Regulatory incentives for e-mobility in Colombia

despacio

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Why electric vehicles?



- Reduce local and global emissions
- Reduce social and health cost (externalities of vehicular emissions)
- Reduce noise, making cities more friendly
- Reduce operational cost of transportation systems



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Why electric vehicles in Colombia (I)

- Serious pollution problems caused by vehicles
- Cities with high noise emissions
- High altitude
- Motorized vehicles lose power due to low levels of oxygen in the atmosphere

Why electric vehicles in Colombia (II)

- Energy matrix dominated by hydroelectricity (78%)
- Hydroenergy produced without generating emissions (life cycle)
- Potential of using electric and plug in hybrid vehicles with lower operating costs than diesel vehicles



Nick matthew flickr

- Bus Rapid Transit Systems with segregated lanes and stations
- Colombia has BRT systems with segregated corridors that could facilitate the charging process



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Tax incentives (National Government)



| | | Diesel & Gasoline | Hybrid & electric |
|----------------------------|--------------|-------------------|-------------------|
| VAT (Value-Added Tax | Private cars | | 16% |
| | Taxis | 1 C 0/ | 5% |
| | Buses | 16% | 5% |
| | Trucks | | 16% |

| | | Diesel & Gasoline | Hybrid & electric | |
|----------|--------------|-------------------|---------------------------------|--|
| DUTY TAX | Private cars | | 250 annual vehicles with 0%* | |
| | Taxis | 35% | | |
| | Buses | 15% | 5% | |
| | Trucks | 13% | | |

| | | Diesel & Gasoline | Hybrid & electric | |
|--------------------|----------------------|----------------------|-------------------|--|
| CONSUMPTION TAX | | 8% if FOB < US\$30K | | |
| | | 16% if FOB > US\$30K | 0% | |
| | Taxis, Buses, Trucks | 0% | | |

*2013, 2014 y 2015

Leader: Ministry of Environment and Sustainable Development

National Government Support: Ministry of Transport, Ministry of Commerce, Ministry of Finance, National Planning Department, Congress

Some results:

- 50 electric taxis in Bogota (32 operating and 18 in process)
- 200 hybrid buses in Bogota (on import process)
- Some private fleets (Cocacola, Codensa, EPM)
- Particular vehicles electricos e hibridos

Local projects (financial instrument applied in Bogota)



Technological Transformation Program Integrated Public Transport System SITP of Bogota. Clean Technology Fund (CTF) Project



- Development of a line of credit to exclusively purchase clean technology buses (hybrid or electric buses)
- Providing financial incentives to SITP transport operator

*Bank business development and foreign trade Colombia

Local projects (pilot of electric taxis in Bogota)



- 50 electric taxis
- Additional local incentives
- Coordinated work between entities and electric enterprises

Conventional taxi in Bogota: gas-gasolina



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Electric taxi in Bogota



Juan David Serna

Local projects (Pilot project of electric buses in Bogota)



Demonstration and assessment of electric battery vehicles for BRT systems in Colombia. Global Environmental Facility (GEF) Project



FINANCING • IDB: non-refundable resources to complement investment • Transmilenio operator

PROJECT CO-

- Transmilenio operator (express): Purchase electric buses
- **Private Sector:** Prototype development of articulated electric bus
 - **GEF:** Evaluation and testing documentation. Proposal for new policies

APPROVED BY THE GEF COUNCIL

Test Projects C40CITIES



- Hybrid electric bus test program in Latin America
- Rio, Sao Paulo, Curitiba y Bogotá
- Comparison between diesel, hibrid and electric buses

Bogota: Cabin noise in route (dB)



C4OCITIES CLIMATE LEADERSHIP GROUP

July 9, 2012

Bogota: emissions (g/km)

| Bus | тнс | со | NOx | CO ₂ | PM _{2.5} |
|---------|------|------|------|------------------------|-------------------|
| Diesel | 0,51 | 6,1 | 11,4 | 936 | 0,06 |
| Híbrido | 0,04 | 2,9 | 1,8 | 835 | 0,02 |
| % red. | -92% | -53% | -84% | -11% | -62% |

Electric bus: non on-road emissions



Bogota: Savings

| Bus | US\$ pax / 100 km | US\$ consum. / 100 km | Savings in 100 km, % |
|----------------|----------------------|-----------------------------|----------------------------|
| Diesel | \$ 0,8 | 59 | 0 |
| Hybrid 1 | \$ 0,5 | 39 | -34% |
| Electric | \$ 0,3 | 17 | -72% / Die. -57% / hb.1 |
| Gallon: \$8000 | | | |



Problems that must be overcome



- Lack of coordination between national and local government: Bogota is the only city that has used the incentives created by the Ministry of Environment in public transport projects.
- Need for greater coordination between environmental authorities and transit authorities
- "Clean congestion" phenomenon, it is a real problem or lack of cordination



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Final thoughts



- Coordination between local and national entities
- Need more tests, more pilot projects
- Need to modify regulations, operation manuals on public transpot systems
- Need to regulate fares for electric energy in public transport systems
- Need to explore different financial schemes
- Analyze life cycle

Thanks!



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