

Council Briefing Meeting Minutes

Date: Wednesday, 27 September, 2017
Time: 11:00 a.m.
Location: Council Chamber
Forum North, Rust Avenue
Whangarei

In Attendance	Her Worship the Mayor Sheryl Mai (Chairperson) Cr Stu Bell Cr Vince Cocurullo Cr Tricia Cutforth Cr Shelley Deeming Cr Sue Glen Cr Phil Halse Cr Cherry Hermon Cr Sharon Morgan Cr Anna Murphy
Not in Attendance	Cr Crichton Christie Cr Greg Innes Cr Greg Martin

Also present:

Alan Adcock (General Manager Finance and Corporate), Simon Weston (General Manager Infrastructure), Jeff Devine (Roading Manager), Tony Horton (Manager Strategy), Caine Varley (Team Leader Property Assets), Jennie Thomas (Democracy Adviser)

Her Worship the Mayor convened the meeting.

1. Apologies
Crs Christie, Innes and Martin

2. Reports

2.1 Electric Vehicles

Facilitators: Tony Horton, Alan Adcock, Caine Varley and Jeff Devine

Tony Horton led the presentation on Electric Vehicles (included in agenda report) to brief Elected Members on possible options for electric vehicles for WDC's fleet and to indicate opportunities to support infrastructure provisions for charge stations.

Caine Varley was present to answer queries on Council fleet management and procurement and Jeff Devin on transport infrastructure and subsidies.

Tony advised that the strategic context data provided was produced from current literature on nationwide fleets.

The points of interest from the data on electric vehicles were around the reduced running costs, noise and emissions during the vehicle lifecycle. Comparisons of total costs of ownership were provided in the presentation not just the initial cost of electric vehicles.

There are some points to consider in terms of the fleet for WDC including the requirement for off road use for some vehicles. There are also some issues experienced with early electric vehicles batteries and associated costs.

The market is responding to the use of electric vehicles resulting in the price per unit reducing.

Central Government's approach to the electric vehicle programme includes a goal of 64,000 electric vehicles by the end of 2021. Central Government policy levers include exemption of road user chargers (until a 2% threshold is reached) for both light and heavy fleet vehicles. Government is working across the public and private sector for bulk purchase of electric vehicles. There is \$1 million annually available for electric vehicle information and promotion campaign. Central Government has set up an annual \$6 million contestable fund to encourage and support innovative low emission vehicle projects by 50%.

Internationally, we are seeing a lot more government intervention in relation to electric vehicles. These interventions are directing a market response. There has been a significant reduction in electric vehicle battery price between 2010 and 2016.

The WDC electric vehicle fleet currently has one plug-in which has a driving range of only 100 km. Three new Renault Zoe electric vehicles have been purchased and are due in October – these vehicles have a 250-300 km range and are replacements for three existing petrol vehicles.

WDC is working with Northpower on electric vehicle charge station infrastructure at Walton Plaza. This will include one fast charge station which can fully charge the Zoe in under two hours. WDC has a contract with the Ministry of Business, Innovation and Employment (MBIE) for supply of fleet vehicles under an All of Government supply agreement. At present this limits the range of electric vehicles. Currently there are no heavy duty utility electric vehicles available but MBIE are continuously adding to the selection as suitable vehicles are introduced to the market.

Tony Horton ran through three possible WDC fleet electric vehicles options as outlined in the presentation.

Option 1 – no change to the current fleet policy and review in the future as new electric vehicle sale prices continue to drop.

Option 2 - amend the existing policy to evaluation electric vehicles in the fleet when replacement is required. Based on fit for purpose. If fit for purpose electric vehicle not available, evaluate a plug-in hybrid. If neither of these options are fit for purpose, then a case is made to purchase a petrol or diesel vehicle.

Option 3 - Full replacement of the fleet with electric vehicles. We would still need to consider purpose under this option.

Of the three options presented, Option 1 was ruled out by some as this did not fit with the adopted policy on electric vehicles at the April 2017 Council meeting.

Option 2 was seen as the option most aligned with the Greater Wellington City Council's policy.

There is support for electric vehicle infrastructure within our district with North Power and Charge Net presently being the two main providers of charging stations. Spark also has stations in both Auckland and Wellington and has established one station in Waipu. The strategic location for charge stations is the key. There will be economic benefits and convenience from installing charge stations in the appropriate locations.

When considering the support for electric vehicle infrastructure Council also needs to bear in mind that private companies will put in charge stations where there is a demand. There are other communities that potentially may need stations and we are looking at these locations in relation to possible funding. Aside from the contestable fund the market will still respond to demand with new charging stations.

Elected Member Questions and Comments:

There was a request for information on the costs associated with hybrid vehicles. Tony Horton advised he could provide more information on these types of vehicles but at this stage hybrid vehicles were seen as transitional and fully electric vehicles would be predominate in the future.

There was clarification asked for on the figures used in the presentation on the total cost of ownership. Further data was requested on the running costs of fuel in comparison to electric charging. The total cost of ownership figures used includes the running cost and resale of vehicles.

There was some discussion on the suggestions that have been previously made for locations for charging stations e.g. Toll Stadium. A list of priority areas for charging stations could be a helpful resource.

Tony Horton advised, that through the Village Plan programme, Hikurangi had been recognised as a district that would benefit from an electric vehicle charge station

both for locals and to encourage tourism. Discussions with Northpower and Northland Inc were progressing on finding a suitable location within Hikurangi.

WDC's partnership with NRC on tourism infrastructure with emphasis on the Twin Coast Highway was discussed. There were varying views on support of the partnership in relation to electric vehicles. It was noted that many locals as well as tourists drive the Twin Coast Highway.

Comments were made on the electric vehicle cons highlighted in the presentation. The high purchase price of electric vehicles is decreasing as the battery technology and range improved. Fit for purpose 4WD vehicles are being developed. There is work being undertaken internationally on the issues with battery materials and the degradation of them. The rate of change with electric vehicles is moving incredibly fast.

Suggestion was made that the lower emission contestable fund could be used as a source of funding in conjunction with NRC on the purchase of electric buses. Funds are also available for promotion. Council's electric vehicle fleet could be used as a success story to start the movement in the district.

There was discussion on Council's procurement process and vehicle policy and the necessity to review this. A need was seen from some for having a policy and strategy in place before continuing to replace our fleet with electric vehicles. It was noted that only 50% funding was available for projects. Further funding may need to be considered in the LTP. The Greater Wellington Council report discussed having an adequate process in place.

A request was made for information on the impact to the environment on the production of electric vehicles and the associated battery packs.

Comment was made that the revenue created from the charging of electric vehicles goes to Northpower and flows on to our community. Petrol sales revenues largely profits overseas companies.

A suggestion was made to advise the public of the introduction of new electric vehicles to Council's fleet to assist with the promotion of electric vehicles to businesses and individuals.

Alan Adcock asked for clarification on which direction that Elected Members wished to proceed. The resolution to adopt the 'electric first' vehicle policy has been undertaken with the purchase of three replacement fleet vehicles with electric vehicles. The message also being articulated was that with the changing landscape regarding electric vehicles that Council should postpone further procurement.

Comment was made that there is already a standing resolution that allows Council management to procure its fleet vehicles.

Council is presently working with NRC to obtain central Government support through the Contestable Fund.

There was a concern expressed that Council needed to ensure we had the staff resource to research this process further to ensure we were pursuing the correct options.

Alan Adcock advised that once Council's Business Support Manager was recruited work on this policy would be further advanced.

Views were expressed that although there was complete support for the introduction of electric vehicles for Council's fleet, WDC should carefully evaluate the process to ensure the best possible result. The briefing report and discussion on electric vehicles highlighted the advances in technology of electric vehicles and the subsequent reduction in costs. Prudence was encouraged to ensure the project was undertaken with the best possible outcome for Council and ratepayers.

The intent of the motion adopted on the electric vehicle policy electric vehicle would be addressed in another forum.

3. Closure of Meeting

The meeting concluded at 12.05pm