

ENERGYWISE™ SOLAR WATER HEATING GRANTS SCHEME

Changes Compared to the Current Scheme

19 July 2010

The table below outlines the key changes between the new Solar Water Heating Grants Scheme (the Scheme) that starts on 1 September 2010 and the current scheme that ends on 31 August 2010.

Important Note: This document only outlines the main changes between schemes, so it is essential that all applicants and participants to the Scheme also read the *ENERGYWISE™ Solar Water Heating Grants Scheme Protocol Document* as a whole to ensure they understand how the Scheme works, and are aware of each participant's roles and responsibilities.

Change	Reason/s for change
<p>1. The value of grants is now two-tiered, either \$500 or \$1000.</p> <p>Only systems registered for ENERGY STAR® at the medium and large loads will qualify for \$1000 grants.</p> <p>Note that Registered Systems can be upgraded at any time to meet the requirements for ENERGY STAR® and the \$1000 grants.</p>	<ul style="list-style-type: none"> • To encourage Homeowners to invest in SWH systems that will provide greater energy savings. • To recognise that better performing and larger SWH systems generally cost more than other systems, so the proportion of the cost for buying SWH that is covered by the grant is more fairly weighted. This is consistent with requests from the Solar Industries Association. • To encourage Suppliers to: <ul style="list-style-type: none"> a. Further improve the energy savings performance of their systems; b. Test and model their systems to the latest AS/NZS Standards; and c. Register systems with ENERGY STAR®
<p>2. Retailers now have to register with EECA and become Scheme participants, in addition to suppliers and installers.</p>	<ul style="list-style-type: none"> • To create a formal relationship between EECA and the link in the sales and service chain that is primarily responsible for: <ul style="list-style-type: none"> a. The correct specification of Registered Systems for Homeowners wanting Scheme grants; and b. Customer service.
<p>3. Retailers now have to report sales monthly to EECA.</p>	<ul style="list-style-type: none"> • To assist all Scheme participants to comply with the Fair Trading Act. Suppliers, Retailers, Installers and EECA all need to know the status of EECA's grants budget so that, if the grants budget is fully spent, we do not continue to promise Homeowners that they can get grants when they cannot. That could be a breach of the Fair Trading Act. <p>Essentially, the reporting helps EECA to closely track the budget and provide all participants with certainty about the availability (or not) of the SWH grants.</p>

<p>4. A comprehensive compliance regime has been introduced.</p>	<ul style="list-style-type: none"> • To provide an explicit and systematic means for EECA to enforce the standards required by the Scheme, which are designed to ensure that government funding only supports SWH systems that provide grants recipients (Homeowners) with a good quality outcome. • To provide for a 'level playing field' for industry participants relative to the Scheme.
<p>5. Participating Installers have to upgrade their training to the Unit Standard 24305 by 31 March 2011.</p>	<ul style="list-style-type: none"> • To continue to raise the bar for quality. • To respond to industry comments that the outgoing <i>Short Course Certificate in SWH Installation</i> was too simplistic.
<p>6. European Standards will now be accepted in the form of:</p> <p>(i) EN 12975-1:2006; PLUS</p> <p>(ii) The "No-load system operation" test from AS/NZS 2712:2007.</p> <p>(Systems registered with these Standards will only qualify for \$500 grants.)</p>	<ul style="list-style-type: none"> • To provide Homeowners with more choice of SWH systems. • To reduce compliance costs for Participating Suppliers.
<p>7. No funding available for non-residential SWH.</p>	<ul style="list-style-type: none"> • To target limited funding at the residential market, which is the SWH market with the greatest demand and potential.
<p>8. Systems tested to AS/NZS 2712:2002 will not be eligible from 1 July 2011.</p>	<ul style="list-style-type: none"> • To continue to raise the bar for quality.
<p>9. Systems modelled to AS/NZS 4234 Draft will not be eligible from 1 July 2011.</p>	<ul style="list-style-type: none"> • To ensure Homeowners are looking at performance modelling results that are done according to the most accurate modelling Standard. • To ensure Homeowners are "comparing apples with apples" when looking at the performance of all Participating Suppliers' systems; thereby ensuring a level playing field for industry.
<p>10. There will be grants for heat pump water heaters (HPWH) available from late 2010.</p>	<ul style="list-style-type: none"> • To provide Homeowners with more choice in energy efficient hot water supply systems. • To recognise that HPWH offers benefits that are comparable to SWH, whilst also facing similar market barriers.
<p>11. Increased emphasis on encouraging industry to offer grants paid via third party contracts.</p> <p>This is similar to the following models:</p> <ol style="list-style-type: none"> The previous "discount via supplier" contracts; The Nelson City Council voluntary targeted rates model; The Bay of Plenty Energy finance via energy bill model. 	<ul style="list-style-type: none"> • To ensure Homeowners have equal access to the GST benefits that can result from these models, <i>i.e.</i> when the cost of the SWH is reduced by the value of the grant before the GST is added, the GST is lower. This is only possible if the grant is paid firstly to a third party, such as a supplier, retailer, council or other company / organisation, before it is passed on to a Homeowner. • To reduce grants administration costs for EECA by using the systems currently in use for the Warm Up New Zealand: Heat Smart programme. By early 2011, contracted third parties will be able to lodge claims online for solar water heating grants on behalf of their customers.