

Office of Energy and
Climate Change

Drive electric NSW EV fleets incentive



Guidelines – Round 3
January 2023



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Introduction

The NSW Government is committed to achieving net zero emissions by 2050. Initiatives under the **Net Zero Plan Stage 1: 2020–2030** will fast-track emissions reduction over the next decade.

The transport sector is currently the state's second largest source of CO₂ emissions, after the stationary energy sector. It is predicted to become the state's leading source of emissions by 2035. It was responsible for 22% of all NSW emissions in 2018 and 87% of these emissions were from road transport. Almost 50% came from passenger vehicles.

Reducing transport emissions is therefore crucial to meeting our net zero target.

In June 2021, the NSW Government launched the **Electric Vehicle Strategy** to make NSW the easiest and most affordable place to buy an electric vehicle (EV) in Australia.

The Office of Energy and Climate Change (the Office) has designed the Drive electric NSW EV fleets incentive under the framework of both the Net Zero Plan and the NSW Electric Vehicle Strategy.

The incentive will support fleet managers to transition their passenger vehicles (PVs), sports utility vehicles (SUVs) and light commercial vehicles (LCVs) to battery electric vehicles (BEVs) and fuel cell electric vehicles (FCEVs), therefore lowering emissions across the state.

The incentive aims to:

- accelerate BEV/FCEV uptake in NSW fleets
- achieve the greatest level of emissions abatement at the lowest cost for the NSW Government
- support the development of a strong secondary market for BEVs/FCEVs, when fleet managers resell their vehicles
- drive increased vehicle manufacturers' supply to the NSW market
- promote a long-term transition to BEV/FCEVs in the fleet sector
- promote take up of smart charging infrastructure on the network.



This document establishes the guidelines for the third funding round of the incentive, which opens on 24 January 2023. The purpose of the guidelines is to provide rules and guidance to fleet managers who are looking for an incentive to transition their fleets to BEVs/FCEVs.



Fleet managers should read the guidelines in conjunction with any other supporting information provided at energy.nsw.gov.au/electric-vehicle-fleets

For the purpose of the guidelines and supporting documentation, the use of the term ‘fleet manager’ or ‘fleet managers’ refers to eligible organisations as well as any officer/s within organisations empowered and responsible for completing the bidding process, including signing of the incentive funding deed. The use of the terms ‘eligible EVs’ and ‘EVs’ refers to battery electric vehicles (BEVs) and fuel cell electric vehicles (FCEVs).

These guidelines do not differ from the Round 2 guidelines except for the following changes:

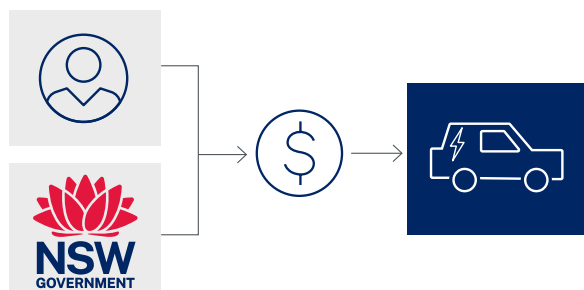
- procurement of BEV smart base charging can also include Charge-as-a-Service (CaaS) arrangements (see pages 10 and 19)
- the CaaS arrangements will need to comply with the Incentive funding deed requirements
- smart base charging equipment can feature both single and dual charging points. However, each smart charging point must be matched to an incentivised BEV to claim the fixed incentive amount (see page 10)
- if opting for the base charging incentive, fleet managers must now use the Electric Vehicle council approved hardware list, unless they intend to procure DC chargers (see page 19)
- there are now guidelines/requirements to address significant delays in the vehicle supply (see pages 29–32)
- rather than a restriction to one lump-sum payment, milestone payments are now permitted, so long as each milestone payment includes a minimum of 30 vehicles (see page 32)
- successful aggregators that do not place at least 75% of their guaranteed volume may now be excluded from the next round (see page 30).



Incentive snapshot

The incentive

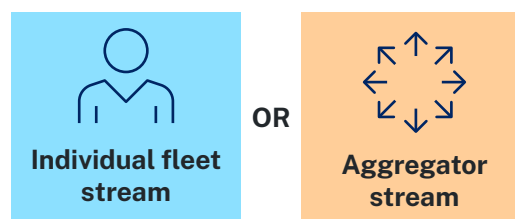
The incentive is a payment scheme that helps eligible fleet managers procure battery electric vehicles (BEVs) and fuel cell electric vehicles (FCEVs).



Payments are intended to cover part of the total cost of ownership (TCO) gap between a BEV/FCEV and an equivalent internal combustion engine vehicle (ICEV), hybrid electric vehicle (HEV) or plug-in hybrid electric vehicle (PHEV). A contribution for BEV smart base chargers can also be accessed by successful fleet managers.

See page 9 for further information.

Eligibility



See page 13 for further information.

What can be funded

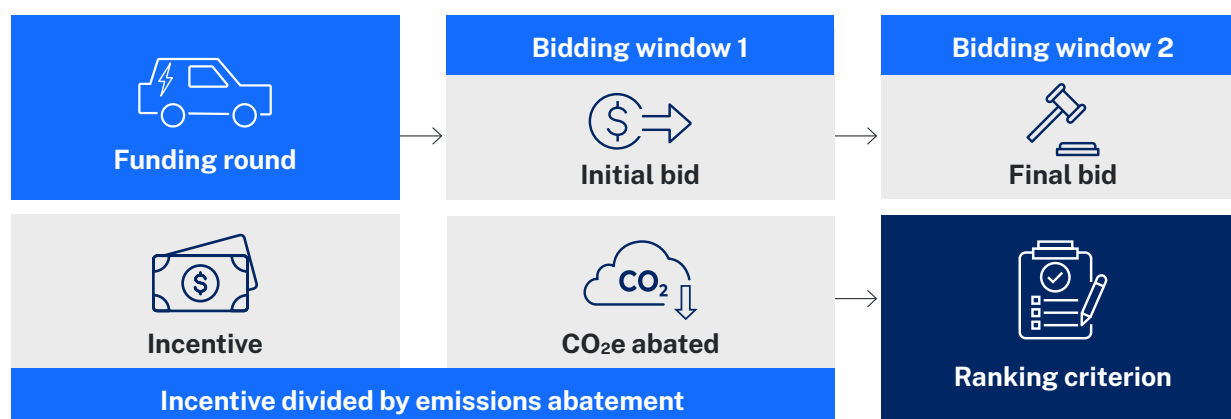


See page 17 for further information.

Bidding process

Individual fleets and aggregators bid under separate streams and are ranked separately. They have 2 opportunities to place a bid. They can place an initial bid and check their competitiveness against others in their stream, and then they can place their final bid.

The success of their bid is determined by the amount of incentive sought and the level of carbon emissions equivalent abated throughout the term stipulated in these guidelines.



A successful bid is not binding until the incentive funding deed between the successful fleet manager and the Office is signed off by both parties.

See page 21 for further information.

Figure 1 The incentive process.



About the incentive

What is the incentive?

The incentive is a payment scheme that helps eligible fleet managers procure battery electric vehicles (BEVs), fuel cell electric vehicles (FCEVs) and BEV smart charging infrastructure.

Payments are intended to cover part of the total cost of ownership (TCO) gap between a BEV/FCEV and an equivalent internal combustion engine vehicle (ICEV), hybrid electric vehicle (HEV) or plug-in hybrid electric vehicle (PHEV).

Fleet managers will be able to nominate the level of incentive needed to enable them to purchase each eligible EV.

Successful fleet managers will also be able to receive a fixed amount (\$400) per vehicle

for the procurement of BEV smart base charging equipment to be installed at their business premises or at their employees' homes.

Smart base charging equipment can feature both single and dual charging points. However, each smart charging point must be matched to an incentivised BEV to claim the fixed incentive amount. This means that a dual-port charger can receive a payment of \$800 if it is related to 2 incentivised BEVs.

The incentive is designed to support both regional and metropolitan based fleets.

Procurement of BEV smart base charging can also include Charge-as-a-Service (CaaS) arrangements.



Vehicle incentive

NSW Government contribution to procure a new BEV/FCEV.



Base charging

NSW Government contribution for BEV smart base charging.

Figure 2 The incentive.

Why fleets?

In 2019, 49% of new PVs and LCVs in NSW were sold to fleet operators. Reducing emissions from fleets will therefore be crucial to lessening emissions from our transport sector.

If government policies and customer demand in Australia do not change, vehicle manufacturers will continue to give priority to markets such as Europe and China. The incentive will encourage fleets to procure eligible EVs and associated eligible infrastructure. Their bulk buying power and increased buying activity will signal to manufacturers that NSW needs more EVs and new models to meet demand.

Fleet vehicles typically end up in the second-hand car market after 3 to 5 years and are therefore expected to provide NSW drivers with greater access to affordable EVs, spurring demand for both new and used EVs.

A recent comparison of fleet vehicle prices shows the upfront price or leasing cost for EVs is still much higher than equivalent ICEVs. Also, many fleet managers say that transitioning their fleet to EVs is challenging due to barriers such as the high TCO gap, the limited availability of models and the need to install base charging equipment.

Funding model – competitive bid rounds

The incentive provides co-funding for all eligible fleet managers to procure BEVs/FCEVs through competitive funding rounds. Only new BEVs/FCEVs may be procured. Fleet managers can use the incentive to replace existing vehicles or to add new vehicles to their fleet. PVs and LCVs up to 4.5 tonnes are included in the incentive, but heavy vehicles are excluded.

Bidding streams

Each funding round will be split into 2 streams:

- individual fleet stream

- aggregator stream, this includes organisations that are bidding on behalf of managers of individual fleets, who are their customers, for example, fleet management organisations (FMOs).

Individual fleets will bid for incentives to cover the costs of BEVs/FCEVs they are intending to buy or to procure via a leasing arrangement.

Aggregators bid for incentives they can offer to their customers' fleets as part of a leasing arrangement.

Bids will only be assessed against other bids within the same stream.

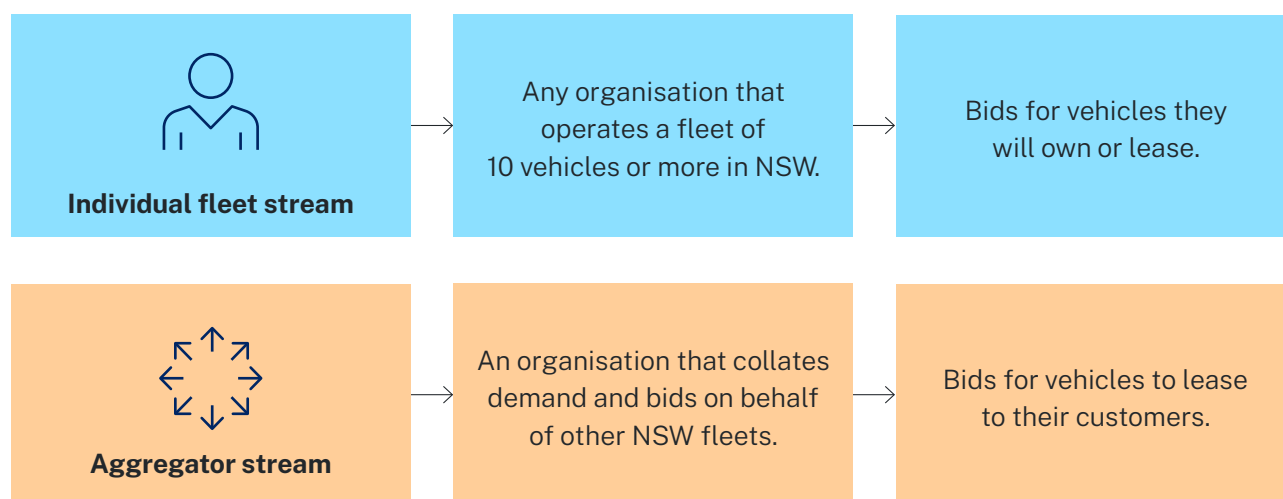


Figure 3 Bidding streams.

Bidding windows

Individual fleets and aggregators will be able to place an initial bid. At the end of the initial bid window they receive their ranking results to help them to understand their competitiveness against the others in the stream. They will then have the chance to edit the incentive requested and place a final bid.

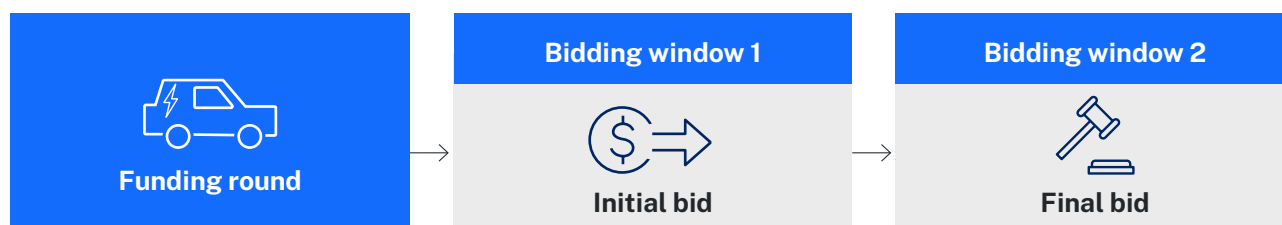


Figure 4 Bidding windows.

Key bidding rules

The main ranking criterion is the incentive requested per tonne of CO₂ equivalent (CO₂e) abated (throughout the term stipulated in these guidelines and by transitioning fleet vehicles to BEVs/FCEVs). This represents the amount of NSW Government funding needed to abate each tonne of CO₂ equivalent through procuring eligible EVs.



Figure 5 Ranking criterion equation.

Bids with the lowest level of incentive requested per tonne of CO₂ equivalent abated will be the most successful.

Emissions must be abated as a result of procuring eligible EVs and not by any other means (including purchasing offsets).

Successful fleet managers will receive the incentive specified in their bid. This means that different fleet managers may receive different levels of incentive for the same or similar eligible EVs. This reflects the fact that not all organisations have the same opportunities to integrate EVs into their fleets or need the same level of government support to do so.

Successful fleet managers will not receive the incentive payment until the incentive funding deed with the Office is appropriately signed off by both parties.

Unsuccessful fleet managers can reapply in future rounds.

Fleet managers cannot request an incentive for the same vehicle under both the individual fleet stream and the aggregator stream in the same round.

Fleet managers must not disclose a bid, a proposed bid or bid-related information that could affect the integrity of the bidding process.

A probity advisor appointed by the Office will monitor the conduct and the fairness of the funding round.



Eligibility

Who can apply?

Individual fleet



Any organisation that operates a fleet of at least 10 vehicles in NSW to support their business can apply under the individual fleet stream. Eligible organisations include but are not limited to:

- private business organisations
- non-governmental organisations
- local councils
- state-owned corporations

- car rental companies
- car share companies
- car subscription companies.

Organisations meeting the criteria above can be headquartered in NSW or in any other State or Territory, but incentivised vehicles must be registered, based and used predominantly in NSW.

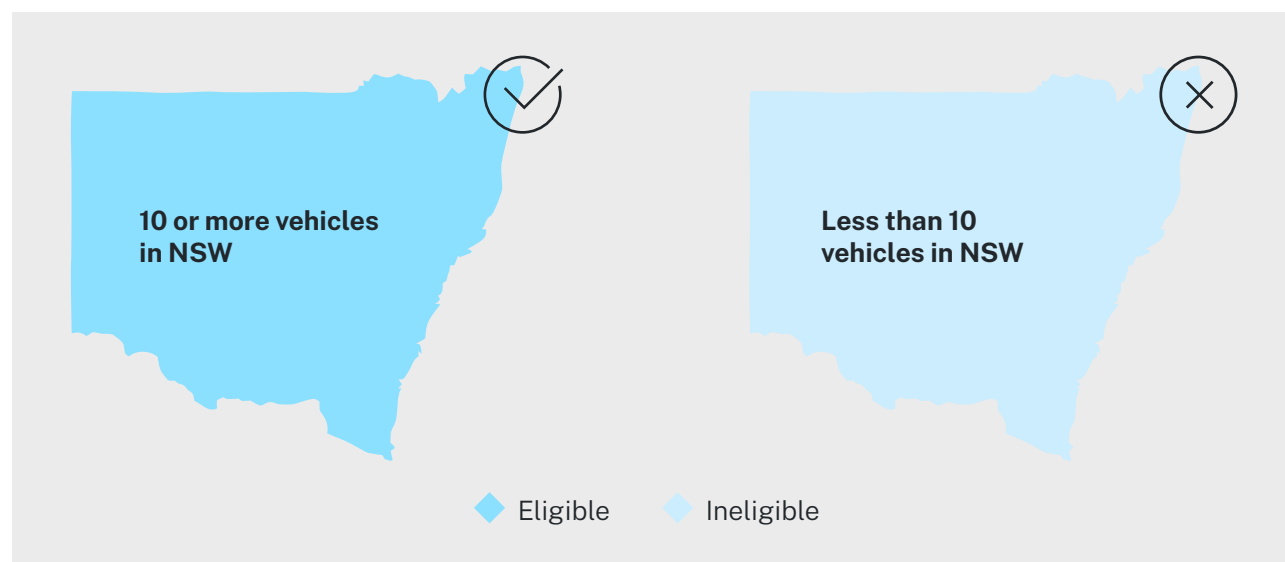


Figure 6 Individual fleet eligibility.

Aggregator



An aggregator is an organisation that bids on behalf of other NSW fleets. Under this third funding round, aggregators bid for incentives to support the leasing arrangements they can offer to their customers. The aggregator holds the contract for the incentive with NSW Government and must pass the incentive on to the individual fleets who operate the vehicles.

Aggregators can be headquartered in NSW or elsewhere.

Aggregators can collate demand only from organisations that have vehicles in NSW. No minimum fleet size applies to the organisations that aggregators lease the BEVs/FCEVs to.

An aggregator can be:

- an FMO with a customer base in NSW
- any other private business organisation that offers BEV/FCEV financial and/or operating leasing arrangements to their customers in NSW.



Figure 7 Aggregator eligibility.



Compliance requirements

Individual fleets and aggregators must:

- hold an Australian Business Number (ABN)
- meet the eligibility criteria at the time of submitting a bid and throughout the time they operate the incentivised EVs if the bid is successful
- submit a declaration of reputable business records
- declare any actual or perceived conflict of interest.

Capability requirements

When registering to bid, individual fleets and aggregators must provide a statement demonstrating their financial capacity and commitment to fund their proposed share of the EVs procurement costs and – if applicable – the smart charging equipment (for example, financial plan).

With their statement, individual fleets will also need to demonstrate if they have carried out or they plan to carry out adequate measures to ensure that the new EVs will be integrated in their fleets' operations. Examples of measures include:

- fleet drivers' participation in fleet EV drive days
- the delivery of internal training programs or access to training information for fleet managers and/or drivers – to facilitate the adoption of EVs and an understanding of the new technology.

Aggregators will need to demonstrate if they have support offerings for their customers to assist them in the integration of the new EVs in their operations.

Aggregators will also need to provide a statement illustrating their capability and experience in providing fleet leasing arrangements to their customers.

Ineligible applicants

Ineligible organisations include:

- original equipment manufacturers
- car dealers
- budget-dependent NSW Government agencies.

This applies to both the individual fleet and aggregator streams.



Funding

What can be funded

Vehicle – technology

The incentive is exclusively for procuring new BEVs, FCEVs and BEV smart base charging infrastructure.

The BEVs/FCEVs can replace ICEVs, HEVs and PHEVs. All fleet managers will need to provide registration details of the vehicle/s they are replacing. The BEVs/FCEVs can replace ICEVs, HEVs and PHEVs, or be entirely new vehicles.

The incentive can also be requested for the procurement of new BEVs/FCEVs for fleets that are expanding in size.

Vehicle – total cost of ownership gap

Fleet managers may bid for an incentive payment to cover some of the TCO (buy or lease) gap between the vehicle that would otherwise have been purchased (ICEV, HEV or PHEV) and the BEV/FCEV they intend to procure.

For individual fleets, the TCO term is flexible and can be calculated up to a maximum of 4 years, which is the default retention term. This reflects the fact that some business models may dispose of vehicles sooner due to high utilisation rates, whereas others will hold vehicles for longer periods of time.

For aggregators, the TCO must be calculated over the period of the leasing contracts.

If the TCO gap is less than \$3,000, fleet managers can ask for an incentive covering the full gap.

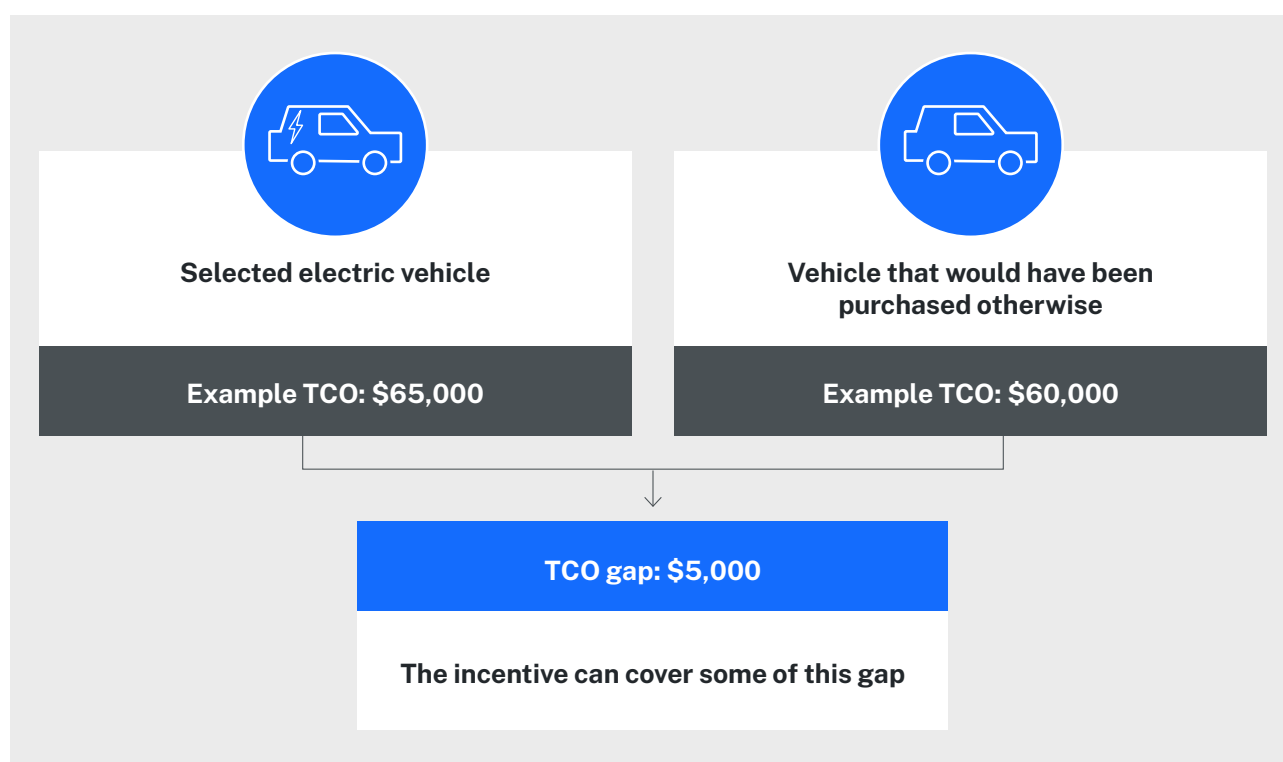


Figure 8 Total cost of ownership gap and incentive.

Vehicle – categories

The incentive will be available for BEVs/FCEVs in the following categories:

- passenger vehicles (PVs)
- sports utility vehicles (SUVs)
- light commercial vehicles (LCVs).

Vehicle – price cap

A \$100,000 (including GST) cap on the recommended retail price (RRP) applies to eligible electric PVs and SUVs, unless the fleet manager can demonstrate that:

- the particular vehicle model is needed for their business operation
- there is no alternative model under the price cap that is fit-for-purpose.

The Office will review requests to exceed the price cap and decide at its discretion based on the justification and evidence provided. As an example, this could be applicable if the business is a chauffeur service.

There are no price caps on eligible electric LCVs.

Vehicle – usage

Only vehicles used for supporting business operations can be incentivised. The following use types are eligible:

- vehicle pool designation is 100%
- operational designation is 100% (for example, tool of trade)
- a mix of both.

Eligible EVs procured under the incentive must be used in NSW. Occasional trips in other states are acceptable as long as the incentivised vehicles are used predominantly in NSW.

Vehicle – ownership model

Outright purchases and operational or financial leases are eligible.

Vehicle – conversion rate

There is no minimum conversion rate, that is, no minimum percentage of a fleet's vehicles that must be converted to eligible EVs in order to bid for the incentive.

Base charging

Successful fleet managers will also be able to receive a fixed amount per incentivised vehicle to install BEV smart base charging equipment at their business premises or at their employees' homes. Only one charging point per incentivised BEV can be claimed under the fixed incentive. This funding will subsidise some of the purchase price for smart BEV chargers only.

Charge-as-a-Service solutions are also eligible for the smart base charging incentive for every charging point installed per incentivised BEV. This funding may be used to cover subscription and/or any other costs associated with this service.

Fleet managers requesting the base charging fixed amount must select chargers from the Electric Vehicle Council [approved hardware](#), unless they are procuring a DC charger.

There is no requirement to purchase charger software.

The amount allocated to successful fleet managers of the third funding round is \$400 per vehicle incentivised.

The base charging support is not applicable to FCEVs.

What cannot be funded

Vehicle – excluded categories, technologies and models

The incentive cannot be used for the procurement of:

- HEVs and PHEVs
- heavy trucks/heavy vehicles
- second-hand BEVs and FCEVs
- motorcycles (off road, road, scooters, e-bikes, mopeds, ATV/SSV – side by side vehicle)

- trailers and caravans
- airplanes
- boats
- any other vehicle which is not captured in the vehicle categories set out above.

Vehicle usage excluded

Novated leasing is excluded from this round. Vehicles purchased/leased exclusively for personal use are also excluded.

	What can be funded	What cannot be funded
Vehicle – technology	BEVs and FCEVs.	ICEVs, HEVs and PHEVs.
Vehicle – TCO gap	Some of the TCO gap between the BEVs/FCEVs and the vehicle that would have otherwise been purchased, if the TCO gap is greater than or equal to \$3,000. The full TCO gap if it is less than \$3,000.	The full TCO gap between the BEVs/FCEVs and the vehicle that would have otherwise been purchased, if the TCO gap is greater than or equal to \$3,000.
Vehicle – categories	PVs, SUVs and LCVs.	Heavy trucks/heavy vehicles, second-hand BEVs/FCEVs, motorcycles, trailers and caravans, airplanes, boats.
Vehicle – price cap	PVs and SUVs with a RRP up to \$100,000 (including GST), unless it is demonstrated that the model is needed for business operations and that there is no fit-for-purpose alternative under the price cap. LCVs with any RRP.	PVs and SUVs with a RRP exceeding \$100,000 (including GST) where it cannot be demonstrated that the model is needed for business operations and that there is no fit-for-purpose alternative under the price cap.
Vehicle usage	Vehicles used exclusively or primarily for supporting business operations.	Vehicles purchased/leased exclusively for personal use.
Vehicle – ownership model	Outright purchases. Operational or financial leases.	Novated leasing.
Base charging	BEVs smart base chargers installed at the business premises or employees' homes. Both base charging outright purchases and CaaS solutions are eligible for funding.	BEVs standard base chargers. Charging infrastructure for FCEVs.

Table 1 Summary of what can be funded and what cannot be funded with the incentive.



Bidding process

Online bidding platform and calculators

The managers of individual fleets and aggregators who are interested in the incentive and who meet eligibility requirements need to sign up to the online bidding platform via energy.nsw.gov.au/electric-vehicle-fleets

After signing up, individual fleets and aggregators will be given access to the online bidding platform, which must be used to place bids.

The platform covers all stages of the bidding process and collects information to help the Office assess eligibility and rank the bids received.

The platform has an integrated TCO calculator and an emissions calculator to support fleet managers through the bidding process.

Fleet managers should make sure they have completed each section of the bid, including attaching mandatory attachments/ supporting documentation.

TCO calculation

A total cost of ownership calculation is needed to help guide fleet managers on the amount of incentive they can bid for. The amount requested will need to be lower than the identified TCO gap between the BEV/FCEV and the ICEV/HEV/PHEV that would otherwise have been procured. This applies both for replacement vehicles and for fleets that are expanding by buying new vehicles.

The TCO calculator embedded in the online bidding platform has been designed to standardise TCO calculations. Standardised calculations will improve the fairness and transparency of the process and fast-track how the Office verifies bids.

Some variables in the TCO calculator are automatically determined by the Office, that is, the TCO term, which is capped at 4 years for individual fleets, and the fuel consumption rates. The TCO calculator is designed to compare a selected BEV/ FCEV against a benchmark vehicle (ICEV, HEV or PHEV) from a chosen vehicle category.

The TCO calculations and the TCO gap do not include GST. GST will be added to the incentive payments received by successful fleet managers, if applicable.

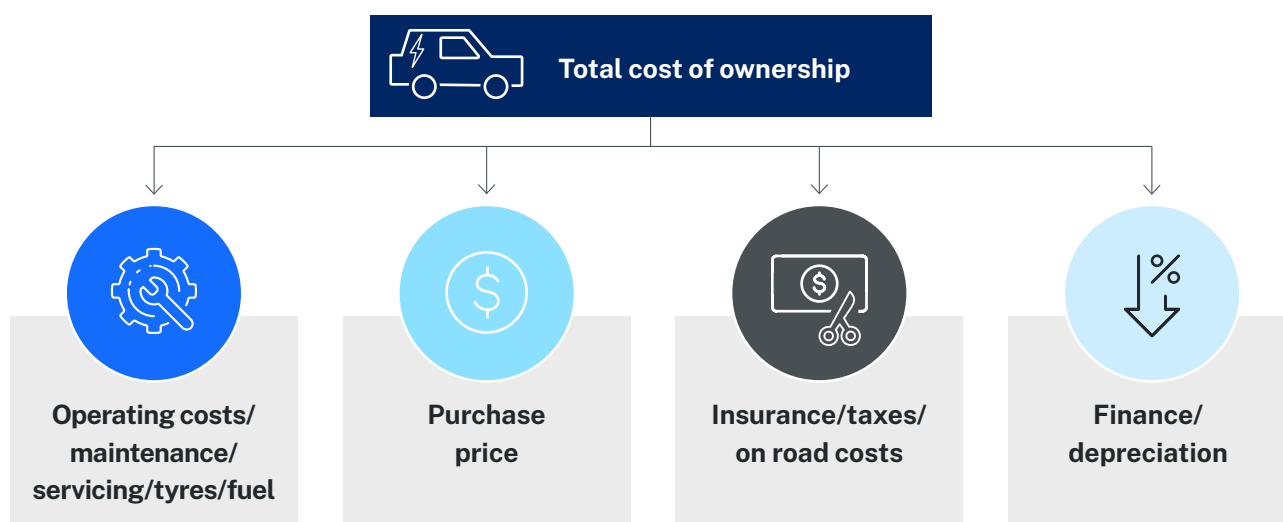


Figure 9 What is included in the total cost of ownership.

Calculation of the emissions abatement

The online platform uses the Office's methodology to calculate the emissions abated by procuring new BEVs/FCEVs. The emissions abatement is calculated over a period of up to 4 years for BEVs/FCEVs procured under the individual fleet stream.

For leasing arrangements under the aggregator stream, the emissions abatement is calculated over the lease agreement term.

The methodology to determine level of emissions abated also includes the level of renewable energy used for vehicle charging, if applicable. Fleet managers will need to include this information as part of their bid.

Emissions, renewable energy and bid competitiveness

Petrol and diesel vehicles produce most emissions when they are being driven. These are known as 'tank-to-wheel' or exhaust emissions.

Petrol and diesel vehicles also generate emissions through the production and distribution of their fuel, known as 'well-to-tank' or upstream emissions.

BEVs have no exhaust emissions. Their emissions are primarily determined by the upstream emissions, that is, from the production and distribution of the energy used to charge them. FCEVs also have no exhaust emissions and their carbon footprint is determined by the production and distribution of hydrogen used to refuel them.

By including petrol and diesel vehicles with high annual mileages (above 20,000 km) as vehicles to

replace in their bid, fleet managers can achieve higher emissions abatement and improve the competitiveness of their bid.

By adopting renewable energy to charge vehicles at their own facilities, fleet managers will further improve the emissions abatement from their BEVs. This feature is an important element of office funding and higher renewable charging will boost the chances of being awarded the incentive.

The Office has developed a renewable energy calculator to help bidders estimate the percentage of renewable energy used to charge their BEVs. To receive access to the calculator, bidders can contact electric.vehicles@environment.nsw.gov.au

The evidence requirements and sources of renewable energy that apply to this incentive are outlined in table 2 below.

Source of renewable energy	Evidence
Direct purchase of green energy (GreenPower)	Bill for the National Meter Identifier (NMI) that will feed the base charger/s.
Power purchase agreement	Agreement and evidence of its applicability to the NMI that will feed the base charger/s.
Rooftop solar	Bill for the NMI linked to the rooftop installation and to the base charger/s.

Table 2 Evidence requirements and sources of renewable energy that apply to this incentive.

Evidence provided is subject to sample auditing. Offsets or any other method not included in the list above cannot be used to claim emissions abatement under this incentive.

Fleet managers may use their own tool and/or method, or seek assistance from a consultant, to calculate their own organisation-specific TCO and emission abatement figures, especially if they want to prepare an accurate internal business

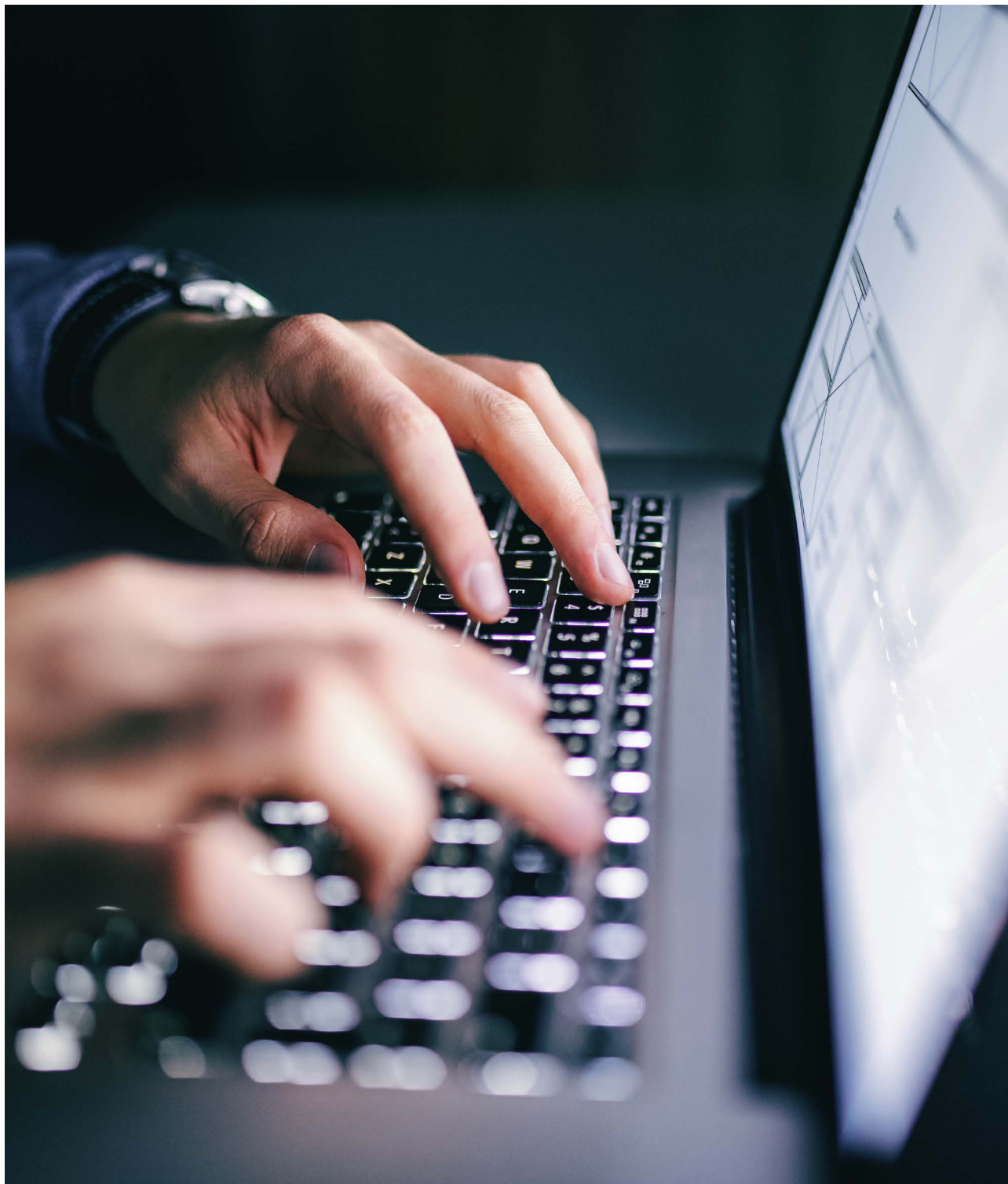
case to support their BEV/FCEV transition. However, to participate in the bid, fleet managers must input these values into the TCO/emission calculator embedded in the online bidding platform, as required.

How to bid for the incentive

Individual fleets and aggregators bid under separate streams and are ranked separately.

During this funding round, individual fleets and aggregators will have 2 opportunities to place

a bid. They can place an initial bid and check their competitiveness against the others in their stream, and then must place their final bid, which may be for an updated amount.





Step 1: Sign-up to the online platform

Individual fleets

Aggregators

Individual fleets and aggregators who are interested and eligible must sign up via the [energy.nsw.gov.au website](https://energy.nsw.gov.au) to receive access to the online platform. When signing up, they will have to provide a valid registered ABN in their organisations' name.



Step 2: Prepare for the bid

Individual fleets

Individual fleets will need to prepare the following information for their bids:

- details about the current structure of their fleet (that is, the number of vehicles per category, % of vehicles leased/owned, registration numbers of vehicles being replaced, if applicable)
- the TCO gap for each BEV/FCEV they want to procure (to be calculated on the online platform)
- how much of the TCO gap they intend to ask for as an incentive, noting that the incentive requested must be lower than the gap calculated, except if the TCO gap is less than \$3,000
- the estimated total emissions abated by procuring the BEV/FCEV (to be calculated on the online platform).

BEV/ FCEV model	TCO gap	Incentive requested	Annual emissions abated
Model 'x'	\$9,000	\$6,000	1.6 tonnes of CO _{2e}
Model 'y'	\$23,000	\$12,000	2.1 tonnes of CO _{2e}
Model 'z'	\$1,900	\$1,050	0.7 tonnes of CO _{2e}
Total		\$19,050	4.4 tonnes of CO_{2e}

Table 3 Example of information prepared in advance of a bid. Please note that the data included in the table is hypothetical.

Aggregators

Aggregators bid for an incentive that they can subsequently offer to their customers to reduce the price of leasing arrangements for the integration of EVs into their fleets.

Aggregators may not yet have full commitment from their customers, so they make a bid to Government for a guaranteed number of vehicles and estimated emissions abatement. Aggregators will be asked to provide a list of specific BEVs/FCEVs they intend to lease-on (for example, 50 Konas and 10 Leafs).

They need to prepare the following information, by using the online platform and TCO calculator:

- the models and the total number of BEVs/FCEVs they expect their customers may lease based on their knowledge of their customers' plans and readiness to include more EVs in their fleets
- the estimated average level of incentive they will pass to their customers. The level of incentive must be lower than the estimated average TCO gap, between the specified BEV/FCEV and the vehicle that would otherwise have been procured
- the estimated total emissions abated by the new BEVs/FCEVs.

Aggregators cannot include their own fleet vehicles in the bid. If aggregators want to bid for incentives for their own fleet, they must register under the individual fleets stream.



Step 3: Register for a bid

Individual fleets

Aggregators

Individual fleets and aggregators must register to make a bid in the funding round.

By registering, individual fleets and aggregators confirm that:

- they are eligible
- their bid complies with these guidelines
- they understand the terms, conditions and responsibilities of the incentive funding deed
- they will comply with all reasonable requests for information from the Office in regard to the verification, management and auditing of the incentives issued.

When registering, they are also required to address compliance requirements by providing:

- a declaration of reputable business records
- conflict of interest statement including any perceived or actual conflict of interest
- financial capacity statement on how to fund their proposed share of procurement costs
- capabilities statement on EVs' management.



Step 4: Provide bid supporting information

Individual fleets

Aggregators

Individual fleets are required to:

- upload evidence of the TCO variables/assumptions provided
- provide evidence about the use of renewable energy to recharge the new BEV(s), if applicable
- provide justification for including in the bid PVs and/or SUVs exceeding the vehicle price cap, if applicable.

Aggregators are required to provide TCO evidence/supporting information at a later stage.



Step 5: Opt for smart base charging

Individual fleets

Aggregators

Individual fleets and aggregators have the option to ask for a fixed amount to procure CaaS solutions or purchase smart base charging equipment for every BEV incentivised. The fixed amount does not affect the bid ranking and it is allocated only if they are successful in the bid process. Aggregators must pass the full fixed amount to their customers. The fee can pay for smart base charging to be installed at business premises or employees' homes.

The fixed amount for the round is \$400 per vehicle incentivised.



Step 6: Place initial bid

Individual fleets

Aggregators

Individual fleets will submit their initial bid including the following information:

Total number of battery electric vehicles	3
Average incentive requested per vehicle	\$7,500
Total incentive requested	\$22,500
Total emissions abated (tonnes of CO ₂ e)	50
\$ incentive requested per tonne of CO ₂ e abated	\$450/tCO ₂ e

Table 4 Example bidding information – individual fleet.

According to the table above, the bidder is asking for \$22,500 as an incentive to procure 3 BEVs. In this example, the bidder typically holds their vehicles for 2 years. Therefore, the bidder is asking the Office for \$450 for each tonne of CO₂e that will be abated (over 2 years) by transitioning 3 vehicles to BEVs.

If successful and if applicable, the bidder will receive an additional \$1,200 to go towards procurement of smart base charging infrastructure.

The data included in the table is hypothetical and should not be used to inform bid decisions.

Aggregators will submit their initial bid including the following information:

Guaranteed total number of battery electric vehicles	10
Average incentive requested per vehicle	\$12,000
Total incentive requested	\$120,000
Guaranteed total emissions abated (tonnes of CO ₂ e)	60
\$ incentive requested per tonne of CO ₂ e abated	\$2,000/tCO ₂ e

Table 5 Example bidding information – aggregator.

According to the table above, the bidder is asking for \$120,000 to place 10 BEVs. The bidder is committing to abate 60 tonnes of CO₂e (over the leasing term) through this activity. Therefore, the bidder is asking the Office for \$2,000 for each tonne of CO₂e that they commit to abate by passing the incentive on to their customers to lease 10 BEVs.

If successful and if applicable, the bidder will receive an additional \$4,000 to pay to its customers for procurement of smart base charging infrastructure.

The data included in the table is hypothetical and should not be used to inform bid decisions.



Step 7: Place final bid

Individual fleets

Aggregators

After the submission of their initial bid, the Office will let individual fleets and aggregators know how they are performing against the most competitive bidder in their stream, what their relative ranking position is and if their current bid is successful.

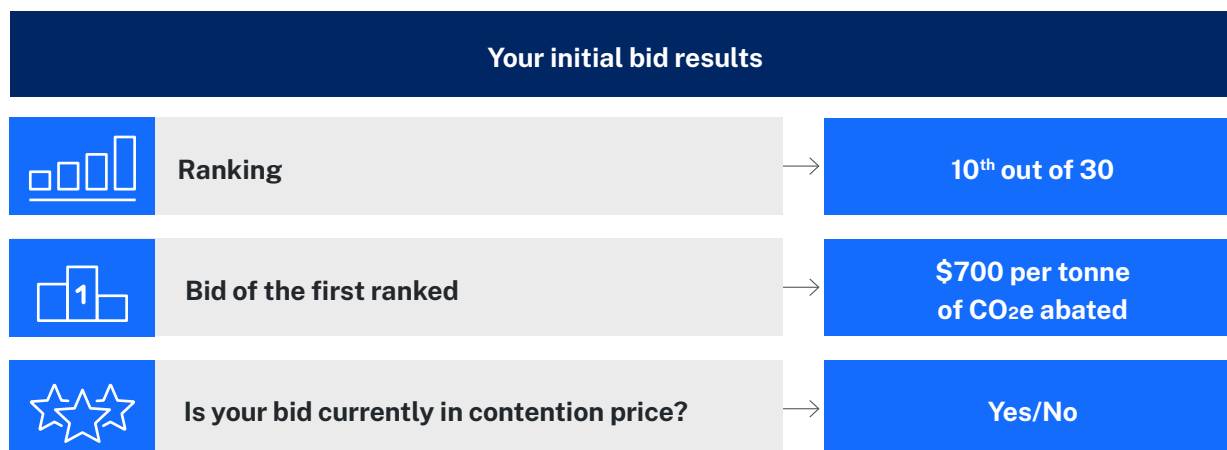


Figure 10 Initial bid results example.

Individual fleets and aggregators will then be able to confirm their initial bid or submit a revised final bid. Any aspect of their bid can be revised before their final submission.



Step 8: Receive notification of results

Individual fleets

Aggregators

Once the final bids are placed, the Office will conduct eligibility criteria and compliance checks and review the bid supporting information provided. Individual fleets and aggregators may be required to respond to requests for clarifications and/or to adjust their bids if the bid supporting information provided is not sufficient.

Only the bids of eligible and compliant fleet managers will be included in the final ranking. Both successful and unsuccessful individual fleets and aggregators will receive a written notification of the final ranking results from the Office. The Office will also publish the average level of incentive per tonne of abatement requested by successful individual fleets and aggregators on the energy website.

A notification of successful result does not bind the Office to provide the incentive payment. Successful individual fleets and aggregators will become entitled to receive the incentive only upon the incentive funding deed being signed by both the incentive payment recipient and the Office.



Step 9: Funding deed execution

Individual fleets

Aggregators

With the notification of results, the Office will e-mail the incentive funding deed to successful fleet managers for their signature. Fleet managers will need to return the incentive funding deed signed off by an authorised representative within **30 business days** from the day they receive the incentive funding deed. The Office would then confirm details and may then at its discretion counter-sign the deed. The Office reserves the right to not proceed with the deed, if there are changes in government policies.

Fleet managers that do not return a signed incentive funding deed within 30 business days from the date they receive the incentive funding deed will not be allowed to progress in the process and access the incentive payment.



Step 10: Provide evidence for payment

Individual fleets

Aggregators

Within **80 business days** from the notification of results, successful individual fleets that have an incentive funding deed signed by both parties must provide:

- the purchase order(s) for the identified EV(s), if buying
- the leasing quote/order for the identified EV(s) signed off by both the lessee and the lessor, in the case of a leasing arrangement.

The purchase order(s) and the leasing quote(s)/order(s) cannot be dated from before the launch of the funding round.

Extensions to the 80 business day term may be granted at the Office's discretion, if there is a reasonable cause for the delay of PO(s)/leasing order(s) submissions and adequate evidence is provided.

If a model approved in a successful bid is unable to be purchased for legitimate reasons, fleets can propose an alternative EV model to the Office for its approval.

Within **80 business days** from the notification of results, the successful aggregators that have an incentive funding deed signed by both parties must confirm that they have ordered the number of vehicles included in their offer, by submitting for each customer:

- purchase orders for the identified EVs that will be leased
- a TCO gap report for the ordered EVs, with assumptions and supporting evidence, and including the estimated emissions abated based on the final mix of vehicles, and evidence for the renewable energy nominated by the customer for vehicle charging
- fleet structure information on each of the customers they will lease EVs to
- sign-off declaration by the customer, confirming the number of EVs and smart chargers procured and the value of the incentive included in the leasing package.

The purchase order(s) cannot be dated from before the launch of the funding round.



Step 10: Provide evidence for payment (continued)

Individual fleets	Aggregators
<p>The Office expects the new proposed model to have a similar or higher price than the EV outlined in the bid. Cases where the new model leads to a negative TCO gap will not be accepted. The value of the incentive will not change.</p> <p>Within 180 NSW business days from the notification of results, the successful individual fleets will need to upload evidence of:</p> <ul style="list-style-type: none"> • registrations of the incentivised vehicles in NSW • purchase of the smart base charging equipment and/or CaaS contractual arrangement with details (if applicable). Proof for the base charging cannot be dated from before the launch of the funding round. <p>The full list of information that successful individual fleets must provide to receive payment is summarised in the 'Incentive funding deed' section of these guidelines.</p>	<p>If the aggregator does not place the guaranteed number of EVs in the timeframe, the aggregator will be paid only for the vehicles they have converted.</p> <p>The final payment will be calculated by decreasing proportionally the total incentive requested in the bid on a per vehicle basis.</p> <p>However, if the successful aggregator converts less than 75% of the guaranteed number of vehicles, the Office may decide – at its discretion – to exclude the successful aggregator from the next round.</p> <p>If required, successful aggregators can include alternative EV models in the TCO gap report which is due with the purchase order(s).</p> <p>The TCO gap report will include the final volume and mix of vehicles and the new incentive dollar amount requested per tonne of CO₂e abated.</p> <p>If the new incentive dollar amount requested per tonne of CO₂e abated is higher than the amount requested in the bid, the payment per vehicle will be decreased proportionally to compensate for the difference.</p> <p>If the new incentive dollar amount requested per tonne of CO₂e abated is lower or equal to the amount requested in the bid, no further adjustments will be required, and the full incentive payment initially requested will be made.</p> <p>The unallocated funds can be reallocated at the Office's discretion and in a manner consistent with the published guidelines.</p> <p>Extensions to the 80 business day term may be granted at the Office's discretion, if there is a reasonable cause for the delay of PO(s)/leasing order(s) submissions and adequate evidence is provided.</p>

**Step 10: Provide evidence for payment (continued)****Individual fleets****Aggregators**

Within **180 NSW business days** from the notification of results, successful aggregators will need to provide evidence for each customer of:

- registrations of the incentivised vehicles
- purchase of the smart base charging equipment and/or CaaS contractual arrangement with details (if applicable). Proof for the base charging cannot be dated from before the launch of the funding round.

The full list of information that successful aggregators must provide to receive payment is summarised in the 'Incentive funding deed' section of these guidelines.



Step 11: Receive payment

Individual fleets

Aggregators

After receiving proof of registration and smart base charging equipment purchase information, the Office will pay the incentive for the vehicles and the fixed amount for the smart base charging.

The aggregators will then pass the full incentives to their customers.

GST will be added to the incentive payments, except for the payments to local government, which will be net of GST.

The Office will make payments in one lump sum for all vehicles and chargers included in the bid.

However, successful aggregators and successful individual fleets can submit an alternative payment plan for consideration of the Office. The plan must have milestone payment, including at least 30 vehicles.

The proposed alternative payment plan must be submitted at the time of providing the purchase order(s).

If successful individual fleets and aggregators fail to register the incentivised EVs in NSW within **180 NSW business days** from the notification of the round results, they will lose access to the funding for any EVs not registered.

Extensions to this set term may be granted at the Office's discretion, if there is a reasonable cause for the delay of registration and adequate evidence is provided. An extension will only be considered for vehicles with a purchase order in place.

Successful aggregators and individual fleets will need to submit a written request for extension, with details about expected delays supported in writing by the OEM.

The request for extension must be submitted to the Office **at least 30 business days** before the stipulated 180 day term.

Funding allocation

The total funding allocated for this round is \$15 million. The funding covers both vehicle incentives and fees for smart base charging equipment.

The Office will split the allocated funds across the 2 streams at its discretion.

There are no dedicated funding allocations per vehicle category.

Bidder withdrawal from bidding process

Individual fleets or aggregators may withdraw an eligible bid made during a bidding window by submitting their request through the help function in the bidding platform. Withdrawal of an eligible bid will result in the cancellation of the individual fleet's/aggregator's registration for that funding round. All withdrawn bids will become ineligible and will not be considered by the Office. The individual fleet/aggregator may still register and bid for funding in later rounds.

The Office may cancel an eligible bid on behalf of a fleet manager if:

- requested during a bidding window by the fleet manager in writing
- the Office is satisfied that the fleet manager is unable to withdraw their bid during the bidding window due to a fault or malfunction relating to the bidding platform.

The Office's cancellation of a fleet manager's eligible bid will also result in cancellation of the fleet manager's registration to participate in that round.

Once the bidding window for a round has closed, an eligible bid submitted during the round cannot be withdrawn.

If a bidder is successful under the individual fleet stream, they cannot withdraw their application to receive an incentive under the aggregator stream, via a leasing arrangement with a successful aggregator.





Determining successful bids

Eligibility assessment

The Office will assess the eligibility of individual fleets and aggregators against the eligibility criteria set out by these guidelines. The Office may, at any time during the funding round, carry out due diligence activities to verify eligibility and/or compliance claims and/or the legitimacy and integrity of the bid supporting information provided.

Bids ranking

Only bids placed by registered individual fleets and aggregators that meet eligibility criteria and compliance requirements will be ranked.

The individual fleet and aggregator stream bids are ranked separately in bid stacks.

The metric to determine the ranking is the dollar value requested to abate one tonne of CO₂ emissions equivalent (\$/tCO_{2e}).

This is calculated by dividing the total amount of incentive requested by the estimated total amount of emissions abated by procuring and operating the new EVs across the term stipulated by these guidelines.

All eligible bids under one stream are placed in a bid stack and ranked by \$/tCO_{2e}. The bid with the lowest \$/tCO_{2e} ratio is ranked first and the bid with the highest is ranked last.

Smart base charging payments are not included in the \$/tCO_{2e} ratio.

The bidder who is requesting the Office to pay the lowest amount of funding to abate each tonne of CO₂ equivalent in their bid will be first in the ranking.

The \$/tCO_{2e} is used for ranking both the initial and final bids.

The table below illustrates an example of ranking and the application of \$/tCO_{2e} as the ranking metric. Figures used in the table are hypothetical and should not be used to inform bid decisions.

Fleet managers (ranked)	Total no. of eligible EVs	Average incentive requested per vehicle	Total incentive requested	Total emissions abated (tonnes of CO _{2e})	\$ incentive requested per tonne of CO _{2e} abated
C	5	\$6,000	\$30,000	65	\$462/tCO _{2e}
A	7	\$9,000	\$63,000	49	\$1,286/tCO _{2e}
B	5	\$10,000	\$50,000	25	\$2,000/tCO _{2e}

Table 6 Illustrative example of ranked bids.

Funding allocation

Once final bids are ranked, the Office will assign the available round funds starting from the first ranked bid until the funds are exhausted. The funding allocated will include the incentives requested for the vehicles and the fixed amount for the smart base charging equipment, if applicable.

If there are equal \$/tCO_{2e} offers competing in the ranking, volume will be used as a secondary metric to assess the successful bid. The bid with the higher volume of eligible EVs requested will have the higher ranking.

If the available funds are not sufficient to cover the full amount of the bid at the cut-off point in the bid stack the Office will decide, at its discretion, whether to accept the bid or not and whether the available round funds can be increased to fully incorporate this bid.

Ceiling on average incentive per vehicle

The Office may set a ceiling on the average incentive per vehicle requested, which will not be disclosed.

If a ceiling is set, the Office will exclude from ranking any bids that would need an average incentive per vehicle that exceeds the ceiling.

In setting the ceiling for the round, the Office will consider:

- the average TCO observed in the market by vehicle category
- the principle that the Office's incentive is designed to partly cover the TCO gap.

The same ceiling on the average incentive per vehicle applies to both the initial and final bidding windows and to both the individual fleet stream and the aggregator stream. When applied to the initial bid, fleet managers who have been removed from the bid stack because they have exceeded the ceiling will be notified. They can review their bid and submit a final bid in the second bidding window.

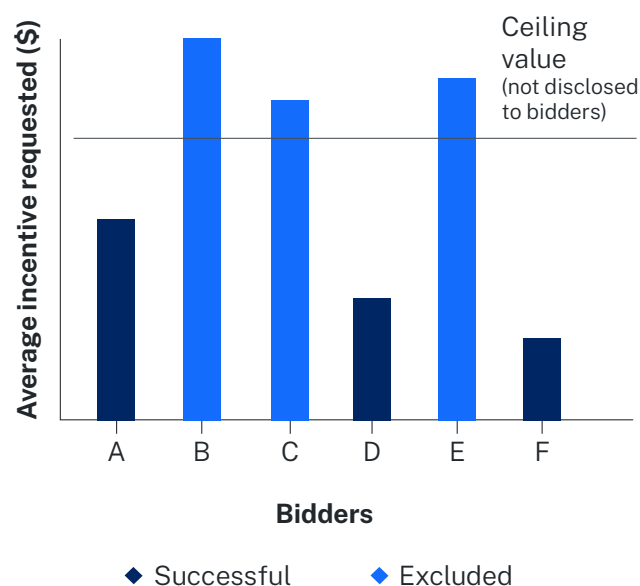


Figure 11 Representation of ceiling value as part of the incentive.

Management of underspent funding

The NSW Government may, at its discretion, reassign any unspent funding from a round into the next round. If there is unspent funding under one stream (individual fleets or aggregators), the Office also may, at its discretion, reallocate the funding to the other stream within the round to meet demand.



Worked examples

These worked examples have been designed to provide a better understanding of the process, but the information included is hypothetical and should not inform or influence bid decisions.

Individual fleet example



Jeremy is a fleet manager of a business organisation based in Wollongong and wants NSW Government funding to help him introduce 14 BEVs to his fleet.

Using the bidding platform's TCO tool, he estimates that he will abate 140 tonnes of CO₂ equivalent over 4 years of using the BEVs compared to the ICEV models he would otherwise have purchased. He has requested – on average – \$10,000 per BEV, a total of \$140,000 for all the vehicles. The amount of NSW Government funding invested to save one tonne of CO₂e would be:

**140 tonnes
CO₂e abated**

=

\$140,000

**Therefore,
one tonne
CO₂e abated**

=

\$1,000

In summary, Jeremy would make a bid that comprises:

- 14 vehicles
- \$10,000 average incentive requested per vehicle
- \$140,000 total incentive requested
- \$1,000 per tonne of CO₂e abated.

After the initial bidding window closes, Jeremy is informed by the Office that his average incentive requested per vehicle exceeds the ceiling set for the round and therefore his bid is not in contention. He has a discussion with his executive and amends his bid to ask on average \$9,000 per BEV. His final bid looks like:

- 14 vehicles
- \$9,000 average incentive requested per vehicle
- \$126,000 total incentive requested
- \$900 per tonne of CO₂e abated.

After the final bidding window closes Jeremy is notified that he is now successful. He will receive the incentive payment for the vehicles if both his organisation and the Office sign off the incentive funding deed and he provides the Office with the required evidence for payment. He will also receive a \$400 payment for up to one charging point per BEV once he provides evidence of charger purchase. His business will therefore receive \$5,600 as a contribution to cover smart base charging costs, leading to a total payment of \$131,600.

Aggregator example



Zainab is an account manager of a FMO based in Sydney. Some of her NSW customers who need to replace their vehicles in the next 6 months may consider leasing BEVs if they were provided with a reduced price. Zainab calculates that she could secure commitment from her customers to lease up to 50 BEVs, so she gets internal approval to bid for NSW Government funding.

Using the bidding platform's TCO tool, she estimates that her customers could abate 625 tonnes of CO₂e equivalent over a 5-year lease term by using BEVs compared to the ICEV models they would otherwise have leased. She decides to ask – on average – \$6,500 per BEV, a total of \$325,000 for all the vehicles. The amount of NSW Government money invested to save one tonne of CO₂e equivalent would be:

**625 tonnes
CO₂e abated**

=

\$325,000

**Therefore,
one tonne
CO₂e abated**

=

\$520

In summary, Zainab would make a bid that comprises:

- commitment to lease 50 BEVs to her customers
- \$6,500 average incentive requested per vehicle
- \$325,000 total incentive requested
- an estimated abatement of 625 tonnes CO₂e over the 5-year leasing term
- \$520 per tonne of CO₂e abated.

Zainab's bid is successful, and she engages with her customers to place the BEVs. Unfortunately, she only manages to secure purchase orders for 48 vehicles, within 80 business days from the bid result notification. The 48 vehicles will abate 612 tonnes CO₂e, as demonstrated in the final TCO reports and emissions calculations prepared as evidence by Zainab. The Office re-adjusts proportionally her bid as follows:

- 48 BEVs
- \$6,500 average incentive granted per vehicle
- \$312,000 total incentive granted.

The new incentive dollar amount requested per tonne of CO₂e abated is about \$510 which is lower than the amount requested in the bid (\$520), so no further adjustments to the incentive amounts are required.

Zainab will receive the incentive payment for the vehicles if both the Office and her organisation sign off the incentive funding deed and she provides the Office with the required evidence for payment. She will also be able to provide her customers with a \$400 payment per charging point once she provides evidence of their purchase.

After reassessment of the bids received and the ranking, the Office decides to offer the funding for the 2 vehicles that Zainab could not place to Angela, a fleet manager from Wagga Wagga competing under the individual fleets stream. Angela was initially unsuccessful, as her bid was ranked below the cut-off point for funding, based on the funding initially available. With funding now reallocated from the aggregator stream, Angela's bid is the next on the list for funding.



Timelines

Frequency of funding rounds

It is anticipated funding rounds will be held approximately every 6 months to align with fleet managers' planning and budgeting requirements.

The bidding process for each round will be around 2 months, excluding notification and final results.

Important dates for round 3

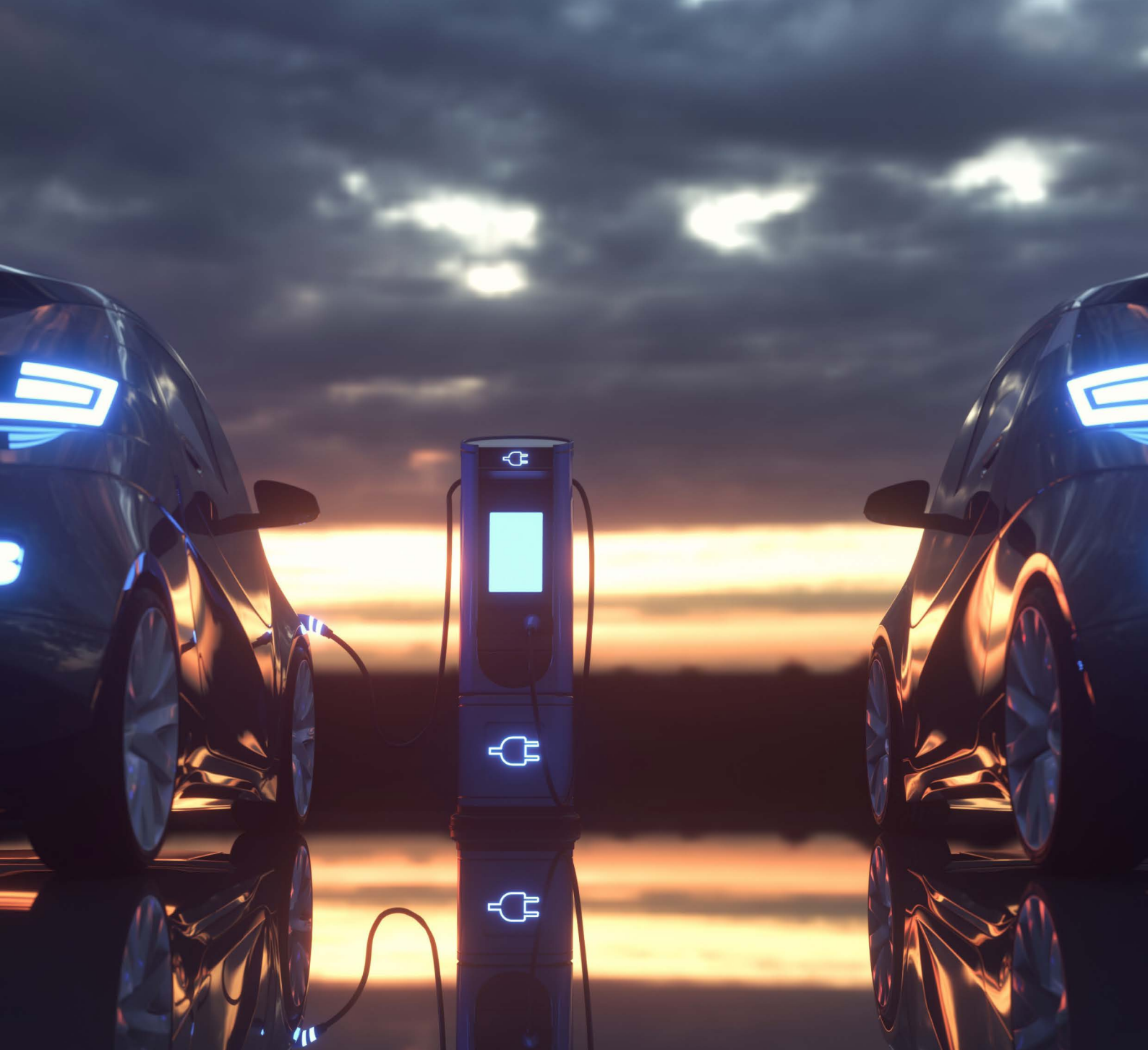
Stage	Date
Registrations/initial bidding window	10am AEST Tuesday 24 January 2023 to 5pm AEST Friday 5 May 2023
Round information session	End of February or April 2023 (final dates to be confirmed)
Notification of initial bid ranking	10am AEST Wednesday 10 May 2023
Final bidding window	10am AEST Wednesday 10 May 2023 to 5pm AEST Tuesday 23 May 2023
Notification of final results	July 2023

Table 7 Important dates for the round starting in January 2023.

An online question and answer session will be held for each stream at the end of February or April 2023 (dates to be confirmed). Details will be posted on the energy website.

If the Office decides to extend the registration period, it will publish the new deadline on the energy website. The Office will provide this update at least one week before the original closing date.





Bidding support

Application checklist, frequently asked questions, industry information session recordings as well as other supporting documents can be found at energy.nsw.gov.au/electric-vehicle-fleets

Requests for support can be made via the bidding platform help function or by emailing electric.vehicles@environment.nsw.gov.au

Any participants who want to ask questions or who are seeking information are strongly encouraged, for probity reasons, to contact the Office only through the official bidding support channels. Participants are discouraged from trying to contact individual office staff members directly regarding their bid.





Incentive funding deed

Obligations of successful organisations

Successful fleet managers must sign a funding deed with the Office.

All incentive payments are conditional upon the execution of the incentive funding deed by both the successful fleet managers and the Office.

Fleet managers must make sure that funding offers are kept confidential until their funding deed with the Office has been executed. Successful fleet managers must provide the Office with the following information, using the online bidding platform.

	Required information	Timeframe
Individual fleets stream	<ul style="list-style-type: none"> signed funding deed. 	Within 30 business days from notification of bid results.
	<ul style="list-style-type: none"> if buying, purchase order(s) for the identified EVs in case of a leasing arrangement, the leasing quote/order for the new EV(s), signed off by both the lessee and the lessor. 	After the funding deed execution and within 80 business days from notification of bid results.
	<ul style="list-style-type: none"> proof of EVs' registration in NSW proof of purchase of the smart base charging equipment, including number of charging points and/or CaaS contractual arrangement covering customer subscription offer, location, term and number of charging points (if applicable). 	Within 180 business days from notification of bid results.
Aggregators stream	<ul style="list-style-type: none"> signed funding deed. 	Within 30 business days from notification of bid results.
	<ul style="list-style-type: none"> purchase orders for the identified EVs a TCO gap report for the ordered EVs with assumptions and including the final estimated emissions abated customers' fleet structure information signed declaration by the customer/s, confirming the number of EVs to be leased, the number of smart charging points purchased and/or CaaS solution procured, and the value of the incentive included in the leasing package. 	After the funding deed execution and within 80 business days from notification of bid results (or within the extension granted).
	<ul style="list-style-type: none"> proof of EVs' registration in NSW proof of purchase of the smart base charging equipment, including number of charging points and/or CaaS contractual arrangement covering customer subscription offer, location, term and number of charging points (if applicable). 	Within 180 business days from notification of bid results (or within the extension granted).

Table 8 Information to be provided by successful fleet managers to receive payment.

If successful organisations do not comply with the requirements in Table 8 above, they lose the right to access the incentive. The Office may grant extensions to the timeframes outlined above, if the fleet manager's reason for the delay is acceptable and adequate evidence is provided. Please refer to pages 29–32 on evidence required to address delays in vehicle supply.

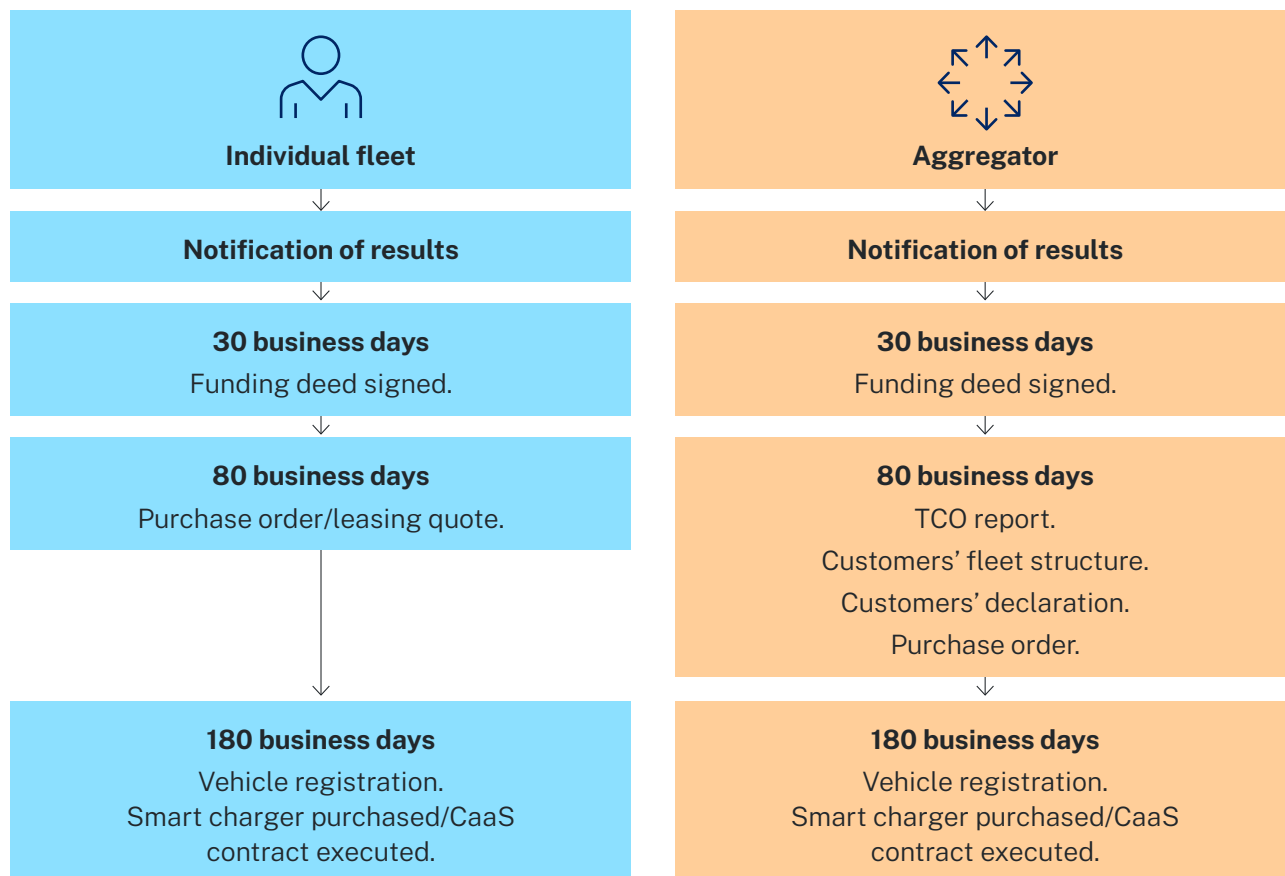


Figure 12 Funding timings.

Promotion of incentivised EVs

Successful individual fleets and aggregators also agree to comply with the following requirements:

- to promote and share via media and communications the procurement of the incentivised EVs and their benefits (including estimated emissions abated), thus inspiring others to transition their fleets.

Reporting

Fleet managers and aggregators must either report annually or arrange for annual reports to be prepared by their customers, for 2 years following the EVs registration. The reports must include:

- servicing and maintenance logbooks
- annual mileage
- energy usage and the percentage of energy sourced from renewable resources
- smart base charging usage reports
- information on when the fleet managers plan to resell the vehicles on the second-hand market.

Organisations will need to use the reporting template provided by the Office when they are notified that their bid was successful.

Aggregators are expected to collate the necessary information from their customers.

Fleet managers that do not provide a complete annual report are not complying with the incentive funding deed and the Office may exclude them from future funding rounds and/or future grants funding.

Fleet managers and aggregators must participate in any surveys – or ensure their customer/s participate in any surveys – the Office may set up to analyse the incentive's impact. For example, the surveys may collect information about:

- driver/staff sentiment towards BEVs/FCEVs
- levels of utilisation compared to ICEVs/HEVs/PHEVs
- suitability of BEV/FCEV models chosen
- staff charging behaviour (for example, usage of public or private charging, state of charge vehicles are required to be charged to)
- future BEV/FCEV procurement plans.



Terms and conditions

Late submissions

Please note that, apart from any extension published by the Office, no late applications will be accepted following the published cut-off dates and times. The Office, at its absolute discretion, may accept late applications if it does not affect any material fairness.

Suspension and cancellation

The Office may suspend or cancel the round if it believes on reasonable grounds that:

- the round cannot continue, or be conducted, in a fair and orderly manner
- it is likely that the round will not be able to continue, or be conducted, in a fair and orderly manner.

The Office may suspend or cancel the round at any time before it publishes the outcome of the round. Any decision to suspend or cancel will be communicated to all applicants. The Office will seek the advice of the probity adviser in making any such decision in a fair and objective manner, consistent with established probity guidelines.

If a round is suspended, the Office will continue or cancel the round within a reasonable timeframe. If the Office is satisfied that a suspended round can continue and be conducted in a fair and orderly manner, the round will be continued. If a round is cancelled, it may be rescheduled and the updated date(s) and bidding window will be published on the energy website.

Disqualification of fleet managers

The Office reserves the right to disqualify individual fleets/aggregators from participating in rounds for an identified period. This can be done if the Office believes, on reasonable grounds, that a fleet manager has engaged in misconduct relating to any part of the registration, bidding or ranking process. In determining whether to disqualify a fleet manager, the Office may consider whether the fleet manager has:

- breached the guidelines for participating in the incentive process including no longer meeting the compliance requirements set out above
- breached a direction given by the Office in relation to the incentive process
- been involved in or is suspected of being involved in, now or in the future, conduct intended to affect the integrity of the process, including disclosing a pricing strategy.

Conflicts of interest

If fleet managers are aware of any actual, apparent or potential conflicts of interest they must advise the Office at the registration stage. Fleet managers must comply with any directions from the Office in the management of a conflict of interest.

Confidentiality

Information of a confidential nature, which is provided by a fleet manager as part of or in connection with any bid, will be treated as commercial-in-confidence information and only disclosed with the consent of the fleet manager. However, commercial-in-confidence information provided by fleet managers may be disclosed:

- to the minister/the minister's Office
- to office staff
- to relevant parties for auditing purposes
- where authorised or required by law to be disclosed.

Probity

The Office has developed an internal Probity and Governance Plan to ensure high standards of probity throughout the planning and implementation of this incentive. The plan underpins the following principles:

- treating all potential participants with impartiality and fairness, with all having equal opportunity to access and respond to information and advice
- using a competitive process to rank the bids in order of merit against the identified assessment criteria
- maintaining the accountability and transparency of the process, assessing all bids in a systematic manner consistent with the incentive evaluation plan
- managing all fleet managers' information to ensure the confidentiality and security of that information, including any intellectual property, proprietary and privacy issues
- identifying and managing conflicts of interest before carrying out work or as soon as they arise.

The Office ran a competitive tender and appointed O'Connor Marsden & Associates Pty Ltd (ABN 94 135 783 792) as the independent probity adviser for the incentive. The probity adviser will monitor the conduct of the rounds and ensure they are delivered in line with the probity principles underpinning the delivery of the incentive, as described above.

Should any applicant have questions or concerns about the probity of the incentive and bid process, they are welcome to bring these directly to the probity adviser's attention: Richard O'Neill Senior Manager OCM Probity (roneill@ocm.net.au).

Provision of false or misleading information

The Office takes fraud very seriously. It is an offence to provide false or misleading information to the Office.

If a fleet manager provides any information, or makes any representations to the Office that the Office considers is or may be inaccurate, intended

to mislead, deceptive, deceitful, or otherwise fraudulent, the Office may take the following actions against the fleet manager:

- refusing to consider their bid
- refusing to accept or consider any further bids from them
- withdrawing their funding offer
- requiring the return of any received payment that the Office determines the fleet manager was not entitled to receive in accordance with these guidelines and the terms of the funding deed
- reporting the matter to the NSW Police.

Auditing

Successful fleet managers may be subject to audits to confirm the:

- legitimacy of information provided in the bid
- purchase, receipt and registration of vehicles being incentivised
- acceptable use of incentivised vehicles
- purchase, installation and use of funded smart base charging (where applicable).

Audits may happen at any time, with reasonable notice, and the Office may contact relevant parties/authorities to confirm the above.

If an audit reveals non-compliance the Office may take action against the fleet manager, as described under the 'Provision of false or misleading information' section.

Data and information

The NSW Government may publish aggregate information of round results on the energy website.

The NSW Government may use deidentified bid data in training materials, case studies, evaluations and other portfolio purposes.

To understand how data is collected, stored, and protected when visiting the energy website and bidding platform, visit www.energy.nsw.gov.au/privacy



Glossary

Term	Description
Aggregator	An organisation that bids on behalf of its customers. An aggregator is party to the contract with the NSW Government.
Base charging	It covers smart charging installed at the fleet's business premises or employees' home which may feature single or dual charging points.
Battery electric vehicle (BEV)	A vehicle that is fully electric and powered by an electric drive train. BEVs do not include plug-in hybrid or hybrid vehicles.
Car rental companies	Companies that provide traditional car-hire services. Bookings are usually made in advance, and go by the day, week or month. Vehicles are owned by the rental company, and procured prior to the customers' commitment. Vehicles are typically hired for up to 6 months. The contract is for time only, with additional fees for kilometres travelled, fuel and tolls. Customers hiring vehicles are required to make a deposit/balloon payment.
Car share companies	Companies, common in densely populated areas, that usually require a membership. Bookings can be made in advance or last minute and users are often charged by the hour. Vehicles are available 24/7, subject to demand, and distributed across large areas.
Car subscription companies	Companies that provide a service similar to car rental companies, but that is more economical and generally for longer periods of time (typically 4–24 months). A car subscription will typically be a longer-term solution for someone who needs a car as part of their normal life. Users typically pay a recurring fee (for example, weekly or monthly) to access a specific vehicle, instead of purchasing or leasing it. The contract bundles everything except fuel and tolls, and no deposit or balloon payment is required of the customer. The car subscription company owns the vehicle, and procures it prior to the customer's commitment.
Ceiling on average incentive per vehicle	The maximum average incentive requested per vehicle in a bidding that the NSW Government is willing to pay. In order to increase competitiveness in the bidding process, the Office will not disclose what this amount is. The Office will exclude from ranking any bids that would need an average incentive per vehicle that exceeds the ceiling.
Charge-as-a-Service (CaaS)	A subscription-based model allowing fleet operators to pay a regular fee in exchange for access to EV charging equipment, located at the incentivised BEV(s) garaging location, and owned/managed by an unrelated third party. Upfront charger installation costs or external network connection costs may be additional. The service can deliver turnkey EV charging stations, including management software, 24/7 driver support and professional field maintenance. CaaS solutions may be termed under rental of charger offerings. Only smart chargers from the EV Council approved charger list can be used for CaaS solutions.
Conflict of interest	A situation where bidding participants may be, or may be perceived to be, influenced by personal interests (financial and non-financial) or personal associations.
Conversion rate	The ratio of a fleet that is being converted to EVs. For example, if a fleet manager converts 5 out of the 10 vehicles in their fleet, the conversion rate is 50%.

Term	Description
Electric vehicle (EV)	For the purpose of these guidelines, electric vehicle refers to battery electric vehicle (BEV) and fuel cell electric vehicle (FCEV).
Financial lease	A lease where the lessee has the option to purchase the vehicle at the end of the lease. The lessee will obtain ownership of the vehicle upon an 'offer to buy' or 'balloon payment' at the end of the lease. The lessor does not buy a vehicle until they have the customer's commitment, and purchases the vehicle on behalf of the lessee. The lessee pays monthly instalments/rental payments that go towards the vehicle. The term of a financial lease is typically 3 or more years, and the contract generally includes the lease only. A deposit payment may be required from the lessee. At the end of the lease period, the residual value of the vehicle must be paid by the lessee.
Fleet	Vehicles owned or leased by an organisation and used for business purposes.
Fleet manager	For the purposes of these guidelines, a fleet manager means those bidding under the individual fleet stream and aggregator stream, that is, fleet managers managing vehicles for their own organisation, and aggregators managing fleet vehicles for customers.
Fleet management organisation (FMO)	A company that provides operational and/or financial leasing arrangements to customers requiring fleet vehicles. FMOs help organisations with the acquisition, maintenance and disposal of fleet vehicles. They also help streamline administration and reporting.
Fuel cell electric vehicle (FCEV)	A vehicle that has an electric motor that is powered by a fuel cell. The fuel cell converts hydrogen into electricity to run the motor.
Heavy vehicle	Vehicles designed exclusively for heavy commercial applications. They have a gross vehicle mass greater than 4.5 tonnes.
Hybrid electric vehicle (HEV)	Vehicles that use both fossil fuel (petrol or diesel) and electricity to power both an internal combustion engine and electric motor. HEVs have a fuel tank and an electric battery for energy storage. The internal combustion engine recharges the battery.
Individual fleet	An organisation with at least 10 vehicles registered and used for business purposes in NSW.
Light commercial vehicle (LCV)	Vehicles designed for commercial applications, primarily carrying goods used for business or trade. They have a carrying capacity of one tonne or greater and a gross vehicle mass of up to 4.5 tonnes. They include light trucks, utilities and vans.
Novated lease	A financial arrangement used with salary packaging. An employer pays for the vehicle lease and running costs out of the salary package. This is usually done through a combination of pre- and post-tax salary deductions.

Term	Description
Operating leasing	<p>An operating lease is a form of financing a vehicle, which typically combines the vehicle running costs into a single monthly payment for the customer. Fuel may be included in the contract, and the term is typically 3 or more years.</p> <p>An operating lease is tax-deductible and carries no residual value risk for the customer if the vehicle is well maintained. The vehicle is typically also used without conveying ownership rights to the lessee. The lessor owns the vehicle and does not buy it until they have the customer's commitment. The lessee typically makes a balloon payment and no deposit payment.</p>
Original equipment manufacturer (OEM)	A company that manufactures and/or imports vehicles or vehicle components.
Passenger vehicle (PV)	A vehicle designed primarily for the carriage of passengers, such as hatches, sedans and wagons.
Public charging	<p>Any charging undertaken on publicly available chargers, not including at a private residence or worksite (for example, employee's home or work). Public charging is assumed to be covered by 100% renewables.</p> <p>Note: the current industry average is that BEVs access public charging sites to satisfy up to 8% of their charging needs. The remaining needs are satisfied by base charging infrastructure (that is, the chargers at your facilities or at the employees' homes, if the vehicle is home-garaged overnight).</p>
Plug-in hybrid electric vehicle (PHEV)	Vehicles that use both fossil fuel (petrol or diesel) and electricity to power both an internal combustion engine and electric motor. PHEVs have a fuel tank and an electric battery for energy storage. PHEVs can be recharged by plugging the vehicle into electric charging sources and refuelled at conventional service stations.
Price cap	A price limit – based on recommended retail price (RRP) plus GST – above which vehicles will not be considered for the incentive, except by exemption. For the third funding round, a price cap of \$100,000 (including GST) applies to eligible electric passenger vehicles and electric sports utility vehicles. There is no price cap on eligible electric light commercial vehicles.
Renewable energy	Energy that is produced from natural resources that do not run out when used – for example, solar or wind power.
Smart chargers	Chargers that share data connections with the vehicle being charged and a charging operator. This data is hosted by a cloud-based application that helps monitor, manage and restrict the use of charging devices to manage energy consumption. Smart chargers can adjust the time of day that electric vehicles are charged and the rate of charging. By adopting smart chargers, fleet managers can better manage their charging requirements, achieve cost savings and reduce the impact that electric vehicles have on the electricity grid.
Sports utility vehicle (SUV)	SUVs evolved from conventional 4WDs. They come in a range of sizes and are based on a 2/4 door wagon body type and elevated ride height.
Total cost of ownership (TCO)	The whole of life cost of a vehicle. There are several inputs into a TCO calculation, such as purchase price, fuel costs, maintenance and taxes.

Drive electric NSW EV fleets incentive



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