

NSW Department of Climate Change, Energy,
the Environment and Water

Electric vehicle fleets incentive



Guidelines for competitive bid and
kick-start funding incentives

July 2024



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Incentive snapshot

The electric vehicle (EV) fleets incentive (the incentive) is a payment scheme that helps eligible organisations procure battery electric vehicles (BEVs) and smart chargers from the [approved NSW Government list](#). Funding is designed to cover part of the total cost of ownership (TCO) gap between a BEV and an equivalent internal combustion engine (ICE) vehicle, hybrid electric vehicle (HEV) or plug-in hybrid electric vehicle (PHEV). An optional contribution towards BEV smart chargers is also available.

Funding options

Option 1: Kick-start funding



This is a newly introduced funding option and streamlined application process.



Design: rolling fund that offers a fixed incentive for eligible BEVs and smart chargers.



Eligibility: open to fleets of at least 3 vehicles (electric or non-electric), or organisations/individuals that own at least one taxi. Vehicle and smart charger funding is available to support a maximum of 10 EVs.



Purpose: this funding option supports organisations that want to pilot EVs before a larger transition. It also offers a streamlined application process for smaller fleets.



Funding: fixed incentive payments per vehicle, as outlined below.

| Vehicle category | Incentive per vehicle | Smart charger incentive per charging port |
|---|-----------------------|---|
| Passenger Vehicle (PV)/Sports Utility Vehicle (SUV) | \$5,000 | \$1,200 |
| Light Commercial Vehicle (LCV)—up to 4.5 tonnes (e.g., utes and small vans) | \$8,000 | \$1,200 |
| Light trucks—up to 4.5 tonnes | \$10,000 | \$3,000 |

Table 1 Kick-start funding fixed incentives

Option 2: Competitive bid funding



Design: similar to previous rounds of the incentive, participants submit a bid for an incentive to partly cover the TCO gap between BEVs and equivalent ICE vehicles. Participants are ranked against other bidders based on the funding requested per tonne of CO₂ equivalent of emissions abated (\$/tCO₂e). Funding is awarded starting with the bid with the lowest \$/tCO₂e.



Eligibility: open to fleets of 21 or more vehicles (electric or non-electric). Funding is available to support 11 or more EVs.



Purpose: round-based competitive application for larger fleets beyond the pilot phase of EV transition.



Funding: funding awarded to successful participants is variable and depends on the competitiveness of all bids received.

Incentive decision making tool

Use the tool below to help you determine your eligibility for each of the 2 funding options.

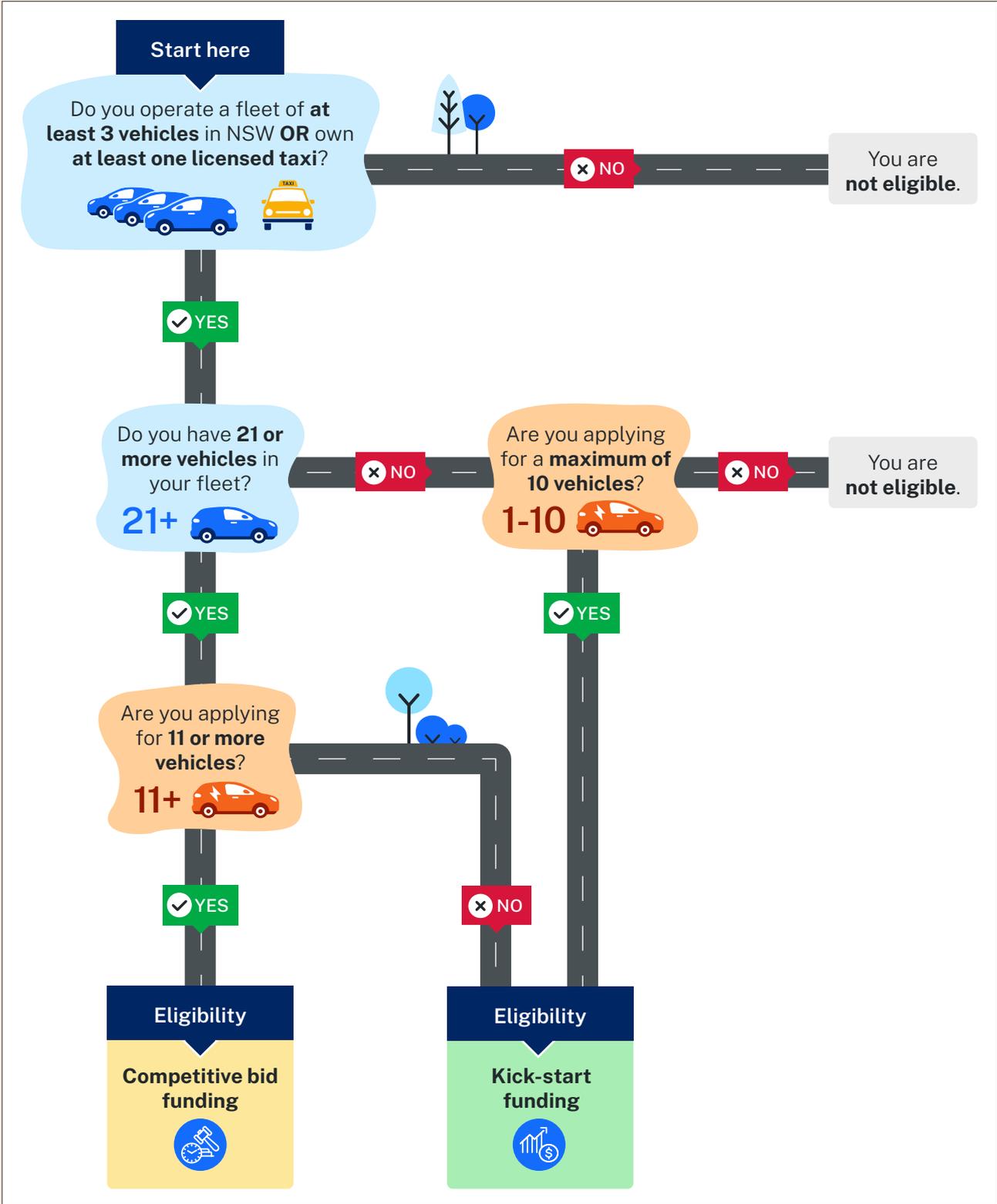


Figure 1 Incentive decision making tool



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 (excluding transport and fugitive emissions) sector. It was responsible for 20% of all NSW emissions in 2021 and 88% of these emissions were from road transport.¹ Almost 50% of road transport emissions came from passenger vehicles. The transport sector is predicted to become the state's leading source of emissions by 2035.

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

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

The Department of Climate Change, Energy, the Environment and Water (the Department) has designed the Electric vehicle fleets incentive (the 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), light commercial vehicles (LCVs) and small trucks to battery electric vehicles (BEVs, often abbreviated to EVs), therefore lowering emissions across the state.

The incentive aims to:

- accelerate BEV 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, when fleet managers resell their vehicles
- promote a long-term transition to BEV in the fleet sector
- promote take-up of smart charging infrastructure on the network.

This document establishes the new guidelines applicable to any competitive bid funding round launched from July 2024. It also introduces kick-start funding and the guidelines to access its first allocation. The purpose of this document is to provide rules and guidance to fleet managers looking for an incentive to transition their fleet vehicles to BEVs.



After the completion of round 3 (early 2023), the Department conducted a review of the EV fleets incentive that led to changes being made for round 4 onwards (July 2024).

As a result, fleet managers should carefully read the guidelines in conjunction with any other supporting information provided on the [NSW EV fleets incentive website](#).

Applicants that receive funding under the EV fleets incentive will be disclosed on the [NSW Government Grants Finder website](#) within 45 days of the funding agreement being entered into.

For the purpose of these guidelines and supporting documentation, the use of the term 'fleet manager' or 'fleet managers' refers to eligible organisations as well as any person within an organisation responsible for participating in the incentive. The use of the terms 'eligible EVs' and 'EVs' refers to battery electric vehicles (BEVs).

1. www.soe.epa.nsw.gov.au/all-themes/climate-and-air/greenhouse-gas-emissions



About the incentive

What is the incentive?

The incentive is a payment scheme that helps eligible fleet managers access funds to purchase BEVs.

From Round 4 (July 2024), the incentive has two available funding options:

- competitive bid funding (previously the only funding option) and
- kick-start funding (a newly introduced funding option).

Successful fleet managers are also able to receive a fixed amount per vehicle for the procurement of smart charging equipment to be installed at their organisational premises or at their employees' homes.

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

Why fleets?

In 2023, about 50% of new PVs and LCVs in NSW were sold to business and government fleet operators. Reducing emissions from fleets will therefore be crucial to lowering emissions from our transport sector.

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.

Fleet vehicles also play an important demonstration role in the broader EV transition as they are often used by multiple drivers and passengers. For example, an EV used as a council fleet vehicle may have several staff members using it, and an EV used by a full-time rideshare or taxi driver may carry thousands of passengers per year. This exposure can improve public understanding and appreciation of the EV technology.

Fleet managers often face challenges in transitioning their fleet to electric. The higher purchase price or leasing cost for EVs compared to internal combustion engine (ICE) vehicles and the total cost of ownership gap between an EV and an equivalent ICE vehicle may often still be positive. Also, comparable EV model options (particularly for LCVs) are limited and there is usually a need to install charging equipment to support the fleet.

The EV fleets incentive aims to address these challenges and take advantage of the opportunities associated with increasing the adoption of EVs in fleets.



Changes from round 3

After completion of round 3, the Department initiated a review of the incentive and made the following changes:

- introduction of the kick-start funding option, which provides a fixed incentive per vehicle (and charging infrastructure) to smaller fleets and/or organisations at the pilot stage of EV transition
- new eligibility criteria for the competitive bid: a minimum fleet size of 21 vehicles (up from 10), as well as funding for 11 or more vehicles
- removal of upfront evidence requirements (e.g., mileage evidence) and removal of the requirement to provide vehicle purchase orders with an application. The Department reserves the right to request this evidence if required
- vehicles that are used for a reasonable amount of personal use are eligible, as long as the vehicle is registered against an organisation
- new or used internal combustion engine (ICE) vehicles converted to EVs are ineligible
- fuel cell electric vehicles (FCEVs) and associated items of refuelling infrastructure are ineligible
- removal of renewable energy in the evaluation criteria
- the maximum average incentive per vehicle requested (ceiling price) from closed rounds of the competitive bid option will be disclosed. The ceiling price will not be disclosed while a round is open.



Funding model

There are 2 ways to access the incentive:

- **kick-start funding:** this is a ‘first come, first served’ rolling fund that offers a fixed incentive for organisations to help fund new BEVs and chargers for successful applicants
- **competitive bid funding:** this is an option where participants submit a bid for securing an incentive to partly cover the total cost of ownership (TCO) gap between BEVs and equivalent ICE vehicles. Participants are ranked against other bidders based on the funding requested per tonne of CO₂ equivalent of emissions abated (\$/tCO₂e). Funding is awarded starting with the bid with the lowest \$/tCO₂e.

These 2 options to access the incentive address the needs of different fleet audiences and are designed to support fleet managers in different stages of their EV transition, as outlined below.

Kick-start funding



- supports any fleet that plans to pilot up to 10 EVs before proceeding with a larger transition
- provides a streamlined application option for smaller fleets.

Competitive bid funding



- supports organisations beyond the pilot phase of EV transition
- focuses on larger vehicle and charger volumes (11 or more)
- supports EV uptake at scale.

Under the incentive, a new BEV can only be incentivised once and only through either the competitive bid funding option or the kick-start funding option. **A new BEV cannot be included across multiple funding options.**

The Department will monitor registrations and payments to ensure compliance.



What can be funded

This section applies to both the kick-start funding and the competitive bid funding, unless specified otherwise.

Vehicle—technology

The incentive is exclusively for procuring brand new BEVs (i.e., not used or converted) and smart charging infrastructure.

The BEVs can replace ICE vehicles, hybrid electric vehicles (HEVs) and plug-in hybrid electric vehicles (PHEVs). All fleet managers will need to provide registration details of the vehicle(s) they are replacing.

The incentive can also be requested for the procurement of new BEVs for fleets that are expanding in size, therefore not requiring details of a vehicle being replaced.

Vehicle—costs

| Kick-start funding | Competitive bid funding | | | | | | | | |
|--|-------------------------------|-------------------------------|--------|---------|---|---------|-------------------------------|----------|---|
| <p>For the kick-start funding option, a fixed incentive payment is provided to co-fund the procurement costs of the new EV.</p> <p>The table below includes the incentive applicable under the kick-start funding. The Department may update the incentive amounts in future allocations.</p> <table border="1"> <thead> <tr> <th style="background-color: #c6e0b4;">Vehicle category</th> <th style="background-color: #c6e0b4;">Incentive payable per vehicle</th> </tr> </thead> <tbody> <tr> <td>PV/SUV</td> <td>\$5,000</td> </tr> <tr> <td style="background-color: #c6e0b4;">LCV—up to 4.5 tonnes (e.g., utes, vans)</td> <td style="background-color: #c6e0b4;">\$8,000</td> </tr> <tr> <td>Light trucks—up to 4.5 tonnes</td> <td>\$10,000</td> </tr> </tbody> </table> <p>Table 2 Kick-start funding fixed incentives</p> | Vehicle category | Incentive payable per vehicle | PV/SUV | \$5,000 | LCV—up to 4.5 tonnes (e.g., utes, vans) | \$8,000 | Light trucks—up to 4.5 tonnes | \$10,000 | <p>For the competitive bid option, fleet managers may bid for an incentive payment to cover some of the TCO gap (purchase or lease) between the BEV they intend to procure and the vehicle that would otherwise have been purchased (ICE, HEV or PHEV).</p> <p>The TCO is calculated over a default vehicle retention term of 5 years, but this can be manually reduced when placing a bid, as appropriate.</p> <p>If the TCO gap is less than \$3,000, fleet managers can ask for an incentive covering the full gap.</p> |
| Vehicle category | Incentive payable per vehicle | | | | | | | | |
| PV/SUV | \$5,000 | | | | | | | | |
| LCV—up to 4.5 tonnes (e.g., utes, vans) | \$8,000 | | | | | | | | |
| Light trucks—up to 4.5 tonnes | \$10,000 | | | | | | | | |

Vehicle – categories

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

- passenger vehicles (PVs)
- sports utility vehicles (SUVs)
- light commercial vehicles (LCVs) up to 4.5 tonnes
- light duty trucks up to 4.5 tonnes.

Vehicle – price cap

A \$89,332 (including GST) cap on the recommended retail price (RRP) applies to eligible electric PVs and SUVs, unless the fleet manager can demonstrate that:

- the selected vehicle model is essential for their operations
- there is no alternative model under the price cap that is fit-for-purpose.

This price cap is set in accordance with the Australian Taxation Office's luxury car tax threshold for fuel efficient vehicles (which includes EVs).

The Department 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 luxury chauffeur service.

There are no price caps on electric LCVs or light duty trucks.

Vehicle – usage

The incentivised vehicle can be used to exclusively support operations or to support a combination of operational and personal use. However, only vehicles that are registered against an organisation with verified ABN, or a registered taxi driver can be incentivised.

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

Vehicle – ownership model

Participants can procure vehicles through outright purchase (either with cash or a loan) or through leases (operational or financial). Novated leases are excluded from the incentive.

Vehicle – order date

Only vehicles ordered on or after the relevant round being applied for are eligible. The relevant round is the round in which the participant placed a bid for the vehicles being incentivised. Vehicles are not required to have been purchased at the time of submitting bids.

Whilst the Department no longer requires the submission of vehicle purchase orders after the notification of final bid results, it will conduct sample audits of participants to check that vehicles were not ordered before the launch of the relevant funding round.

Charging

Successful fleet managers will also be able to receive a fixed amount per incentivised vehicle to install BEV smart charging equipment at their organisation premises or at their employees' homes. This is applicable to both the kick-start funding and the competitive bid funding.

Only one charging port per incentivised BEV can be claimed under the fixed incentive. This means that a dual-port charger can receive twice the incentive of a single-port charger if it is associated with 2 incentivised BEVs.

This funding can subsidise the purchase price for smart chargers and/or the charger installation costs.

Charge-as-a-Service (CaaS) solutions are also eligible for the smart charging incentive for every charging port 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 charging fixed amount must select chargers and/or software from the [approved list](#) developed and updated by the NSW Government and the Electric Vehicle Council, unless they are procuring a DC charger. Fleet managers can seek approval for equivalent chargers not included in the approved list, by submitting their request in writing to the Department.

There is no requirement to purchase charger software, although this is encouraged.

The amount available to successful fleet managers for smart chargers is outlined in the table below. This is applicable to the successful participants of both the kick-start funding and the competitive bid funding.

| Vehicle category | Smart charger incentive per charging port |
|---|---|
| PV/SUV | \$1,200 |
| LCV—up to 4.5 tonnes (e.g., utes, vans) | \$1,200 |
| Light trucks—up to 4.5 tonnes | \$3,000 |

Table 3 Incentive available per charging port

What cannot be funded

Vehicle—excluded categories, technologies and models

The incentive cannot be used for the procurement of:

- HEVs and PHEVs
- vehicles above 4.5 tonnes
- second-hand BEVs
- new or used ICE vehicles converted to BEVs
- motorcycles (off road, road, scooters, e-bikes, mopeds, ATV/SSV – side-by-side vehicle)
- trailers and caravans
- airplanes
- boats
- any vehicles not set out in the 'vehicle—categories' section.

Vehicle usage excluded

Novated leasing is excluded from the incentive.

Vehicles purchased/leased exclusively for personal use are also excluded.

| Categories | What can be funded | What cannot be funded |
|---|---|---|
| Vehicle— technology | BEVs. | ICE vehicles, HEVs, PHEVs and FCEVs. |
| Vehicle— categories | PVs, SUVs, LCVs, light trucks up to 4.5 tonnes. | Heavy trucks/heavy vehicles, second-hand BEVs, converted vehicles, motorcycles, trailers, caravans, airplanes and boats. |
| Vehicle— price cap | PVs and SUVs with a RRP up to \$89,332 (the ATO luxury car tax threshold, including GST), unless it is demonstrated that the model is needed for 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 \$89,332 (the ATO luxury car tax threshold, 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 | To support operations or to support a mix of operational and personal use (vehicles must be registered against an organisation with ABN, or a registered taxi driver). Leaseback arrangements. | Vehicles registered against an individual (excluding a registered taxi driver) or used exclusively for private use. |
| Vehicle— ownership model | Outright purchases. Operational or financial leases. | Novated leasing. |
| Vehicle order date | Order date on or after the start of the relevant round. | Order date before the start of the relevant funding round. |
| Charging | Smart chargers installed at the business premises or employees' homes. Both charging outright purchases and CaaS solutions are eligible for funding if they are on the approved list . Other chargers require written approval from the Department. | Charging equipment that comes standard with a BEV, including level 1 (trickle) chargers. |

Table 4 Summary of what can be funded and what cannot be funded with the incentive

In addition, funding cannot be received for a vehicle (and associated registration) that has previously received funding through the EV fleets incentive, or is in the process of being used in an application for funding, whether the competitive bid or kick-start funding options.



Kick-start funding

Kick-start funding



Eligibility

Eligible applicants to the kick-start funding include:

- any organisation that operates a fleet of **at least 3 vehicles** (ICE vehicles or hybrid, or PHEV, or BEV) in NSW to support their operations or
- any organisation or individual that owns **at least one licensed taxi** in NSW.

Organisations can apply to kick-start funding for a maximum of 10 vehicles and smart charging ports total across all rounds.

Organisations that have received funding through any of the first three rounds of the EV fleets incentive can also apply for the kick-start funding option. If an organisation has previously received funding for fewer than 10 vehicles through round one, two and three of the EV fleets incentive, they can apply for the remaining number of vehicles to reach a total of 10.

Eligible organisations include but are not limited to:

- private business organisations
- non-government and not-for-profit organisations
- local councils
- state-owned corporations
- federal government agencies operating in NSW
- car rental companies
- car share companies
- car subscription companies
- car rideshare companies
- taxi owners, including individuals or organisations that own one or more licensed taxis.

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

An individual involved in the management of multiple entities cannot submit multiple applications at the same time using multiple ABNs. The Department reserves the right to disqualify an applicant if there is a situation which may impact the fairness and equity for other applicants.

Ineligible organisations include:

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

Applicants cannot receive funding from other government agencies (including local, state or federal) for the same vehicles and chargers procured through the NSW Government EV fleets incentive program.

Compliance requirements

Participants in the kick-start funding option must:

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

Vehicle quantity and order date

Eligible organisations can apply for the kick-start funding option multiple times and for **a maximum of 10 EVs across all kick-start applications**. Before another application can be started, one application must be completed with all vehicles registered and any chargers procured.

Vehicles cannot be ordered before the launch date of the kick-start funding outlined our [website](#).

Funding allocation

The allocation for current round of the kick-start funding can be found on the [EV fleets incentive website](#). At the end of each month we will update the page to reflect the remaining kick-start funding still available. The funding covers both vehicle and smart charging equipment incentives and is updated at the end of each month.

Application process

Funding will be made available in open allocations and awarded on a 'first come, first served' basis.

The process to apply for the kick-start funding option is as follows:



Step 1: Sign-up

Applicants need to carefully read the [eligibility criteria](#) outlined in these guidelines.

If eligible, applicants need to register through the [NSW EV fleets incentive website](#).



Step 2: Prepare the application

Applicants will be required to provide the following information:

- organisation ABN and contact details
- existing vehicle fleet size and structure
- the number and type of EVs (PV, SUV and/or LCV) and smart chargers that funding is being requested for. This will determine the total funding request
- estimated average annual distance each vehicle is likely to travel (based on equivalent ICE vehicles in the existing fleet)
- a declaration of reputable business records stating that the organisation has the financial capability to procure the vehicles requested in the allocated timeframe.



Step 3: Receive notification of results

The application will be reviewed by the Department and the applicant notified of the outcome within 4 weeks.

Successful applicants that meet the eligibility criteria and compliance requirements will receive a funding deed, specifying the total funding and associated terms and conditions.



Step 4: Provide evidence for payment

Applicants will need to notify the Department when they order their EVs included in their application. This will occur through a form at a link that will be provided to applicants.

While vehicle purchase orders or invoices do not need to be provided with the application, the Department will conduct sample audits on recipients to check that vehicles were ordered on or after the date the kick-start funding was launched. Audits may also take place before the payment is granted. This is to ensure that funding is not being directed towards vehicles that were going to be procured in the absence of the funding.

Applicants must provide registration certificates for all of the incentivised vehicles (up to 10) **within 120 business days** (about 5 ½ months) of receiving the funding deed. Failure to do so may lead to funds for the unregistered vehicles being forfeited.

Extensions may be granted at the Department's discretion if there is a cause beyond the control of the applicant for the delay of registration (e.g., supply chain issues) and adequate evidence is provided. Funds will be forfeited for vehicle registrations delayed without a valid reason.



Step 5: Receive payment

Payment will be made at the end of the month in which all registration certificates are received. It can take about **35 calendar days** after this before funds are received.

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

Other conditions

Recipients found to have received incentive funding for one or more EVs that were already ordered prior to the launch of the kick-start funding round may be excluded from accessing further funds.

Applicants can withdraw from the program at any time by writing to the Department.

A probity advisor appointed by the Department will monitor the conduct and the fairness of the kick-start funding management.

Timelines

The kick-start option is continuously open until allocated funds are exhausted. Once the funds are exhausted, the Department may release new allocations. New allocations will be published on [NSW EV fleets incentive website](#).



Competitive bid funding

Competitive bid funding



Eligible fleet managers can access the incentive to procure BEVs through competitive funding rounds. One bid needs to include 11 or more vehicles. Fleet managers can use the incentive to replace existing vehicles or add new vehicles to their fleet.

Funding allocation

The allocation for current round of the competitive bid funding can be found on the [EV fleets incentive website](#). The funding covers both vehicle and smart charging equipment incentives.

The Department will split the allocated funds across the individual and aggregator streams at its discretion.

There are no dedicated funding allocations per vehicle category.

Bidding streams

The competitive bid funding process is split into 2 streams:

Individual stream



Participants bid for an incentive to cover the costs of BEVs to be used for business purposes. These vehicles may be purchased outright or procured via a leasing arrangement. Participants in this stream can include businesses, car rental companies, local councils and non-government organisations.

Aggregator stream



Participants bid for an incentive they offer to customers as part of a leasing or equivalent arrangement. These vehicles are used by the customer for business purposes. Aggregators include fleet management organisations (FMOs).

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

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 amend their incentive request and place a final bid.

Key bidding rules

Each bid must include 11 or more vehicles.

The main ranking criterion for a bid is the incentive requested per tonne of CO₂ equivalent (CO₂e) abated over the selected vehicle retention term (capped at 5 years). This represents the amount of NSW Government funding needed to abate each tonne of CO₂ equivalent through procuring eligible EVs.

Emissions abatement is calculated automatically by the bidding platform. It compares estimated tailpipe greenhouse gas emissions for benchmark ICE vehicles with emissions from using electricity to charge BEVs.

Emissions from charging consider:

- the average proportion of zero emissions renewable energy currently in the NSW electricity grid
- an assumed increase in this proportion over time
- the use of 100% renewable energy (often via GreenPower) for public charging.

Vehicles in all bids are assumed to use public charging for 8% of their energy needs, unless a bid is modified to specify a different percentage.

Bids with the lowest level of incentive requested per tonne of CO₂ equivalent abated will be the most successful. Emissions must be abated from procuring and operating eligible EVs and not by any other means (for example purchasing offsets).

Successful fleet managers will receive the incentive specified in their bid.

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, but they can apply in both the individual and aggregator streams for different vehicles.

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 Department will monitor the conduct and the fairness of the funding round.



Eligibility

| Individual fleet | Aggregator |
|---|--|
| <p>Any organisation that operates a fleet of 21 or more vehicles in NSW to support their organisation can apply under the individual fleet stream. Eligible organisations include but are not limited to:</p> <ul style="list-style-type: none"> • private business organisations • non-government and not-for-profit organisations • local councils • state-owned corporations • federal government agencies operating in NSW • car rental companies • car share companies • car subscription companies • any company that provides vehicles for rideshare services. <p>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.</p> <p>An individual involved in the management of multiple entities cannot submit multiple bids in the same round using multiple ABNs.</p> <p>The Department reserves the right to disqualify an applicant if there is a situation which impacts the fairness and equity for other applicants.</p> | <p>An aggregator is an organisation that bids on behalf of other NSW fleets. Aggregators can bid for incentives to support the leasing or equivalent arrangements offered to customers.</p> <p>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. 100% of funding received by the aggregator must be passed on to customers receiving the incentivised BEVs through a discount on the customers' leasing or subscription contracts, or a cashback arrangement if the customer begins making lease payments before the Department can provide the incentive to the aggregator.</p> <p>An aggregator can be:</p> <ul style="list-style-type: none"> • a FMO with a customer base in NSW • any other private business organisation that offers BEV financial and/or operating leasing. <p>Aggregators can be headquartered in NSW or in any other State or Territory, but incentivised vehicles must be registered and used predominantly in NSW.</p> <p>Aggregators can collate demand only from organisations that have vehicles in NSW.</p> <p>An individual involved in the management of multiple entities cannot submit multiple bids in the same round using multiple ABNs.</p> <p>The Department reserves the right to disqualify an applicant if there is a situation which impacts the fairness and equity for other applicants.</p> |

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, a financial plan).

With their statement, individual fleets will also need to demonstrate if they have carried out or 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 provide a statement demonstrating that 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.

Applicants cannot receive funding from other government agencies (including local, state or federal) for the same vehicles and chargers procured through the NSW Government EV fleets incentive program.

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 two 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.

Bids must include 11 or more vehicles.



Step 1: Sign-up to the online platform

Individual fleets

Aggregators

Individual fleets and aggregators who are interested and eligible must sign up on the [NSW EV fleets incentive website](#) to receive access to the online platform. When signing up, they will have to provide a valid registered ABN in their organisation's 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 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 (to be automatically calculated on the online platform)
- An example bid:

| BEV model | TCO gap per vehicle | Qty | Incentive requested per vehicle | Annual emissions abated per vehicle (tCO ₂ e) |
|-----------------------------|---------------------|-----|---------------------------------|--|
| Model X | \$9,000 | 5 | \$6,000 | 1.6 |
| Model Y | \$23,000 | 2 | \$12,000 | 2.1 |
| Model Z | \$1,900 | 10 | \$1,900 | 0.7 |
| Total (all vehicles) | | | \$73,000 | 19.2 |

Table 5 Example of information prepared in advance of a bid. Please note that the data included in the table is hypothetical

Note that if the TCO gap for a vehicle is less than \$3,000, the full TCO gap can be requested as an incentive.

Aggregators

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

Aggregators may not yet have full commitment from their customers, so they make a bid for a guaranteed number of vehicles and estimated emissions abatement.

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

- the models and the total number of BEVs 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 and the vehicle that would otherwise have been procured
- the estimated total emissions abated by the new BEVs.

Aggregators cannot include their own fleet vehicles in the bid. If aggregators want to bid for incentives for their own fleet, they must also 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, applicants confirm that:

- they are eligible
- their bid complies with these guidelines
- they understand the terms, conditions and responsibilities of the incentive funding deed (available on our [website](#))
- they will comply with all reasonable requests for information from the Department regarding 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
- a conflict of interest statement including any perceived or actual conflict of interest
- a financial capacity statement on how to fund their proposed share of procurement costs
- a capabilities statement about EV transition management.

**Step 4: Provide supporting information for a bid****Individual fleets****Aggregators**

Individual fleets are required to provide:

- sample odometer readings from reference vehicles using a template provided on the bidding platform, and
- justification regarding any PVs and/or SUVs exceeding the vehicle price cap included in their bid.

This information will need to be uploaded to the bidding platform at the time of submitting an initial bid.

Aggregators are required to provide evidence and other supporting information in the TCO report completed at a later stage outside of the bidding platform.

Individual fleets and aggregators may be subject to auditing during and after the bidding process to verify the information provided.



Step 5: Opt-in for smart charger funding

Individual fleets

Aggregators

Individual fleets and aggregators have the option to ask for a fixed amount to procure CaaS solutions or purchase smart 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 fund smart charger installations at the business premises or employees' homes.





Step 6: Submit initial bid

Individual fleets

Individual fleets will submit their initial bid including the information shown in the following hypothetical bid example:

| | |
|---|-------------------------|
| Total number of BEVs | 15 passenger BEVs |
| Average incentive requested per vehicle | \$5,000 |
| Total incentive requested | \$75,000 |
| Total emissions abated (tonnes of CO_{2e}) | 250 |
| \$ incentive requested per tonne of CO_{2e} abated | \$300/tCO _{2e} |

Table 6 Example bidding information – individual fleet

According to the table above, the bidder is asking for \$75,000 as an incentive to procure 15 BEVs. In this example, the bidder typically holds their vehicles for 5 years. Therefore, the bidder is asking the Department for \$300 for each tonne of CO_{2e} that will be abated (over 5 years) by transitioning 15 vehicles to BEVs.

$$\text{\$75,000} = 250 \times \text{\$300/tCO}_2\text{e}$$

$$\text{\$75,000/15 BEVs} = \text{\$5,000 per vehicle}$$

If successful, the bidder can request \$1,200 per smart charging port, totalling \$18,000 for charging infrastructure.

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

Aggregators

Aggregators will submit their initial bid including the information shown in the following hypothetical bid example:

| | |
|---|-------------------------|
| Total number of BEVs | 40 passenger BEVs |
| Average incentive requested per vehicle | \$7,500 |
| Total incentive requested | \$300,000 |
| Total emissions abated (tonnes of CO_{2e}) | 667 |
| \$ incentive requested per tonne of CO_{2e} abated | \$450/tCO _{2e} |

Table 7 Example bidding information – aggregator

According to the table above, the bidder is asking for \$300,000 as an incentive to procure 40 BEVs on behalf of its customers. The bidder is committing to abate 667 tonnes of CO_{2e} (over the leasing term) through this activity. Therefore, the bidder is asking the Department for \$450 for each tonne of CO_{2e} that they commit to abate by passing the incentive on to their customers to lease 40 BEVs.

$$\text{\$300,000} = 667 \times \text{\$450/tCO}_2\text{e}$$

$$\text{\$300,000/40 BEVs} = \text{\$7,500 per vehicle}$$

If successful, the bidder can request \$1,200 per smart charging port, totalling \$48,000 for charging infrastructure.

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

**Step 7: Review and submit your final bid****Individual fleets****Aggregators**

After the submission of their initial bid, the Department 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. Below is an illustrative example:

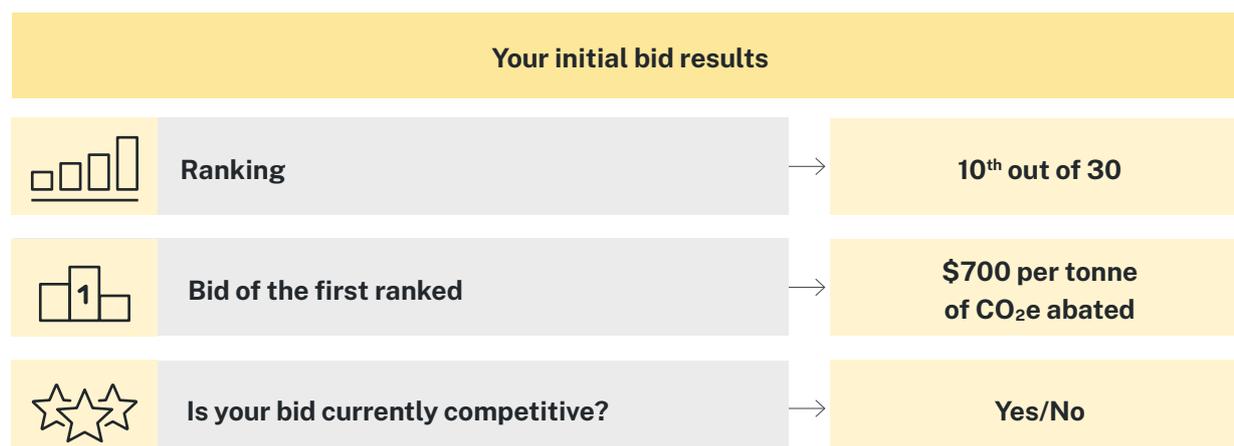


Figure 2 Initial bid results example

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 final bid results****Individual fleets****Aggregators**

Once the final bids are placed, the Department 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. The Department may adjust bids based on these clarifications. The Department may carry out audits and request evidence for the claims fleet managers have included in their bids.

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 Department. The Department 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 Department to provide the incentive payment. Successful individual fleets and aggregators will become entitled to receive the incentive only upon meeting the conditions in the incentive funding deed being signed by both the incentive payment recipient and the Department.



Step 9: Funding deed execution

Individual fleets

Aggregators

With the notification of final bid results, the Department will provide successful participants access to the incentive funding deed for signing via the [NSW EV fleets incentive website](#).

Fleet managers will need to upload the incentive funding deed signed off by an authorised representative within 30 business days (about 6 weeks) from the day they receive the incentive funding deed. The Department will then confirm details and countersign the deed. The Department 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 (about 6 weeks) from the date they receive the incentive funding deed will not be allowed to progress in the process and access the incentive payment, unless an extension is granted because of unexpected delays.

Participants will also be required to submit a plan (using a template provided by the Department) showing the forecasted procurement of vehicles over the following months.

Fleet managers that have successfully placed a bid under both the individual stream and the aggregator stream and have the funding deeds executed cannot swap vehicles between the streams. Funding for vehicles will be forfeited if they are not used in accordance with the rules of their original designated funding stream.



Step 10: Provide evidence for payment

| Individual fleets | Aggregators |
|---|--|
| <p>Within 180 NSW business days (just over 8 months) from the notification of final bid results, the successful individual fleets will need to provide evidence of:</p> <ul style="list-style-type: none"> • registration certificates of the incentivised vehicles in NSW • invoices or purchase orders for the smart charging equipment and/or CaaS contractual arrangement with details (if applicable). This evidence cannot be dated from before the launch of the relevant funding round. <p>If a model approved in a successful bid is unable to be purchased for legitimate reasons, participants can choose an alternative EV model.</p> <p>The Department expects the new proposed model to have a similar or higher price than the EV outlined in the bid. The value of the incentive will not change. Cases where the new model leads to a negative TCO gap will not be accepted.</p> | <p>Within 120 NSW business days (about 5 ½ months) from the notification of final bid results, successful aggregators will need to provide evidence that all customers have been confirmed or potential customers have been identified. If not, funds may be reallocated.</p> <p>Within 180 NSW business days (just over 8 months) from the notification of final bid results, successful aggregators will need to provide evidence for each customer of:</p> <ul style="list-style-type: none"> • NSW registration certificates of the incentivised vehicles • purchase of the smart charging equipment and/or CaaS contractual arrangement with details (if applicable). Proof for the smart charging equipment cannot be dated from before the launch of the relevant funding round • a TCO gap report (using a template provided) for the ordered EVs, with estimated annual driving distance. The Department may carry out audits, requiring evidence to validate the mileage estimates provided • sign-off declaration or equivalent document by the customer, confirming the number of EVs and smart chargers procured, the value of the incentive included in the leasing package and providing details on the customer's fleet structure. |

Table continued in the next page.



Step 10: Provide evidence for payment (continued)

| Individual fleets | Aggregators |
|-------------------|---|
| | <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. The final payment will be calculated by proportionally decreasing 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 in their funding deed, the Department 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. Cases where the new model leads to a negative TCO gap will not be accepted.</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 CO_{2e} abated.</p> |

The following rules apply in case there are vehicle mix changes resulting in a new incentive dollar amount requested per tonne of CO_{2e} abated when requesting payment:

- if the new incentive dollar amount requested per tonne of CO_{2e} abated is higher than the amount requested in the bid, the payment per vehicle will be proportionally decreased to compensate for the difference and achieve the \$/tCO_{2e} value from the final bid and as outlined in the funding deed
- if the new incentive dollar amount requested per tonne of CO_{2e} 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
- the unallocated funds can be reallocated at the Department's discretion and in a manner consistent with these guidelines.

Fleet managers will be required to provide the vehicle order date.

While the Department does not require the submission of vehicle purchase orders after the notification of final bid results, it will conduct sample audits of participants to check that vehicles were not ordered before the launch of the funding round.

Funding may not be awarded if it is demonstrated that vehicles were ordered/signed off before this date.

The full list of information that successful participants must provide to receive payment is summarised in the [incentive funding deed](#) section of these guidelines.

Participants will submit documentation required for the incentive payment as outlined in the [NSW EV fleets incentive website](#).



Step 11: Receive payment

Individual fleets

Aggregators

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

Aggregators are expected to pass the full incentive on to their customers through a discounted vehicle leasing/subscription contract, or a cashback arrangement if the customer begins making lease payments before the Department can provide the incentive to the aggregator. This is confirmed through the declaration or equivalent document signed by each customer.

Incentive payments are inclusive of GST, except for the payments to local government, which will be net of GST.

The Department 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 Department. The plan may have batch payments, where each batch includes at least 30 vehicles.

The incentive amount provided towards any payment (whether for all vehicles or a batch) will be based on the average vehicle incentive specified in the funding deed and not the incentive requested for each vehicle model in a final bid. This is to avoid exceeding the average vehicle incentive if the full vehicle volume in the funding deed is not claimed for unanticipated reasons.

If successful individual fleets and aggregators fail to register the incentivised EVs in NSW within 180 NSW business days (just over 8 months) from the notification of final bid results, they will lose access to the funding for any EVs not registered.

Limited extensions to this set term may be granted at the Department's discretion if there is a reasonable cause for the delay of registration and adequate evidence is provided.

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

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

Determining successful bids

Eligibility assessment

The Department will assess the eligibility of individual fleets and aggregators against the eligibility criteria set out by these guidelines. The Department 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.

Ranking of bids

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 (\$/tCO₂e).

This is calculated by dividing the total amount of vehicle incentive requested (excluding the smart charger incentive) by the estimated total amount of emissions abated (\$/tCO₂e) 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 \$/tCO₂e. The bid with the lowest \$/tCO₂e ratio is ranked first and the bid with the highest is ranked last.

Smart charging payments are not included in the \$/tCO₂e ratio.

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

The \$/tCO₂e is used for ranking both the initial and final bids.

The table below illustrates an example of ranking and the application of \$/tCO₂e as the ranking metric. Figures used in the table are hypothetical and should not be used to inform bid decisions. Rankings are showcased numerically below in order of preference. The most preferred (lowest \$/tCO₂e) is marked with a 1 and the least preferred (highest \$/tCO₂e) is marked with a 3.

| Bids ranking | Total no. of eligible EVs | Average incentive requested per vehicle | Total incentive requested | Total emissions abated (tonnes of CO ₂ e) | \$ incentive requested per tonne of CO ₂ e abated |
|--------------|---------------------------|---|---------------------------|--|--|
| 1 | 35 | \$6,000 | \$210,000 | 455 | \$462/tCO ₂ e |
| 2 | 15 | \$9,000 | \$135,000 | 105 | \$1,286/tCO ₂ e |
| 3 | 100 | \$10,000 | \$1,000,000 | 500 | \$2,000/tCO ₂ e |

Table 8 Illustrative example of ranked bids

Funding allocation

Once final bids are ranked, the Department 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 charging equipment, if applicable.

If there are equal \$/tCO₂e 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 Department 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 Department may set a ceiling on the average incentive per vehicle requested, which will not be disclosed for the current round.

For reference, final ceiling prices set in previous rounds were:

- Round 1: \$12,500
- Round 2: \$11,000
- Round 3: \$9,899.

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

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

- the average TCO observed in the market by vehicle category
- the principle that the Department'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.

The figure below illustrates a hypothetical example of bids above and below the ceiling price.



Figure 3 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 competitive bid round into the next round or to the kick-start funding. If there is unspent funding under one stream (individual fleets or aggregators), the Department may, at its discretion, reallocate the funding to the other stream within the round to meet demand.

Timelines

Frequency of funding rounds

It is anticipated that competitive bid funding rounds will be held approximately every 4 months to better align with fleet managers' planning and budgeting requirements.

Important dates

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

| Stage | Timeframe |
|--|-------------|
| Registrations/initial bidding window | Five weeks |
| Initial ranking/Notification of initial bid ranking | One week |
| Final bidding window | Two weeks |
| Assessments/request for clarifications/ sample audits | Eight weeks |
| Notification of final results | |

Table 9 Important timeframe guidance for each funding round



Incentive funding deed and evidence for payment

Successful fleet managers in the **competitive bid funding option** must sign a funding deed with the Department.

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

Fleet managers must ensure funding offers are kept confidential until their funding deed with the Department has been executed, and the results publicly announced. Successful fleet managers must provide the Department with the following information, using the online bidding platform.

| Competitive bid stream | Required information | Timeframe |
|------------------------|--|--|
| Individual fleets | <ul style="list-style-type: none"> Signed funding deed. | Within 30 business days (about 6 weeks) from notification of final bid results. |
| | <ul style="list-style-type: none"> Proof of the EVs' registration in NSW. Proof of purchase (tax invoice) of the smart charging equipment, including number of charging ports and/or CaaS contractual arrangement covering customer subscription offer, location, term and number of charging ports (if applicable). | Within 180 business days (just over 8 months) from notification of final bid results. |
| Aggregators | <ul style="list-style-type: none"> Signed funding deed. | Within 30 business days (about 6 weeks) from notification of final bid results. |
| | <ul style="list-style-type: none"> Evidence that all customers have been confirmed (e.g., signed leasing or subscription agreements) or potential customers have been identified (e.g., correspondence with potential customers). Funds may be reallocated if this evidence is not provided. | Within 120 NSW business days (about 5 ½ months) from the notification of final bid results. |

Table 10 Information to be provided by successful fleet managers to receive payment

| Competitive bid stream | Required information | Timeframe |
|------------------------|---|--|
| Aggregators | <ul style="list-style-type: none"> • Proof of the EVs' registrations in NSW. • Proof of purchase (tax invoice) of the smart charging equipment, including number of charging ports and/or CaaS contractual arrangement covering customer subscription offer, location, term and number of charging ports (if applicable). • A TCO gap report for the ordered EVs with mileage estimates and the final estimated emissions abated. • Signed declaration or equivalent document by the customer/s, confirming the number of EVs to be leased, the number of smart charging ports purchased and/or CaaS solution procured, and the value of the incentive included in the leasing or subscription package. | Within 180 business days (just over 8 months) from notification of final bid results (or within the extension granted). |

Table 10 Information to be provided by successful fleet managers to receive payment (continued)

Successful participants will lose the right to access the incentive if they do not comply with the requirements in the table above. The Department may grant limited extensions to the timeframes outlined above if the fleet manager's reason for the delay is acceptable and adequate evidence is provided.





Terms and conditions — all participants

Late submissions and extensions

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

Extensions for providing required evidence may be granted at the Department's discretion if there are delays beyond the control of the participant (e.g., supply chain issues) and adequate evidence is provided for any delays. Funds will be forfeited for vehicles and/or chargers for which the required evidence was not provided within the designated timelines without valid reason.

Funding deed variations

Variations to funding deeds will be considered at the Department's discretion. Variations may include reductions in vehicle and/or charger quantities, and/or changes to vehicle models. Valid reasons must be provided as to why a variation is necessary (e.g., changes in customer demand, discontinuation of a vehicle model).

Proposed variations will be subject to an assessment of the impact on TCO gaps, emissions abatement and the \$/tonne ratio compared to the original funding deed. Variations will be accepted if they satisfy the following conditions:

- TCO gaps of all incentivised vehicles must be positive. Vehicles with a negative TCO gap will not be eligible for incentive payment
- the \$/tCO_{2e} ratio for all vehicles in the varied mix must be equal to or less than that approved in the original bid. If the \$/tCO_{2e} ratio of the varied mix is greater, total vehicle incentive (and average vehicle incentive) will be reduced proportionally so the new \$/tCO_{2e} equals that of the original bid

- the TCO gap for each vehicle must be greater than the corresponding incentive request. If the TCO gap is:
 - greater, the vehicle is entitled to the full average incentive in the funding deed
 - less than or equal to the average incentive and the TCO gap is **more** than \$3,000, the vehicle will be entitled to an incentive equal to 95% of the TCO gap
 - less than or equal to the average incentive and the TCO gap is **less** than \$3,000, the vehicle will be entitled to an incentive equal to the full TCO gap.

Depending on the nature of the variation, a participant may need to sign a new variation deed.

Withdrawal

Participants in either the competitive bid or kick-start funding options may notify their intention to withdraw an application in writing to the Department. A participant may still register and bid for funding in later rounds of the competitive bid option or at a later date for the kick-start funding option.

Suspension and cancellation

The Department may suspend or cancel a competitive bid funding round if it believes on reasonable grounds that:

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

The Department 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 Department 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 Department will continue or cancel the round within a reasonable timeframe. If the Department 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.

The provisions above apply also to the kick-start funding option.

Disqualification of participants

The Department reserves the right to disqualify participants from rounds or the kick-start funding for an identified period. This can be done if the Department believes, on reasonable grounds, that a participant has engaged in misconduct relating to any part of the application process. In determining whether to disqualify a fleet manager, the Department may consider whether the applicant has:

- breached the guidelines for participating in the incentive process including no longer meeting the compliance requirements of the [kick-start](#) or [competitive bid](#) funding
- breached a direction given by the Department 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 participants are aware of any actual, apparent or potential conflicts of interest they must advise the Department at the registration stage. Participants must comply with any directions from the Department in the management of a conflict of interest.

Confidentiality

Information of a confidential nature, which is provided by a participant as part of or in connection with any bid and/or funding application process, will be treated as commercial-in-confidence information and only disclosed with the consent of the participant. 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.

Promotion of incentivised EVs

Successful participants agree, if requested, to promote and share via media and communications the procurement of the incentivised EVs and their benefits (including estimated emissions abated). This is intended to motivate other organisations to transition their fleets to electric.

Reporting

| Kick-start funding option | Competitive bid option |
|---|--|
| <p>Participants in the kick-start funding option will be required, if requested by the Department, to complete a survey after at least 12 months of registration of incentivised vehicles. This survey will request information related to annual vehicle mileage and charging behaviour.</p> | <p>Participants in the competitive bid option must either report annually or arrange for annual reports to be prepared by their customers, for 2 years following the EVs registration. The reports will include information about:</p> <ul style="list-style-type: none"> • annual mileage • smart charging usage reports • information on when the fleet managers plan to resell the vehicles on the second-hand market. <p>Organisations will need to use a reporting template provided by the Department. Aggregators are expected to collate the necessary information from their customers.</p> <p>Participants that do not provide a complete annual report are not complying with the incentive funding deed and the Department may exclude them from future funding rounds and/or future grants funding.</p> <p>Participants must participate in any surveys – or ensure their customer/s participate in any surveys – the Department may set up to analyse the incentive’s impact. For example, the surveys may collect information about:</p> <ul style="list-style-type: none"> • driver/staff sentiment towards BEVs • levels of utilisation compared to ICE vehicles/ HEVs/PHEVs • suitability of BEV 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 procurement plans. |

Probity

The Department 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 participants' 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 Department 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 the kick-start funding and ensure they are delivered in line with the probity principles underpinning the delivery of the incentive, as described above.

- Should any participant have questions or concerns about the probity of the incentive, they are welcome to bring these directly to the probity adviser's attention: [email Richard O'Neill Senior Manager OCM Probity](mailto:richard@ocm.gov.au).

Please note: DCCEEW reserves the right to disqualify an applicant if there is a situation that impacts the fairness and equity for other applicants.

Provision of false or misleading information

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

If a fleet manager provides any information, or makes any representations to the Department that the Department considers is or may be inaccurate, intended to mislead, deceptive, deceitful or otherwise fraudulent, the Department may take the following actions against the fleet manager:

- refusing to consider their bid/application for kick-start funding
- refusing to accept or consider any further bids/applications for kick-start funding from them
- withdrawing their funding offer
- requiring the return of any received payment that the Department determines the participant 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 participants may be subject to audits to confirm the:

- legitimacy of information provided in the bid/application for kick-start funding
- purchase, receipt and registration of vehicles being incentivised
- acceptable use of incentivised vehicles
- purchase, installation and use of funded smart chargers (where applicable).

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

If an audit reveals non-compliance the Department may take action against the participant, 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 de-identified bid data in training materials, case studies, evaluations and other portfolio purposes.

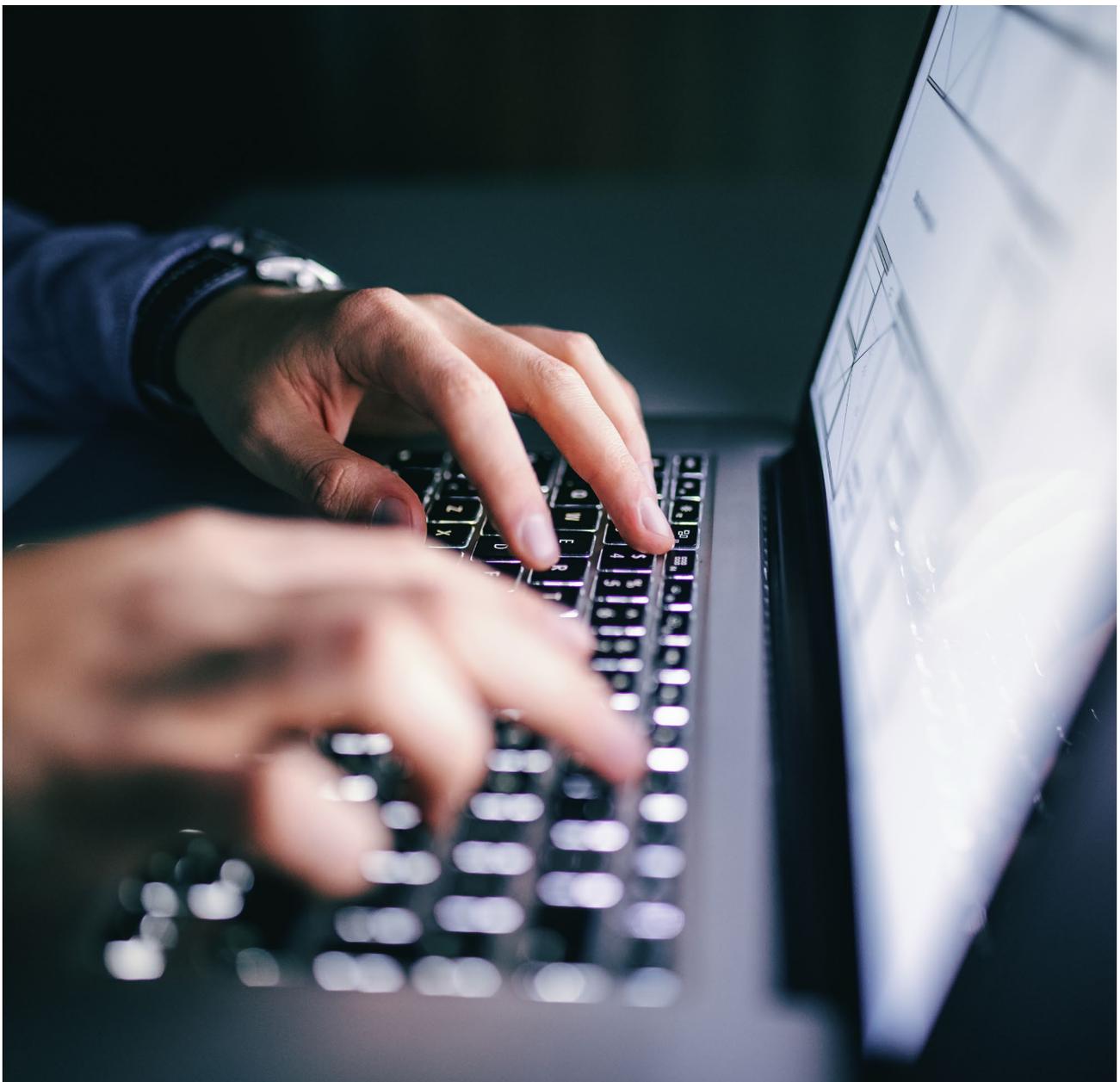
To understand how data is collected, stored, and protected when visiting the energy website and bidding platform, visit the [NSW Climate and Energy Action Privacy page](#).

Application support

User guide, frequently asked questions, industry information session recordings as well as other supporting documents can be found on the [EV fleets incentive website](#).

Requests for support can be made by emailing the [Electric Fleets team](#).

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





Glossary

Glossary

Aggregator: An organisation that bids for vehicles on behalf of its customers. An aggregator is party to the funding deed with the NSW Government.

Balloon payment: A balloon payment is the final amount due on a loan or lease that is structured as a series of small monthly payments followed by a single (typically larger) sum at the end of the loan or lease period.

Base charging: Smart charging installed at the fleet's business premises or employee's home which may feature single or dual charging ports.

Battery electric vehicle (BEV): A vehicle that is fully electric and powered by an electric drivetrain. BEVs do not include plug-in hybrid or hybrid electric vehicles. A BEV is commonly referred to as just an 'EV'.

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 and tolls. Customers hiring vehicles are required to make a deposit/balloon payment.

Car share companies: Companies that allow customers to hire vehicles owned by private individuals. Bookings can be made in advance or last minute and users are often charged by the hour.

Car subscription companies: Companies that provide a service similar to car rental companies that is generally a more economical option for longer periods of time (typically 4–24 months). Users pay a recurring fee (typically weekly or monthly) to access a specific vehicle, instead of purchasing or leasing it. The contract bundles everything except fuel and tolls. The car subscription company owns the vehicle and procures it prior to the customer's commitment.

Ceiling price: The maximum average incentive requested per vehicle in a competitive bid that the NSW Government is willing to pay.

Note: in order to increase competitiveness in the bidding process, the Department does not disclose the ceiling price for the current round. However, the Department will disclose the ceiling prices from closed rounds. The Department 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.

Electric vehicle (EV): In these guidelines, electric vehicle refers to battery electric vehicle (BEV).

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 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: A group of 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 of the competitive bid option, 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 8 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: For the purposes of these guidelines, this term refers to an organisation with 21 or more vehicles registered and used for business purposes in NSW.

Leaseback vehicle: An arrangement where a vehicle is purchased by an employer and then leased back to an employee for both business and personal use. Leaseback arrangements are common amongst local councils.

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, utes and vans.

Novated lease: A financial arrangement in which a vehicle is provided to an employee by a financier/FMO, but the leasing obligations rest with the employer. The employer pays for the vehicle lease and running costs out of the employee's salary. This is usually done through a combination of pre-and post-tax salary deductions (salary packaging). The employee's name is on the registration. However, it remains a lease and the employee does not actually own the vehicle. The financier/FMO owns the vehicle. The employee can purchase the vehicle at the end of the lease, refinance the contract or start a new lease with a different vehicle. As it is a lease, it must have a residual value at the end of the lease due to ATO legislation, with the ATO providing guidelines for the residual amount. The employee carries the residual value risk if the lease is terminated early.

Operating leasing: An operating lease is a type of vehicle lease that also 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.

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.

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: 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. It is currently assumed that, on average, BEVs in Australia 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 work facilities or at the employees' homes, if the vehicle is home-garaged overnight).

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. They typically have smaller batteries than a BEV.

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 fourth funding round, a price cap of \$89,332 (including GST) applies to eligible PVs and SUVs. There is no price cap on eligible LCVs.

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.

Subscription: An arrangement in which an individual pays a regular fee (usually weekly or monthly) to use a car. This fee usually also covers registration, insurance, maintenance and repairs, but not fuel or charging costs. Subscription arrangements are usually designed to have more flexibility than a lease, but at a lower cost than a long-term rental.

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.

TCO gap: The difference in the TCO between a BEV and an equivalent-sized ICE vehicle over a given period and distance of use.

Electric vehicle fleets incentive



For more information

[Visit the NSW EV fleets incentive website](#)

[Email the Electric Fleets team](#)