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Monday, 4 March 2024

Cleaner Cars Team

Department of Infrastructure, Transport, Regional Development, Communications & The Arts  
GPO Box 594, Canberra ACT 2601

Dear Sir/Madam

### **Submission for the New Vehicle Efficiency Standard consultation**

Transgrid welcomes the opportunity to provide a submission to the Australian Government's 'Cleaner, Cheaper to Run Cars: The Australian New Vehicle Efficiency' consultation paper.

Transgrid operates and manages the high voltage electricity transmission network in NSW and the ACT, connecting generators, distributors, and major end users. Our transmission network is at the heart of the National Electricity Market and is vital to achieving NSW Government net-zero emissions targets by connecting diverse low-cost renewable generation to customers, including to serve the growing fleet of electric vehicles in NSW.

Transgrid is supportive of efforts by the Australian Government to increase the choice, availability, and affordability of low and zero emissions vehicles. Transgrid as a large Australian employer with active and growing operations across NSW is supportive of efforts by Government to encourage emissions reduction across the nation's vehicle fleet as we are doing in our own fleet.

Transgrid's experience with electric vehicles has identified that they can deliver operational savings through reductions in fuel and servicing costs. Given heightened cost of living pressures, we support the proposed introduction of a new vehicle efficiency standard, which the consultation paper notes, is expected to result in *around \$108 billion in fuel savings to 2050 for everyday Australians.*<sup>1</sup>

Transgrid has set science-based targets to cut emissions and decarbonise our business. These include:

- Reducing Scope 1 and 2 emissions by 60 per cent by 2030, compared with a base year of 2021 and net zero by 2040.
- Reducing Scope 3 emissions from Purchased Goods and Services, and Capital Goods by 48 per cent for every million dollars that we spend on these two categories by 2030, compared with a base year of 2021, and net zero by 2050.<sup>2</sup>

To support achievement of our emissions reduction targets we plan to eliminate emissions from our passenger and light commercial vehicle fleet by 2030. Although only a small component of our overall emissions profile, reducing emissions in vehicle fleets is a clear and direct action Transgrid can take to support broader emissions reduction efforts.

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<sup>1</sup> Cleaner, Cheaper to Run Cars: The Australian New Vehicle Efficiency Standard—Consultation Impact Analysis, Page 7.

<sup>2</sup> For more information on Transgrid's planned journey to net zero please see our website [here](#).

Transgrid's efforts to date have included:

- Transitioning 50% of our passenger vehicle pool fleet to fully electric.<sup>3</sup> At our Sydney West operational centre we expect to have the 15 passenger vehicle pool fleet fully electric by the end of March 2024.
- Leading the way with a trial investment in the first dual-cab electric ute released in Australia. This trial is a key first step in working towards a 100% zero emissions light commercial vehicle fleet by 2030.

Australia's net zero transition will require a coordinated approach from State, Territory and Commonwealth Governments with efforts across each sector of the economy. To maintain momentum emissions reduction across the economy, we support governments' plans to set ambitious vehicle efficiency standards.

We support the preferred Option B (Fast start and flexible) given the significant expected benefits in fuel savings for consumers and emissions abatement for the economy. We consider this ambitious approach will support Transgrid (and other similar companies) transition, in particular, light commercial vehicle fleets and importantly play a key role in reducing emissions across the economy.

However, we encourage the Government to consider the benefits of proceeding with Option C (Fast Start) given its higher overall net benefits<sup>4</sup> and greater alignment with the Paris Agreement's central aim to limit global temperature increases to 1.5°C above pre-industrial levels. The Commonwealth may also consider, in finalising its approach, the latest Intergovernmental Panel on Climate Change findings, which highlights the gap between projected emissions from implemented policies and those needed to meet the Paris Agreement.

We also encourage the Government to consider:

- The benefit of introducing additional sales incentives to encourage uptake and overcome higher upfront costs that exist for zero emissions light commercial vehicles. Providing additional incentives would:
  - bring Australia closer in alignment to comparable overseas markets, such as the United States<sup>5</sup>
  - likely accelerate the availability of additional zero emissions light commercial vehicle options that meet the varied use cases required to serve Australia's heavy industry needs.
- How it can further support increased availability, affordability, and choice of zero and low emissions heavy trucking. Noting that heavy trucking is a significant contributor to the vehicle fleet emissions hence improving the uptake of low and zero emissions options will significantly reduce emissions.

Thank you for the opportunity to provide a submission in relation to this consultation. If you require further information, please contact Sam Martin at [sam.martin@transgrid.com.au](mailto:sam.martin@transgrid.com.au).

Yours faithfully

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<sup>3</sup> Transgrid currently has 36 vehicles in its passenger vehicle fleet.

<sup>4</sup> Cleaner, Cheaper to Run Cars: The Australian New Vehicle Efficiency Standard—Consultation Impact Analysis, Page 56. Table 16 – Cost benefit abatement summary shows that Option C has the highest net benefits.

<sup>5</sup> The United States' Inflation Reduction Act provides generous sales incentives for electric vehicles including a \$7500 USD personal tax credit.



Maryanne Graham

Executive General Manager – Community and Policy