



Cabinet Environment, Energy and Climate Committee

Minute of Decision

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2022 Clean Vehicle Scheme: Finalising Details

Portfolios Energy and Resources / Transport

On 18 November 2021, the Cabinet Environment, Energy and Climate Committee:

- 1 **noted** that in May 2021, Cabinet:
 - 1.1 agreed in principle to a schedule of rebates and charges for the 2022 calendar year, subject to Cabinet confirmation later in 2021;
 - 1.2 noted that the Minister of Transport intended to submit a paper to the Climate Change Response Ministers Group (CRMG) in September 2021, with options for a full schedule of fees and rebates for the Clean Car Discount in advance of a Cabinet decision on this matter;

[CAB-21-MIN-0186]
- 2 **noted** that public and industry comments on Clean Car Discount rebate and charge figures and thresholds were positive overall, although some affected groups questioned uses being included in the Clean Car Discount Scheme (the Discount scheme);
- 3 **noted** that, as uses are the largest segment of the new vehicle market and a significant source of CO2 emissions, it is important they are in the Discount scheme;
- 4 **noted** that the Minister of Transport submitted a paper to the Change Response Ministers Group (CRMG) in October 2021, and that CRMG Ministers met and endorsed proceeding with the dollar figures that had been previously agreed in principle by Cabinet in May 2021;
- 5 **agreed** that the figures previously agreed in principle by Cabinet [CAB-21-MIN-0186] are appropriate and that the Formula and Caps, attached as Annex 1 to the paper under ENV-21-SUB-0066, be adopted in the complete Discount scheme of rebates and charges;
- 6 **noted** that current rebates on electric vehicles (EVs) and plug-in hybrid EVs (PHEVs) will continue until the complete Discount scheme is in place following the enactment of the Clean Vehicles Bill and associated regulations for the Discount being made, and that this change is now likely to commence in April 2022 rather than in January 2022, given the impacts of the COVID-19 Delta lockdown;

Under active consideration

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[REDACTED]

8.1 **noted** that on 26 January 2021, Cabinet agreed that vehicles manufactured from 2022 onwards must have their fuel efficiency and CO2 emission values assessed through a WLTP cycle test, or if not available, by the American Environmental Protection Agency (EPA) test [CAB-21 MIN 0004, paragraph 17];

8.2 **agreed** to recommend that Cabinet:

8.1.1 rescind the decision referred to in paragraph 8.1 above; and instead

8.1.2 agree vehicles manufactured from January 2024 onwards must have their fuel efficiency and CO2 emission values assessed through a World Harmonized Light Duty Vehicles Test Procedure (WLTP) cycle test, or if not available, by the American Environmental Protection Agency (EPA) test, unless further advice from officials states that this will place too significant a restriction on vehicle supply;

9.1 **noted** that on 26 January 2021, Cabinet noted that a vehicle's CO2 emissions will be determined by its manufacturer [CAB-21-MIN-0004, paragraph 14];

9.2 **agreed** to recommend that Cabinet:

9.1.1 rescind the decision referred to in paragraph 9.1 above; and instead

9.1.2 agree that carbon dioxide emissions for the purposes of the Clean Vehicle programme will be determined in accordance with the amended Land Transport Rule Fuel Consumption Information 2008 (intended to be renamed to the Land Transport Rule: Fuel Consumption and Emissions Data) rather than by the vehicle manufacturer;

10.1 **noted** that on 26 January 2021, Cabinet noted that a vehicle's CO2 emissions will be determined by its manufacturer [CAB-21 MIN-0004, paragraph 14];

10.2 **agreed** to recommend that Cabinet:

10.1.1 rescind the decision referred to in paragraph 10.1 above; and instead

10.1.2 agree that where a CO2 emissions value is not available, a CO2 emissions value for the purpose of the Clean Vehicles programme will be assigned in accordance with the amended and renamed Land Transport Rule Fuel Consumption Information 2008;

11.1 **noted** that on 26 January 2021, Cabinet agreed that where vehicles have no manufacturer's CO2 value, Waka Kotahi will ascribe a suitable value based on authoritative information on the same or similar vehicles, and that if no information exists the vehicle will be deemed to exceed its weight-adjusted target by 50g [CAB 21-MIN-0004, paragraph 15];

- 11.2 **agreed** to recommend that Cabinet:
- 11.1.1 rescind the decision referred to in paragraph 11.1 above; and instead
 - 11.1.2 agree that formulas and methodology for converting or estimating CO2 emissions for the purposes of the Clean Vehicles programme will be prescribed in the amended and renamed Land Transport Rule - Fuel Consumption Information 2008;
- 12 **agreed** that officials from Waka Kotahi NZ Transport Agency may commence a short period of targeted consultation with motor vehicle industry representatives to test the technical accuracy of the proposed changes above, to be implemented in amendments to the Land Transport Rule: Fuel Consumption Information 2008;
- 13 **noted** that the intention of the Minister of Transport, subject to the outcome of consultation, referred to in paragraph 12 above, is to amend the Land Transport Rule: Fuel Consumption Information 2008 to enable accurate, reliable, and robust information to be collected about vehicle fuel consumption and carbon dioxide (CO2) emissions, to inform policies under the Clean Vehicles programme;
- 14 **agreed** that the Clean Vehicles Bill be amended as necessary to empower land transport rules to prescribe the manner in which CO2 emissions of vehicles must be determined, including requiring fit for purpose data and information, determination of CO2 where insufficient data is available and to prescribe formulas or methodology for the purposes of converting or estimating CO2 emissions, and that officials recommend any necessary amendments through the Departmental Report on the Clean Vehicles Bill in November 2021;
- 15 **agreed** that officials from Waka Kotahi NZ Transport Agency may consult with motor vehicle industry representatives on how to improve the legal definition of 'all terrain vehicle (ATV)' as defined in Land Transport: Vehicle Lighting Rule 2004, Road User Rule 2004, and Vehicle Standards Compliance Rule 2002, and Road User Charges (RUC) Exemption legislation, so that the definition in these Rules can support zero emission models being registered;
- 16 **noted** that the Minister of Transport intends to include the consultation, referred to in paragraph 15 above, in a planned consultation on Road User Charges and to amend the definition of ATV accordingly;
- 17 **authorised** the Minister of Energy and Resources to release the public consultation document titled *Options for providing Clean Vehicle information to consumers*; attached to the paper under ENV-21-SUB-0066;
- 18 **agreed** that public consultation commences in November 2021 for a period of four weeks.

Vivien Meek
Committee Secretary

Attendees (see over)

Present:

Hon Kelvin Davis
Hon David Parker (Chair)
Hon Stuart Nash
Hon Phil Twyford

Officials present from:

Office of the Prime Minister
Officials Committee for ENV

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