            | 1894         | 45.10                 | 2.53                |
| Auckland           | 302           | 32952        | 109.11                | 1.52                |
| Waikato            | 192           | 5005         | 26.07                 | 10.00               |
| Bay of Plenty      | 41            | 2959         | 72.17                 | 4.95                |
| Gisborne           | 8             | 158          | 19.75                 | 1.54                |
| Hawke's Bay        | 15            | 1209         | 80.60                 | 1.01                |
| Taranaki           | 19            | 972          | 51.16                 | 9.10                |
| Manawatu-Whanganui | 61            | 1769         | 29.00                 | 8.22                |
| Wellington         | 205           | 10299        | 50.24                 | 2.08                |
| Nelson-Tasman      | 24            | 1636         | 68.17                 | 0.70                |
| Marlborough        | 26            | 374          | 14.38                 | 11.67               |
| West Coast         | 12            | 105          | 8.75                  | 5.24                |
| Canterbury         | 280           | 10782        | 38.51                 | 3.31                |
| Otago              | 42            | 3103         | 73.88                 | 0.77                |
| Southland          | 35            | 392          | 11.20                 | 16.72               |
| <b>Total</b>       | <b>1304</b>   | <b>73609</b> |                       |                     |

Source: [Public EV Charger Dashboard | EECA](#)

We note there is at least one fast charger every 75km across over 97% of the State highway network (expected to increase to around 99% in coming months). This gives a good base network across the country.

As illustrated in Table 2, the focus now needs to shift to increasing the density of chargers in locations where demand is or will soon outstrip supply.

**Table 3 - Comparison of split between slow and fast chargers in New Zealand and overseas**

| Country            | EVs (PHEV + BEV cars) | Slow chargers (AC ≤22kW) | Ratio: slow chargers to EVs | Fast chargers (DC and AC > 22kW) | Ratio: fast chargers to EVs | Total chargers | Ratio: total chargers to EVs |
|--------------------|-----------------------|--------------------------|-----------------------------|----------------------------------|-----------------------------|----------------|------------------------------|
| <b>New Zealand</b> | <b>101,500</b>        | <b>283</b>               | <b>1:359</b>                | <b>858</b>                       | <b>1:118</b>                | <b>1,141</b>   | <b>1:89</b>                  |
| India              | 150,000               | 6,800                    | 1:22                        | 4,100                            | 1:37                        | 10,900         | 1:14                         |
| Australia          | 181,000               | 2,100                    | 1:86                        | 660                              | <b>1:274</b>                | 2,760          | 1:66                         |
| Korea              | 519,000               | 180,000                  | <b>1:3</b>                  | 21,000                           | 1:25                        | 201,000        | <b>1:3</b>                   |
| Japan              | 540,000               | 22,000                   | 1:25                        | 9,600                            | 1:56                        | 31,600         | 1:17                         |
| Canada             | 550,000               | 22,000                   | 1:25                        | 4,800                            | 1:115                       | 26,800         | 1:21                         |
| Sweden             | 560,000               | 30,000                   | 1:19                        | 4,500                            | 1:124                       | 34,500         | 1:16                         |
| Norway             | 900,000               | 16,000                   | 1:56                        | 11,000                           | 1:82                        | 27,000         | 1:33                         |
| France             | 1,570,000             | 98,000                   | 1:16                        | 20,000                           | 1:79                        | 118,000        | 1:13                         |
| UK                 | 1,580,000             | 43,000                   | 1:37                        | 10,000                           | 1:158                       | 53,000         | 1:30                         |
| Germany            | 2,500,000             | 87,000                   | 1:29                        | 21,000                           | 1:119                       | 108,000        | 1:23                         |
| US                 | 4,800,000             | 140,000                  | 1:34                        | 43,000                           | 1:112                       | 183,000        | 1:26                         |
| China              | 21,800,000            | 1,500,000                | 1:15                        | 1,200,000                        | <b>1:18</b>                 | 2,700,000      | 1:8                          |
| Ireland            | 93,000                | 2,355                    | 1:40                        | 470                              | 1:198                       | 2,825          | 1:33                         |

Source: [IEA Global EV Data Explorer \(data as at 31 December 2023\)](#)

**Tables 4 and 5 - Average costs of different sized chargers and variance in electricity connection costs**

The table below shows the average cost of purchasing an EV charger (excluding installation, electricity connections etc) from recent EECA funding rounds.

| Charger power output (kW) | Average charger cost |
|---------------------------|----------------------|
| 75                        | \$40,971             |
| 90                        | \$61,677             |
| 150                       | \$97,201             |
| 160                       | \$76,412             |
| 180                       | \$99,548             |
| 300                       | \$176,000            |

Connection cost varies a lot, and some projects may pay higher connection costs in order to access a location that provides much high user experience/benefit/convenience, some pay a lower connection cost as they already occupy the land and have available electrical capacity (such as fuel retailers). Over the past three EV charging funding rounds run by EECA, electricity connection costs have averaged between 25-32% of total project costs.

Average electricity connection costs by total site charging capacity for two recent funding rounds are included below.

| <b>Average electricity connection costs by total site charging capacity</b> |                         |                                      |                         |
|---|-------------------------|--------------------------------------|-------------------------|
| <b>Round 9 – Journey charging</b>   |                         | <b>Round 10 – Charging hubs</b>      |                         |
| Total charging capacity at site (kW)  | Average connection cost | Total charging capacity at site (kW) | Average connection cost |
| 75  | \$62,799                | 350                                  | \$300,000               |
| 150   | \$76,259                | 410                                  | \$150,000               |
| 180   | \$114,799               | 450                                  | \$287,000               |
| 230   | \$140,000               | 600                                  | \$684,000               |
| 300   | \$197,591               | 700                                  | \$1,100,000             |
| 320   | \$207,249               | 750                                  | \$617,500               |
| 360   | \$195,870               | 1000                                 | \$170,000               |
| 450   | \$608,000               | 1500                                 | \$1,077,500             |

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**ANNEX 2: ASSESSMENT OF OPTIONS AGAINST OBJECTIVES AND PRINCIPLES**

| Key: |   |   |
|------|---|---|
| ✓    | Delivers on objective/principle         | - Partially delivers on objective/principle |
| ✗    | Does not deliver on objective/principle |   |

| Objectives/principles | Procurement approach   |  |  |  |   | Financing model   |   |   |   |
|-----------------------|--|--|--|--|---|---|---|---|---|
|                       | How are proposals invited and contracted?  |  |  | To what extent does the government direct the market?  |   | Concessional loans  | Equity investment   | Grants  |   |
|                       | Single large tender  | Closed bidding or contracting rounds   | “Always on” model  | Entirely market-led  | Some government specification of areas or charging types              |   |   |   |   |
| Objectives            | Invest ahead of demand<br>✓ All options support the objective to invest ahead of demand. Detailed design will dictate the extent to which different options accelerate rollout ahead of demand (including in different sub-sections or regions of the market).   |  |  |  |   |   |   |   |   |
|                       | Maximise private sector investment and recycle Crown investment.<br>✓ Depending on detailed design, all support the objective to maximise private sector investment and recycle Crown investment.  |  |  |  |   | ✓ Enable the recycling of Crown investment.                                       |   | - Used alone, grants do not meet this objective maximise private investment and recycle Crown investment. |   |
|                       | Take a technology and market neutral approach<br>✓ Depending on detailed design, all options could deliver on this objective.  |  |  |  |   |   |   |   |   |
| Principles            | Integrates with wider regulatory context<br>✓ All options could deliver on this principle. Awareness of the wider context (in terms of connection costs and processes, and consenting requirements) would need to be built into the detail of procurement approach (e.g. in terms of timeframes to submit bids and to deliver chargers once approved for funding). |  |  |  |   |   |   |   |   |
|                       | Simple   | - Likely to require considerable government specification upfront, increasing complexity.                                  | ✓ Fairly simple to administer and apply for, depending on design.            | - Fairly simple to apply for and administer. May require complex criteria to be developed upfront. | ✓ Minimal specification supports simplicity.                          | - The greater the level of specification, the less simple the model will be.      | ✓ Fairly simple to administer and apply for, depending on design. | ✗ Considered overly complex for the scale of investment and number of potential counter-parties.          | ✓ Fairly simple to administer and apply for, depending on design. |
|                       | Market-led   | - Likely to require considerable government specification upfront, reducing the extent to which the network is market-led. | ✓ Depending on design, can support a market-led approach.                    |  | ✓ Minimal specification supports a market-led approach.               | - Government specification reduces the extent to which the network is market-led. | ✓ Depending on design, can support a market-led approach.         |   | ✓ Depending on design, can support a market-led approach.         |
|                       | Value-for-money & optimising competitive tensions  | ✓ Competitive tension arising from closed tender/rounds.   |  | - Do not have ability to compare bids against one another.   | ✓ Depending on design, can support a competition and value-for-money. |   | ✓ Repayment mechanism supports value for money.                   |   | - Lack of repayment reduces value from government investment.     |
|                       | Take a long-term view of the market  | - Depending on design, could exclude new entrants and lead to high market concentration over the long-term.                | ✓ Allows flexibility for a range of market players and adjustment over time. |  | ✓ Depending on detailed design, can deliver on this principle.        |   | ✓ Depending on detailed design, can deliver on this principle.    |   |   |

### ANNEX 3: TIMELINE FOR UPCOMING ADVICE ON CO-INVESTMENT MODEL

| Month          | Week commencing | Priorities / deliverables   | Roles and responsibilities                     |
|----------------|-----------------|---|--|
| June 2024      | 3 June          | <b>Deliver briefing to Minister of Transport covering options for co-investment model.</b>  | MoT pen holder.                                |
|                | 10 June         | <b>Discussion with Minister and Officials on preferred option to advance.</b><br>Taskforce to commission next steps.  |  |
|                | 17 June         | Develop revised briefing.   | MoT with MBIE, EECA and CIP.                   |
|                | 24 June         |   |  |
| July 2024      | 1 July          | <b>Revised briefing to Minister on:</b> <ul style="list-style-type: none"> <li>final recommendations for co-investment model.</li> <li>proposed approach to EECA's next funding round.</li> </ul> | MoT pen holder.<br>EECA lead on funding round. |
|                | 8 July          | <b>Consult Minister for Regulation on preferred approach.</b>   | Minister of Transport                          |
|                | 15 July         | <b>Ministers' meeting on preferred approach.</b>  | Minister of Transport                          |
|                | 22 July         | Draft Cabinet paper for report back, RIS and CIPA.  | MoT, with MBIE and EECA                        |
|                | 29 July         |   |  |
| August 2024    | 5 August        | Agency consultation on Cabinet paper.   | MoT  |
|                | 12 August       | Agency consultation on Cabinet paper.   | MoT  |
|                | 19 August       | Agency consultation on Cabinet paper.   | MoT  |
|                | 26 August       | Agency consultation on Cabinet paper.   | MoT  |
| September 2024 | 2 September     | Amendments to Cabinet paper.  | MoT  |
|                | 9 September     | <b>Draft Cabinet paper to Minister of Transport.</b>  | MoT  |
|                | 16 September    | Revised draft Cabinet paper   | MoT  |
|                | 23 September    | <b>Redrafted Cabinet paper to Minister of Transport.</b>  | MoT  |
|                | 30 September    | Consult coalition parties   |  |
| October 2024   | 7 October       | Consult coalition parties   |  |
|                | 14 October      | Lodge Cabinet paper   |  |
|                | 21 October      | <b>Cabinet committee</b>  |  |
|                | 28 October      | <b>Cabinet</b>  |  |



3 July 2024

OC240627

Hon Simeon Brown  
Minister of Transport

Action required by:  
Friday, 12 July 2024

## RECOMMENDATIONS ON CO-INVESTMENT MODEL FOR ELECTRIC VEHICLE CHARGING INFRASTRUCTURE

### Purpose

This briefing provides recommendations on the co-investment model for electric vehicle (EV) charging infrastructure.

### Key points

- We have worked with the Ministry of Business, Innovation and Employment (MBIE), the Energy Efficiency and Conservation Authority (EECA) and Crown Infrastructure Partners (CIP) to prepare this briefing seeking agreement to the design of the co-investment model for EV charging infrastructure. Upon your agreement, we will prepare a paper for your report-back to Cabinet in October.
- We have applied cost-benefit analysis principles and a value-for-money approach in both the procurement design and the criteria for assessing proposals. This will ensure the approach maximises competitive tension between bidders and that there is robust assessment of successful proposals to maximise value from government co-investment.
- The key features of the proposed approach are:
  - A two-stage procurement which aims to uncover untapped supply in the market through a first stage, before inviting bids for subsequent investment rounds.
  - Investment rounds open to portfolios of sites, with the market leading decisions on charger types and locations.
  - Co-investment to be provided through concessional loans repaid within a fixed period.
  - Specified criteria to assess applications (e.g. the proportion of Crown contribution sought and the cost per unit of charging capacity delivered). This is to ensure only the most competitive bids receive co-investment.

- We expect the co-investment approach will require refining over time in response to changes in the market and to manage progress against the target of a 10,000 public charge point network by 2030.
- The Energy Efficiency and Conservation Authority (EECA) will test elements of the preferred approach in the remainder of 2024 [briefing EECA 2024 BRF 011 refers]. This will include early engagement with the market to understand feasibility and likely response to the concessional loan offering.
- We also intend to hold a workshop with charge point operators (CPOs) to better understand resource consent barriers.

## Recommendations

We recommend you:

- 1 **agree** to the investment decision-making principles outlined, including:
  - Decisions on technology and location will be led by the market.
  - Investment will be focused on near-term and medium-term commercially viable sites.
  - Crown capital will be recycled over time and capped to a fixed proportion of total project costs.
  - Procurement approaches will consider a wide range of potential providers, including those that may not have been involved in New Zealand's charging market previously.
  - The co-investment model will optimise competitive tension to ensure maximum value from government investment.
  - The co-investment model will minimise the level of Crown contribution (and maximise the level of private investment).

Yes / No
- 2 **agree** to the proposed two-stage procurement approach (aiming to uncover untapped supply in the market through a first stage, before inviting bids for subsequent investment rounds).
 

Yes / No
- 3 **note** the second stage of the procurement approach would be informed by the market response to the first stage.
- 4 **agree** the preferred model would provide co-investment through concessional loans.
 

Yes / No
- 5 **agree** eligible applications would be assessed and ranked against assessment criteria, ensuring only the most competitive bids receive co-investment. Proposed criteria are outlined in Annex 1.
 

Yes / No

- 6 **agree** the co-investment approach will require refining over time in response to changes in the market and to manage progress against the target of a 10,000 public charge point network by 2030. Yes / No
- 7 **note** the Energy Efficiency and Conservation Authority (EECA) is also providing advice outlining how aspects of the above model will be trialled in coming months [briefing EECA 2024 BRF 011 refers].
- 8 **agree** that officials develop a draft Cabinet paper for your October report-back to Cabinet. The Cabinet paper will seek decisions on the co-investment model and provide an update on the wider *Supercharging EV Infrastructure* work programme. Yes / No
- 9 **agree** for officials to undertake further market testing to understand feasibility of different loan terms and the likely response to a concessional loan offering. Yes / No
- 10 **refer** this briefing to Parliamentary Under Secretary Simon Court MP. Yes / No

*S Routledge*  
 \_\_\_\_\_  
 Siobhan Routledge  
**Acting Deputy Chief Executive, Policy Group**  
 03 / July / 2024

\_\_\_\_\_  
 Hon Simeon Brown  
**Minister of Transport**  
 ..... / ..... / .....

- Minister's office to complete:**
- Approved  Declined
  - Seen by Minister  Not seen by Minister
  - Overlaken by events

**Comments**

**Contacts**

| Name   | Telephone | First contact |
|--|-----------|---------------|
| Siobhan Routledge, Acting Deputy Chief Executive, Policy Group | s 9(2)(a) |               |
| Chris Nees, Director, Sector Strategy                          |           | ✓             |
| Nick Paterson, Manager, Environment                            |           |               |
| Emma Wardle, Senior Adviser, Environment                       |           |               |

## RECOMMENDATIONS ON CO-INVESTMENT MODEL FOR ELECTRIC VEHICLE CHARGING INFRASTRUCTURE

### Investment decision-making principles will guide co-investment in charging infrastructure

- 1 Based on your objectives and feedback, we propose the following key investment principles to shape the co-investment model:

#### *Why are we investing?*

- The government is investing in electric vehicle (EV) charging infrastructure ahead of demand to take on a portion of demand risk. This will accelerate the rollout of charging infrastructure and support accelerated EV uptake.

#### *What are we investing in?*

- Installing a charger comes with a range of upfront costs from the capital costs of the chargers themselves, to the costs of securing and upgrading sites, making new electricity network connections and construction costs. The co-investment model will consider investment in the full range of costs and processes to install a charger.
- Decisions on technology (e.g. charger types and capacity) will be led by the market.

#### *Where are we investing?*

- Investment will be focused on near-term and medium-term commercially viable sites (i.e. those sites with characteristics of demand and cost which mean they are close to being commercially viable but may not proceed in the short-term without a degree of government assistance). These sites present the greatest opportunity for speed of network rollout and repayment of Crown capital.
- Decisions on the locations of chargers will be led by the market. The co-investment model will incentivise market providers to select sites that are commercially attractive over the near- and medium-term. Government co-investment will bring forward the delivery of those sites.
- Where there is a demonstrable network need, a limited portion of funding could be allocated to highly uncommercial sites (i.e. sites with characteristics of demand and cost which mean they will not proceed in the short- to medium-term without a greater degree of government assistance). Such cases would require funding in the form of grants or suspensory loans to defer the repayment of Crown capital.

#### *How are we investing?*

- Crown capital will be recycled over time and capped to a fixed proportion of total project costs.

- Procurement approaches will consider a wide range of potential providers, including those that may not have been involved in New Zealand's EV charging market previously.
- The co-investment model will optimise competitive tension to ensure maximum value from government investment.
- The co-investment model will minimise the level of Crown contribution (and maximise the level of private investment).
- The overall procurement and contracting approach needs to promote an efficient rollout of charge points, manage administration costs and mitigate against risks of non-repayment of Crown capital.

**We propose the following co-investment model design to give effect to the investment decision-making principles**

*Procurement approach*

- 2 Following our discussion with you we propose a two-stage procurement approach:
  - 2.1 **Stage 1 (e.g. early 2025):** a preliminary stage aiming to uncover untapped supply in the market (e.g. through a Registration of Interest process).<sup>1</sup> Based on the response we receive, the government would subsequently invite bids for future round(s).
  - 2.2 **Stage 2 (e.g. from mid-2025):**
    - Regular bidding rounds (e.g. six monthly) to provide flexibility to evolve the procurement approach over time.
    - Open to applications for any charger types and locations, allowing the market to signal where they see demand arising.
    - Seeking applications for portfolios of sites, enabling more sites to be approved in each funding round. Portfolios could include a mix of more- and less-commercial sites with providers cross-subsidising sites within the portfolio. This could address some concerns about network coverage while still incentivising suppliers to bid for portfolios that are near-commercial and able to return Crown capital in line with loan terms.
- 3 The approach to the second stage of the procurement process could be altered depending on the response we receive to the first stage. For example, the government could choose to use larger, less frequent tenders if there is evidence of market players able to operate at significant scale and deliver attractive terms for investment, leading to overall better value for money.

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<sup>1</sup> This stage will aim to uncover potential suppliers that do not currently operate charge points in New Zealand. This may also include groupings of infrastructure providers (from electricity network upgrades and connections to the installation and operation of chargers).

- 4 Over time, if there is evidence of important gaps arising in the network, the government could choose to run occasional targeted rounds. If targeting specific uncommercial locations, the government may need to offer grants or suspensory loans for the offering to be attractive to the market.

#### *Financing*

- 5 You have indicated that a concessional loan approach is your preferred way of financing co-investment in charging infrastructure.
- 6 We want to ensure the loan terms ultimately offered are sufficiently attractive to the market while providing for the return of Crown capital as soon as possible. Crown Infrastructure Partners (CIP) has commissioned modelling to better understand the economics of establishing and operating chargers in New Zealand.
- 7 The preliminary modelling is based on several key assumptions that we are continuing to validate and refine. However, it indicates:
- Concessional loans could be effective in enabling an accelerated charger rollout by relieving cashflow pressures while charger demand is growing, and providing charge point operators (CPOs) with capital they would not be able to access otherwise.
  - Individual sites take approximately four to six years to become cashflow positive and could repay a concessional loan after approximately five to nine years.
  - With the benefit of a concessional Crown loan, individual sites may take approximately 12 years to achieve a commercially acceptable internal rate of return (IRR). Without the benefit of a concessional Crown loan, individual sites would take much longer to reach a commercially acceptable IRR (i.e. without the Crown concessional loan, providers would be less likely to invest in and deliver such charging sites).
- 8 More detail on the modelling work and the estimated number of charge points delivered under different loan scenarios is provided in **Annex 1**. The modelling will continue to be refined but is provided here to provide an indication of potential delivery under different loan and appropriation scenarios.
- 9 Based on the work to date, we consider it likely that loan terms will reflect the following. However, final loan terms would be negotiated as part of the procurement process.
- 9.1 **Cap on Crown contribution** – loans provided are not to exceed a portion of the capital costs of establishing a charging site (e.g. 50% of capital costs). We will seek to ensure the Crown subsidy does not exceed the level required to make the relevant charge points commercially viable.
- 9.2 **Interest rate applied** – we expect that concessional loans will be provided at 0% interest for their full tenor (outside of default scenarios). We note the focus is on the return of Crown capital as early as possible to allow reinvestment, rather than earning a return on Crown capital. If interest is charged on the loans, the loan tenor will need to be extended to provide the equivalent level of subsidy (impeding the ability to recycle the capital).

9.3 **Loan tenor and repayments** – a maximum loan term will be set (e.g. 10 years), with various options for repayment including:

- A bullet repayment of full loan after a set number of years.
- Repayment over a predetermined ramp period (e.g. escalating repayments over several years, with a potential lump sum at the end of the loan term).
- Repayment over a ramp period following a trigger event (e.g. once the portfolio of sites becomes cash flow positive).

We would set minimum requirements for loan repayments, then have applicants bid beyond this (i.e. faster repayment of Crown capital would be favoured when assessing applications).

Repayment terms will have a material impact on the rate of recycling of Crown capital and the number of chargers delivered from a fixed appropriation (scenarios for repayment terms are provided in the modelling in **Annex 1**).

9.4 **Security** – security may need to take the form of a negative pledge from the provider. It is unlikely that security interests will be granted directly over charger assets or property unless the provider is able to grant that security in line with its “business as usual” security arrangements. The Crown will need to take a degree of counterparty risk on its loans which can be mitigated through due diligence as part of the procurement process.

9.5 **Minimum terms of operation** – accelerated repayment of the loan will be required if minimum terms of operation are not met (e.g. minimum operating period, maintenance and charger “up-time”, performance standards).

9.6 **Reporting** – loan agreements will require transparency and reporting of actual costs and site performance. Deviations from forecast costs may impact loan terms (i.e. if actual costs are materially lower than forecast, a site can potentially support earlier repayment of loan).

*Assessment criteria*

- 10 Our previous advice [OC240520 refers] noted minimum specifications for projects to meet to be eligible for co-investment. These include a timeframe for chargers to be installed and operational, and that projects must meet the ‘public charger’ definition.
- 11 Eligible applications would be assessed and ranked against criteria, with top-ranking proposals receiving co-investment. This will form a key part of the cost-benefit analysis framework in ensuring only the most competitive bids receive co-investment. The proposed assessment criteria are provided in **Annex 2**.
- 12 Once top-ranking proposals have been identified, there may need to be some moderation of the top-ranking proposals as a package. This could be done in negotiation with providers – for example, to amend the geographical spread where government knows more than applicants about locations in the pipeline, or for equity reasons. We may also need to moderate the package of successful bids to cap total funding allocated to a single provider if there are concerns about market share or financial exposure risks for the Crown.

## Delivering a network of 10,000 charge points will require regular refinement of the co-investment model

- 13 Rolling out a network of 10,000 public charge points by 2030 will require a significantly faster pace of installation than we have seen to date. The ability to deliver on the 10,000 target will depend on:
- the rate at which the government can contract chargers through its co-investment model.
  - the rate at which the market invests in additional chargers without government co-investment.<sup>2</sup>
  - the capacity in the market to deliver chargers (both those with and without government investment) – for example, the engineering and contracting capacity to make electricity network connections and install chargers.
- 14 The move from grant funding to concessional loans will be a significant shift and the response from the market is uncertain. Upcoming engagement and trialling aspects of the model through EECA's next funding round provide opportunities to test the market response. Additionally, the two-stage procurement process allows for further testing to refine the procurement approach, and the potential to bring in new providers.
- 15 Delivery of chargers will also be influenced by ongoing regulatory work. The expected impact of these interventions (i.e. those led by the Electricity Authority relating to electricity network connection costs and processes, and those led by the Ministry of Business, Innovation and Employment (MBIE) and the Ministry for the Environment (MfE) relating to resource consents) will become clearer in coming months.
- 16 Additionally, EV uptake and charger demand through to 2030 remains uncertain. We will need to continue to monitor EV uptake, technology developments and charger demand to ensure the 10,000 charge point target remains appropriate for the market.
- 17 Given the high levels of uncertainty in this maturing market, the best way we can manage progress against your goals is through ongoing monitoring of EV uptake, charger demand and charger delivery. This will likely require refining the co-investment approach over time.

## Implementation considerations

### *Delivery agency*

- 18 To implement an updated co-investment model in 2025, we expect Cabinet would agree the investment delivery agency (or agencies) in your October 2024 report-back.
- 19 In the National Party's *Supercharging EV Infrastructure* policy<sup>3</sup>, the intention to transfer responsibility for co-investment in charging infrastructure to the National

<sup>2</sup> We note there are currently around 1250 public chargers on the network. Approximately 380 have been delivered without EECA funding support.

<sup>3</sup>[https://assets.nationbuilder.com/nationalparty/pages/18364/attachments/original/1693957243/Supercarging\\_EV\\_Infrastructure.pdf?1693957243](https://assets.nationbuilder.com/nationalparty/pages/18364/attachments/original/1693957243/Supercarging_EV_Infrastructure.pdf?1693957243)

Infrastructure Agency (NIA) was signalled. Cabinet decisions on the form and functions of the NIA are expected in August 2024. If agreed, the NIA is expected to be established by the end of 2024. Final decisions on the form and function of the NIA will influence whether it would be an appropriate agency to deliver future co-investment in charging infrastructure.

- 20 There are also alternative options for delivery agencies and the transitioning of responsibilities. Depending on your feedback, we can progress advice on the delivery agency (or agencies) ahead of your October report-back to Cabinet.

### Next steps

- 21 Based on your feedback on this briefing, we will prepare a draft Cabinet paper, seeking decisions on the co-investment model and providing an update on the wider *Supercharging EV Infrastructure* work programme. A timeline to reach Cabinet decisions has been previously discussed with you and is attached at **Annex 3**.
- 22 The Energy Efficiency and Conservation Authority (EECA) will test elements of the proposed co-investment approach in the remainder of 2024 [briefing EECA 2024 BRF 011 refers]. This will include trialling the assessment criteria, opening funding rounds to any charger types and locations and testing the market response to the concessional loan offering. Insights will be used to refine the approach for 2025.
- 23 The *Supercharging EV Infrastructure* Taskforce proposes to undertake further market testing prior to Cabinet decisions to understand the likely market response to the concessional loan offering. This would help to refine both the remaining 2024 funding opportunities, and the approach for 2025 onwards.
- 24 Separately, MBIE officials responsible for the *Electrify NZ* work programme and the *Supercharging EV Infrastructure* Taskforce intend to hold a workshop with CPOs to better understand any consenting barriers to installing chargers. This workshop will inform further advice to you and relevant Ministers on how to deliver the relevant *Supercharging EV Infrastructure* commitment on resource consents.

## ANNEX 1 – PRELIMINARY MODELLING ON EXPECTED CHARGE POINT DELIVERY

The table on the following page:

- illustrates how the size of loan (per charge point) and the repayment terms impact the number of charge points the Crown can support over time within a given appropriation.
- illustrates that compared to grant funding, the use of concessionary loans and recycling can support the delivery of more charge points with a lower overall level of Crown subsidy, albeit over a longer period of time (i.e. under a seven year loan scenario, the last tranche of the initial loan repayment occurs in year seven and so is available for reinvestment in further charge points in year eight).
- includes scenarios at two levels of appropriation:
  - \$65m (this is the approximately \$85m remaining in the existing appropriation less the approximately \$20m that EECA is expected to award through its latest funding round that closed on 31 May 2024); and
  - \$235m (\$65m plus \$170m - \$170m being approximately the figure previously flagged as possible new investment in the *Supercharging EV Infrastructure* policy document).<sup>4</sup>
- illustrates that the delivery of 10,000 public charge points could be feasible by 2030 with an expanded appropriation. However, this assumes that the indicative terms modelled would be acceptable to the market. Work over coming months (through engagement with CPOs and through EECA's upcoming funding rounds) will test feasible terms with the market.
- includes scenarios at two levels of loans:
  - 30% of charge point capital costs (EECA's most recent funding round has capped grant funding at 30-35% of capital costs); and
  - 50% of charge point capital costs. We expect loans may need be for up to 50% of capital costs to provide a sufficient level of subsidy to providers (noting that each dollar of loan provides a lower overall level of subsidy than a dollar of grant as the loan needs to be repaid).

The modelling will continue to be refined but is provided here to provide an indication of potential delivery under different loan and appropriation scenarios.

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<sup>4</sup>[https://assets.nationbuilder.com/nationalparty/pages/18364/attachments/original/1693957243/Supercharging\\_EV\\_Infrastructure.pdf?1693957243](https://assets.nationbuilder.com/nationalparty/pages/18364/attachments/original/1693957243/Supercharging_EV_Infrastructure.pdf?1693957243)

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## ANNEX 2 – PROPOSED ASSESSMENT CRITERIA

| Criteria  | Measure   | Nature of information           | Priority/ weighting                                       |
|---|---|---------------------------------|---|
| <b>Alignment to investment objectives</b>   |   |                                 |   |
| Minimise value of Crown subsidy and maximise private investment   | Crown contribution (% of total portfolio). Lower Crown contribution will rank more highly.  | Quantitative                    | High  |
| Advancing commercial provision of chargers  | Time benefits related measure - how much will government support bring investment forward?  | Qualitative                     | High  |
|   | Charger capacity in area (i.e. is there need?). Measured on a basis of number of chargers or capacity per EV or registered vehicle, and indications of demand for additional charging.                  | Qualitative                     | Medium  |
| <b>Ability to deliver the desired outcomes efficiently</b>  |   |                                 |   |
| What is the cost per unit of what is delivered (charging capacity)?   | Charging capacity delivered (\$/kW).  | Quantitative                    | High  |
|   | Net Present Value (NPV) of Crown investment (i.e. value of concessionary loan over forecast loan term).   | Quantitative                    | High  |
| <b>Ability to deliver the desired outcomes effectively</b>  |   |                                 |   |
| Does the bidder have the right system and process in place to deliver effectively (including ability to repay lending)? | Demonstrated ability to deliver (track record of similar projects etc), and confidence financing terms will be met.   | Qualitative                     | Medium  |
| Does the proposal rely heavily on other inputs and assumptions (e.g. electricity grid connection)?                      | Certainty of site tenure, access to capital, electricity supply.  | Qualitative                     | Medium  |
| Quantifiable and unquantifiable wider benefits and impacts.   | Benefits beyond just increasing charger capacity (e.g. battery storage or demand flexibility solutions to reduce electricity connection requirements, improving community resilience or accessibility). | Likely to be mainly qualitative | Low   |
| <b>Ability to reduce barriers to effective and efficient delivery</b>   |   |                                 |   |
| Have the estimates/projections been sense checked against known investment?   | Are cost estimates reasonable? Is the design/capacity appropriate for the proposal?   | Qualitative                     | Medium  |
| Is there ongoing monitoring and management of delivery in place to ensure successful delivery of the investment?        | Demonstrated plans for monitoring and management practices.   | Qualitative                     | Low (as requirements will also be set through contracts). |

## ANNEX 3 – TIMELINE FOR UPCOMING ADVICE AND DECISIONS ON CO-INVESTMENT MODEL

| Month          | Week commencing    | Priorities / deliverables   | Roles and responsibilities                  |
|----------------|--------------------|---|---|
| July 2024      | 1 July             | <b>Revised briefing to Minister on:</b> <ul style="list-style-type: none"> <li>final recommendations for co-investment model.</li> <li>proposed approach to EECA's next funding round.</li> </ul> | MoT pen holder. EECA lead on funding round. |
|                | 8 July             | <b>Consult Minister for Regulation on preferred approach.</b>   | Minister of Transport                       |
|                | 15 July            | <b>Ministers' meeting on preferred approach.</b>  | Minister of Transport                       |
|                | 22 July<br>29 July | Engagement with CPOs to test feasibility and likely market response to proposed model.  | MoT, with MBIE and EECA                     |
| August 2024    | 5 August           | Draft Cabinet paper for report back, RIS and CIPA.  |   |
|                | 12 August          |   |   |
|                | 19 August          | Agency consultation on Cabinet paper.   | MoT   |
|                | 26 August          | Agency consultation on Cabinet paper.   | MoT   |
| September 2024 | 2 September        | Amendments to Cabinet paper.  | MoT   |
|                | 9 September        | <b>Draft Cabinet paper to Minister of Transport.</b>  | MoT   |
|                | 16 September       | Revised draft Cabinet paper   | MoT   |
|                | 23 September       | <b>Redrafted Cabinet paper to Minister of Transport.</b>  | MoT   |
|                | 30 September       | Consult coalition parties   |   |
| October 2024   | 7 October          | Consult coalition parties   |   |
|                | 14 October         | Lodge Cabinet paper   |   |
|                | 21 October         | <b>Cabinet committee</b>  |   |
|                | 28 October         | <b>Cabinet</b>  |   |