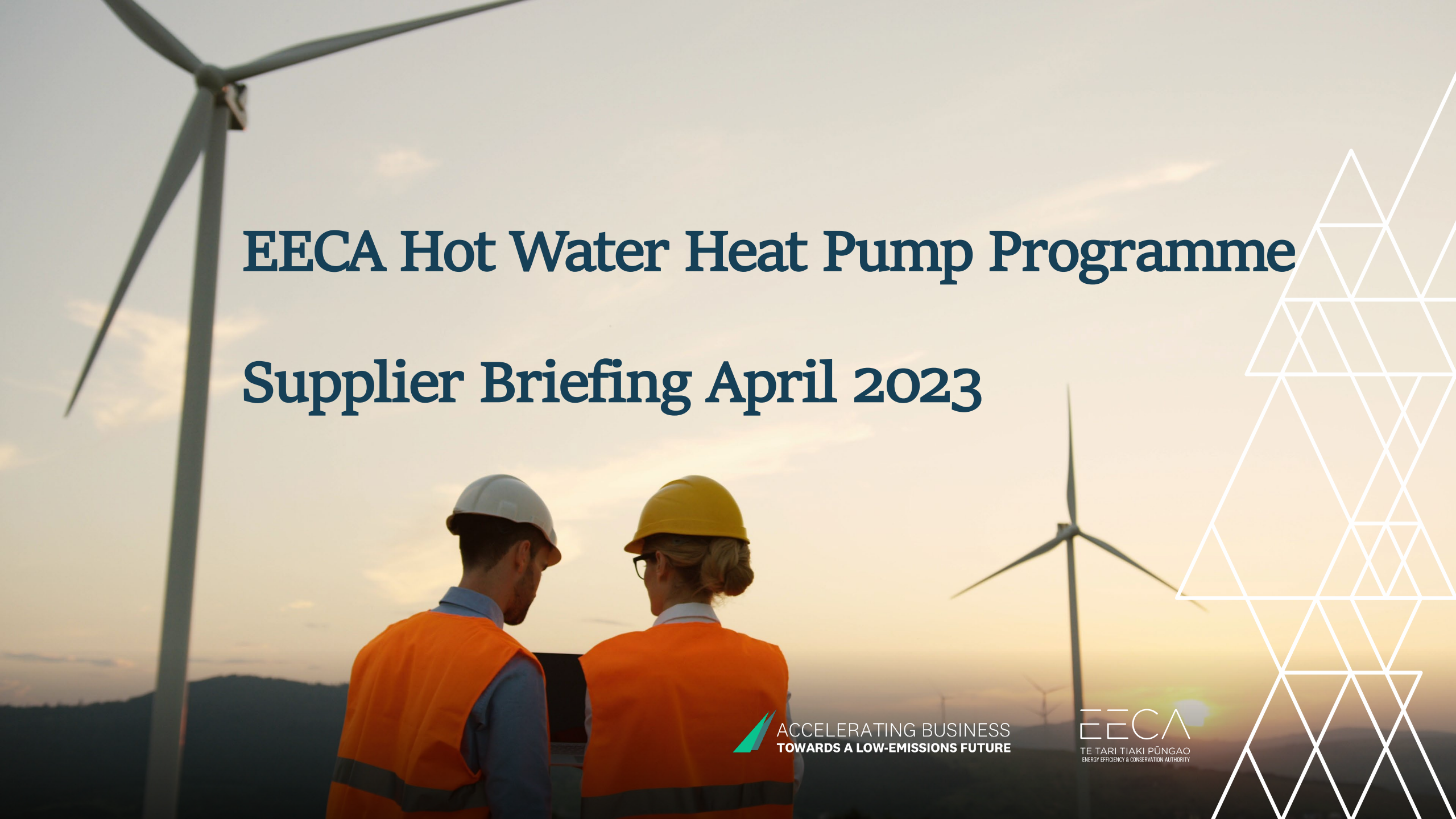
EECA Hot Water Heat Pump Programme

Supplier Briefing April 2023



ACCELERATING BUSINESS
TOWARDS A LOW-EMISSIONS FUTURE

EECA
TE TARI TIAKI PŪNGAO
ENERGY EFFICIENCY & CONSERVATION AUTHORITY

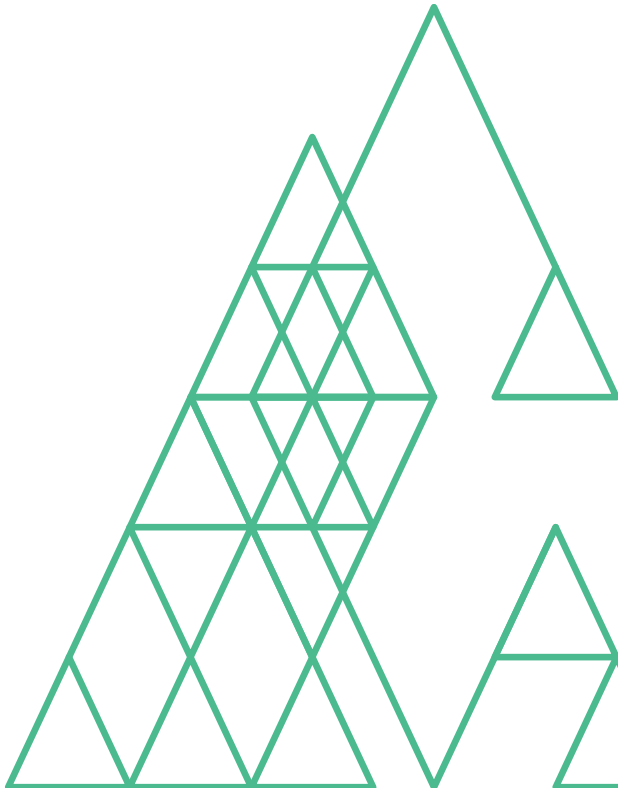
Housekeeping

- **Live Q&A** will be open and visible throughout the session – we will keep an eye on what comes through and answer as many questions as possible at the end of the presentation

- **Please disable camera and mics will be** for duration of the webinar

- The webinar is **being recorded** and will be made available in the coming days

- We expect this webinar to run **45mins to an hour**



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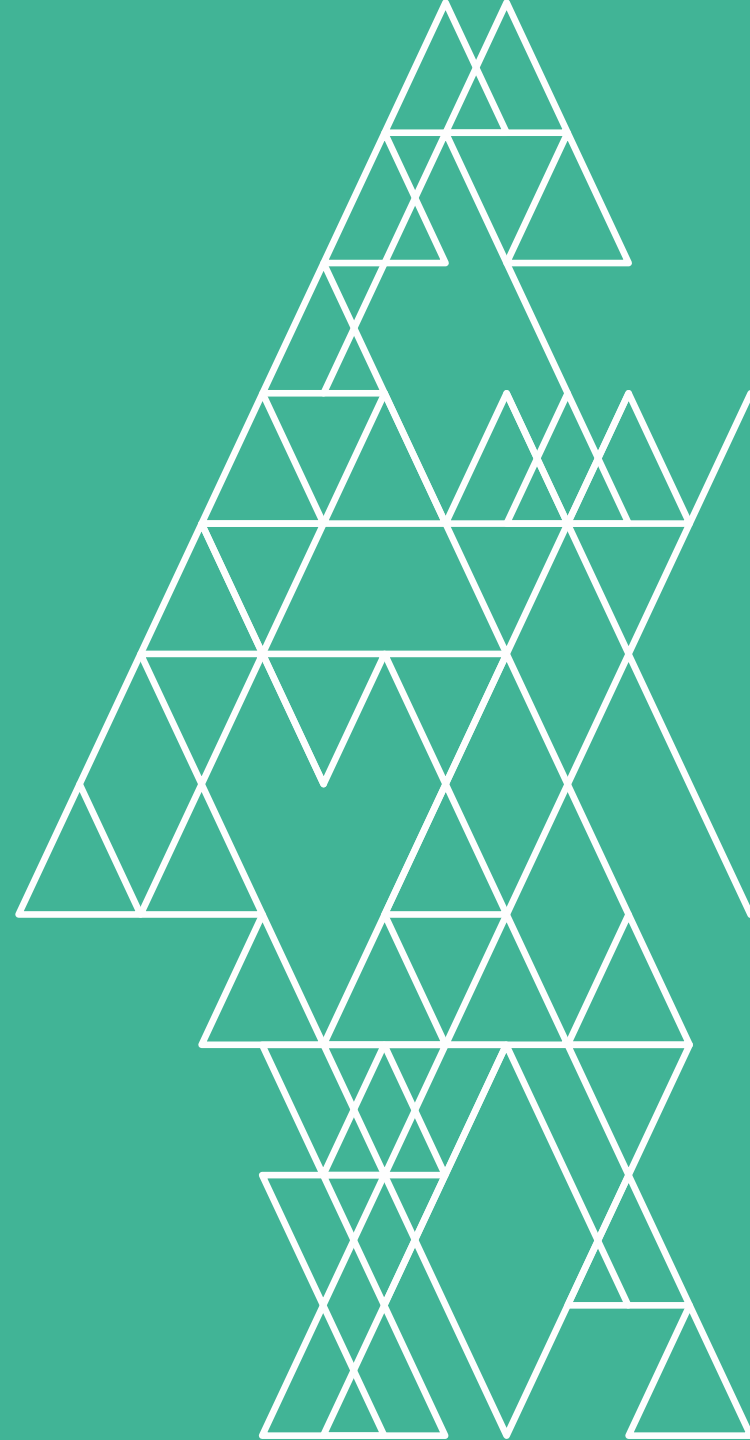


GIDI & ERS overview

Launching EECA's new Equipment Replacement Scheme

$330 million to spend over next 7 years

Targets:

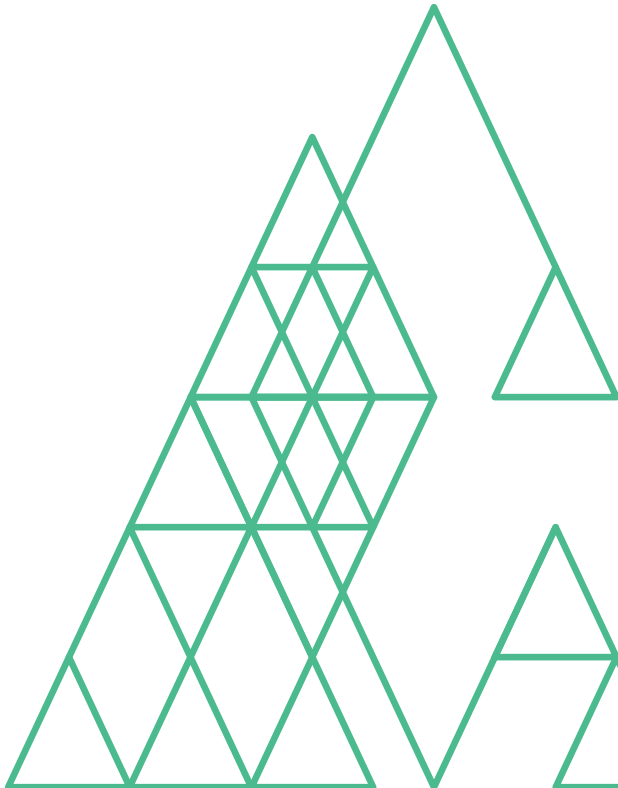
- 1,000 ktCO2e by end of BP1
- 13,000 Gwh saved by end of BP1

ERS is for:

- SMEs (but not exclusively) and small, less complex fuel switch or energy efficiency opportunities

Four priority technologies:

- Water heating (HWHPs)
- Space heating
- Commercial lighting systems
- Electric motor systems



Purpose of the Programme

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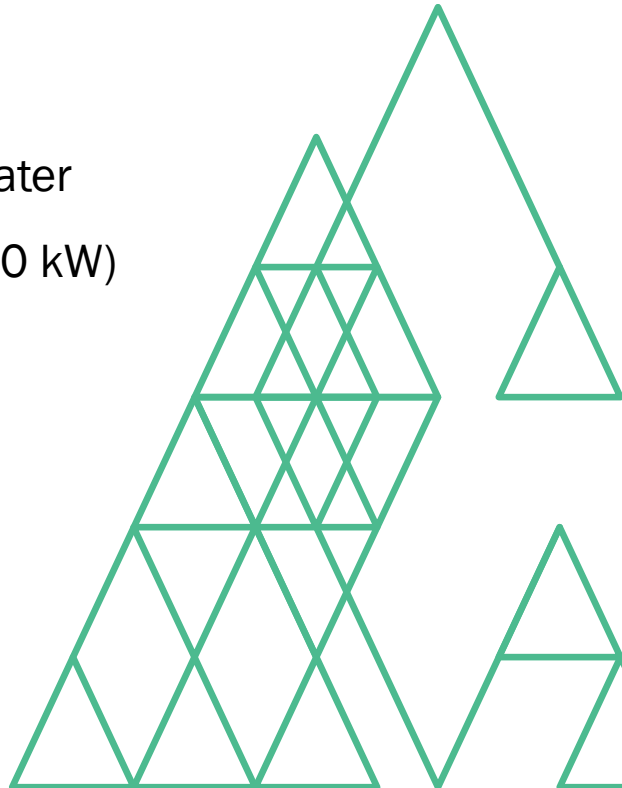
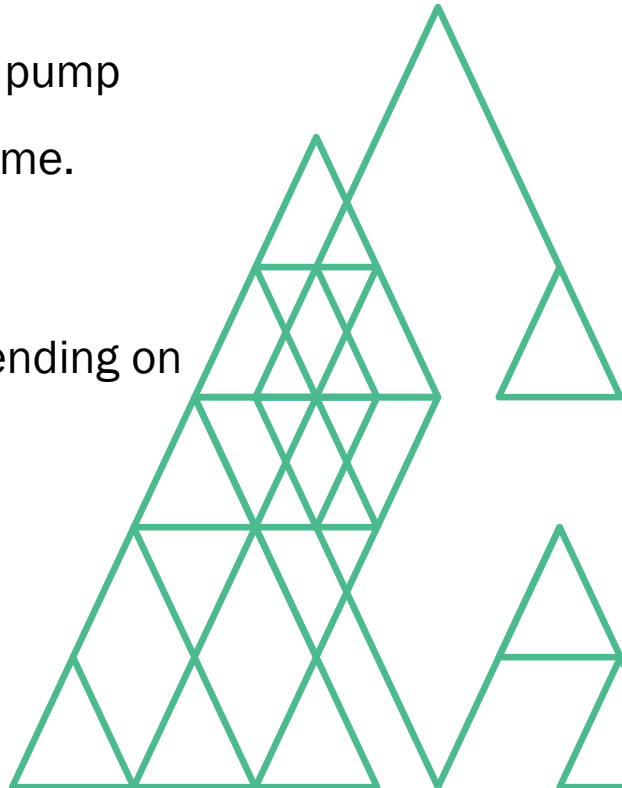
- To accelerate the uptake of heat pump technology to replace fossil-fuelled and inefficient hot water boilers in New Zealand through an equipment replacement co-funding scheme.
- This scheme will be targeted at the medium and small emitters in the commercial and industrial sectors.
- The scheme is aiming to replace smaller existing califont instant/ on-demand hot water boilers, other fossil-fuelled boilers and electric boilers with small to medium (15 – 50 kW) ‘air-to-water’ heat pump hot water systems.



Programme Objectives

- To deliver **emissions reduction** of at least 75,000 tCO2e per annum by 30 June 2026.
- To deliver **energy efficiency** savings of at least 200 GWh to enable a just transition from fossil fuels.
- To implement this programme EECA is seeking to establish a panel of hot water heat pump Installers with the capability and capacity to deliver the requirements of this programme.
- The panel agreement will be in place until 30 June 2024, with contract and project performance then assessed, and with potential for a further four year extension depending on the outcome of that review.



Hot Water Heat Pumps

Analysis from the EEUD database indicates that commercial boiler and hot water systems are largely responsible for up to 0.4 MtCo2e* of low temperature gas emissions. (Figures 1 and 2).

Figure 1: Technology use by fuel type

*Low temperature process heat emissions for heating/cooling devices only (Business, non-transport)

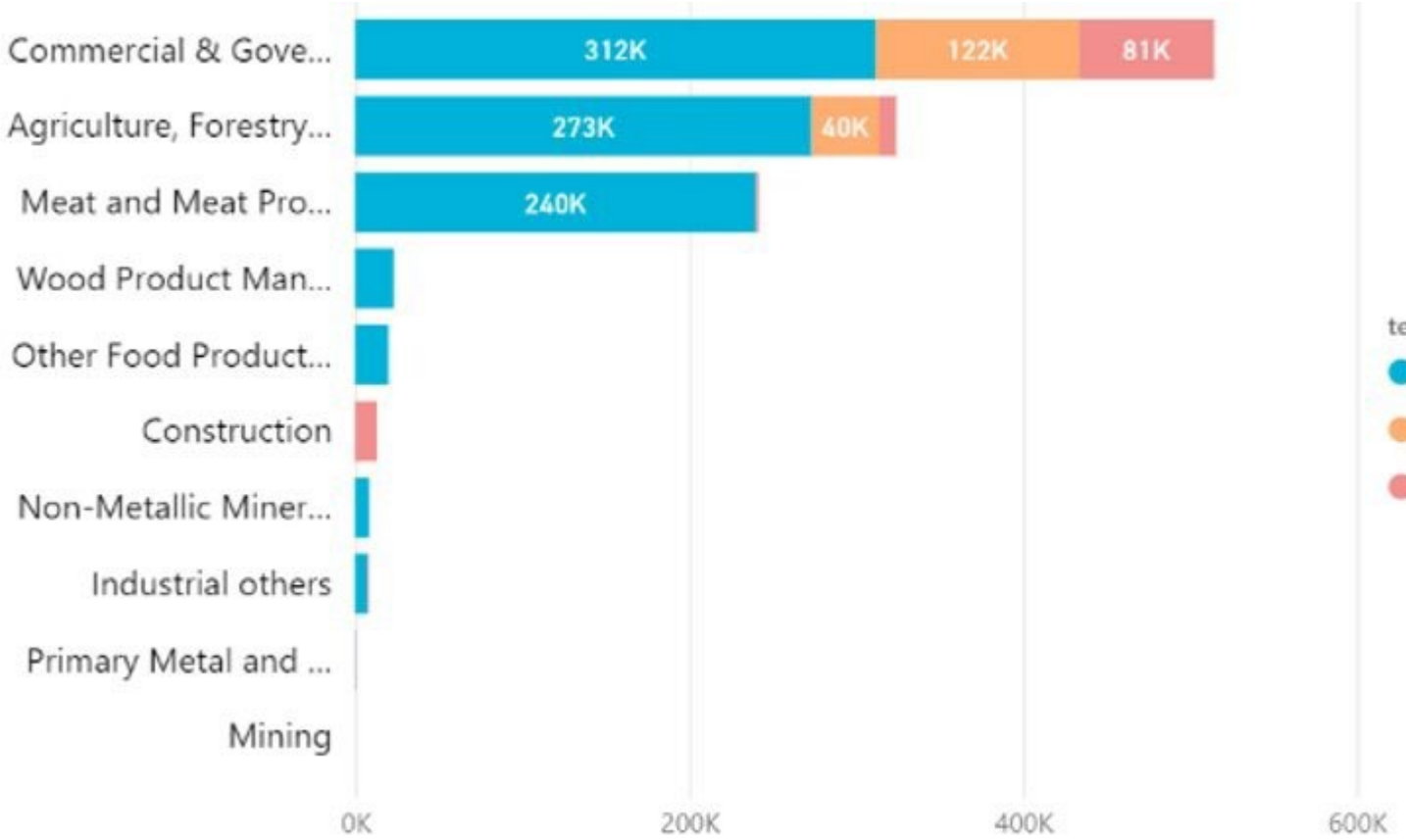
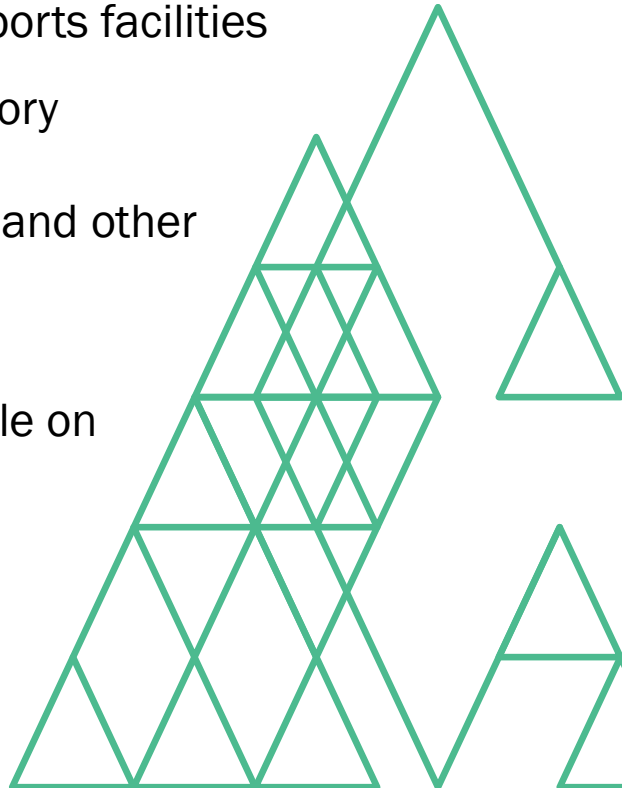


Figure 2: Emissions - Technology use by sector

Target Customers

- Targeting the smaller existing califont instant / on-demand hot water boilers and/or other systems where little to no design engineering work is required and replacement is essentially plug and play.
- The main target organisations for these 15-50 kW systems are commercial buildings: retirement villages, restaurants, hotels, spas, food processing, breweries, covered crop growers, sports facilities (domestic hot water for showers), etc. Some aquatic centres may also fit into this category
- Build end-user confidence by dispelling common misconceptions through case studies and other supporting literature
- IEA's World Energy Outlook Special report[1] highlights that heat pumps currently available on the market are three-to-five times more energy efficient than natural gas boilers.

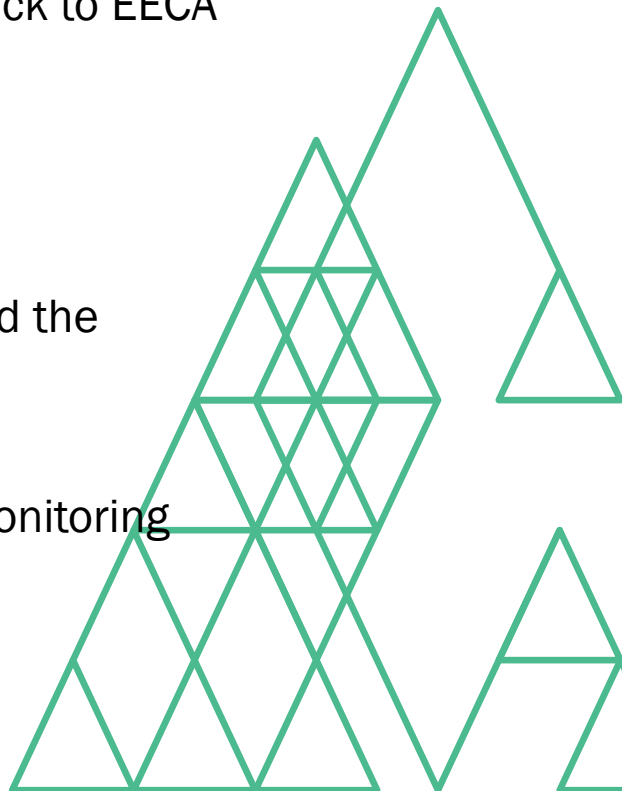


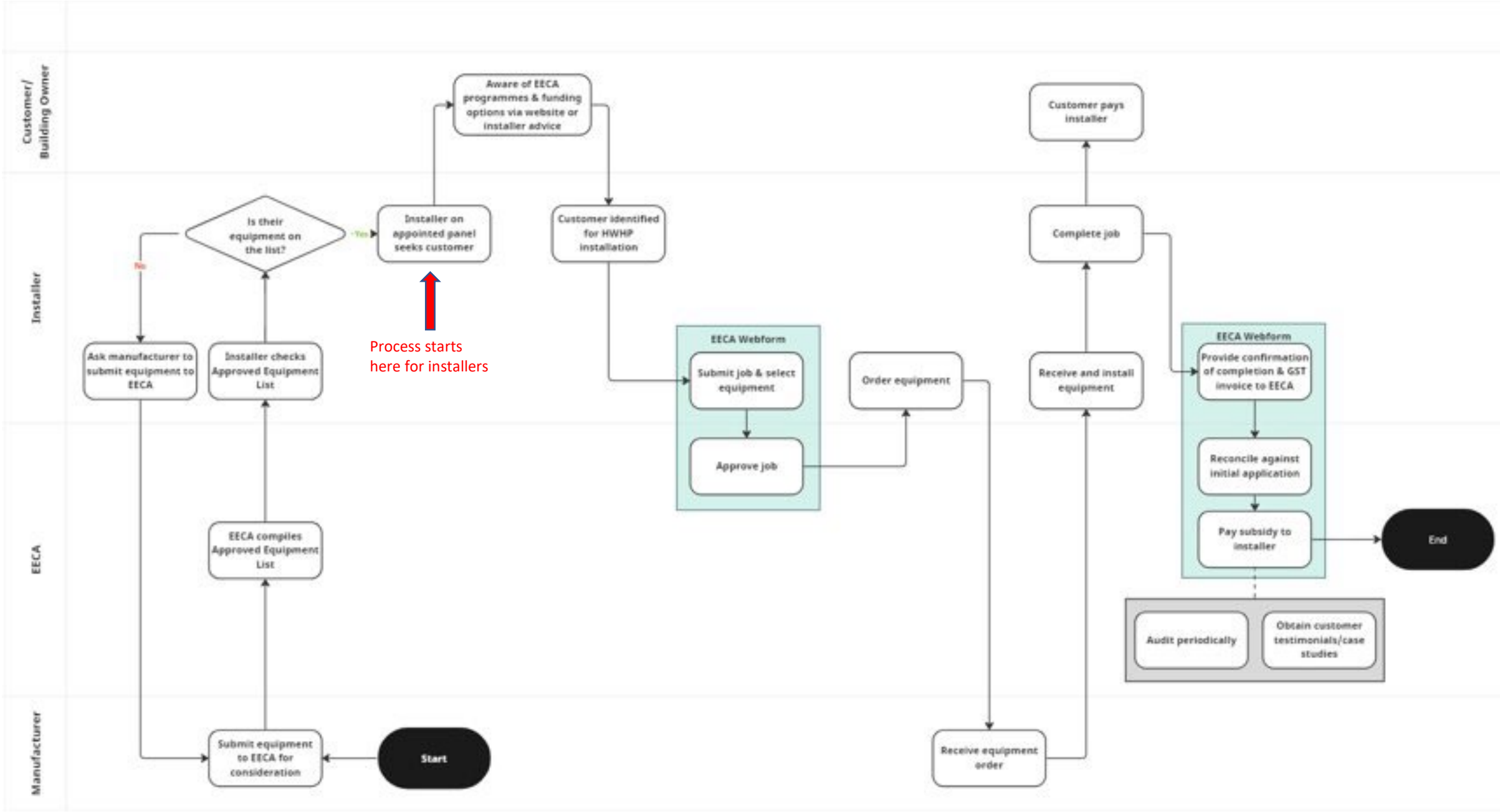
What we need to deliver the programme

EECA is seeking to engage **capable hot water heat pump Installers under a panel agreement.**

There are 5 key features to delivering the pilot:

1) Identifying and approaching suitable business to participate in the programme.
2) Conducting site evaluations and reporting findings, including costs for proposed work back to EECA through the webform
3) Presenting EECA's subsidised equipment offer back to businesses.
4) Arranging and managing the installation of hot water heat pump systems, equipment and the removal of existing systems and their safe, sustainable and appropriate disposal.
5) Completing the installation, invoicing EECA for its agreed contribution – and providing monitoring reports where required.

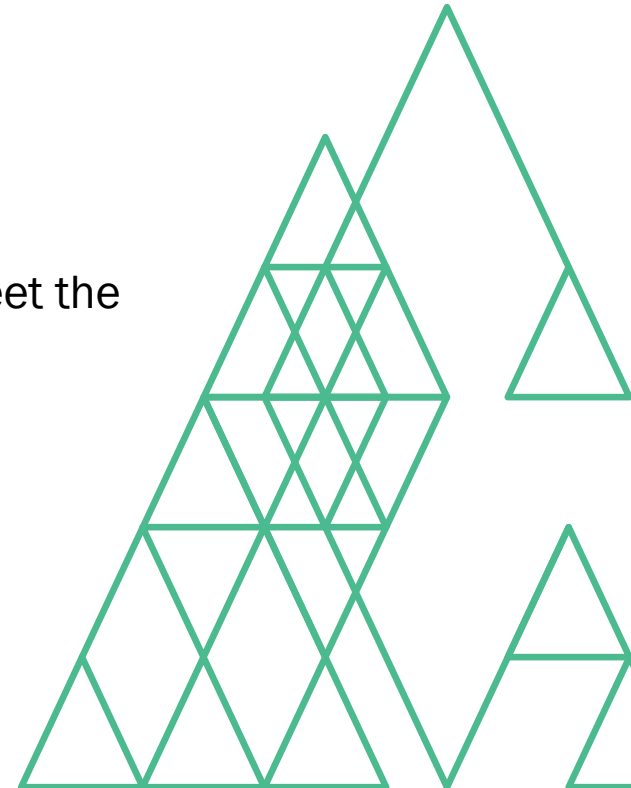



Customer/ Building Owner
Installer
EECA
Manufacturer
Aware of EECA programmes & funding options via website or installer advice
Customer pays installer
Is their equipment on the list?
Yes
No
Installer on appointed panel seeks customer
Customer identified for HWHP installation
Complete job
Process starts here for installers
EECA Webform
Submit job & select equipment
Approve job
Order equipment
Receive and install equipment
EECA Webform
Provide confirmation of completion & GST invoice to EECA
Reconcile against initial application
Pay subsidy to installer
End
Ask manufacturer to submit equipment to EECA
Installer checks Approved Equipment List
EECA compiles Approved Equipment List
Audit periodically
Obtain customer testimonials/case studies
Submit equipment to EECA for consideration
Start
Receive equipment order

RFP Overview

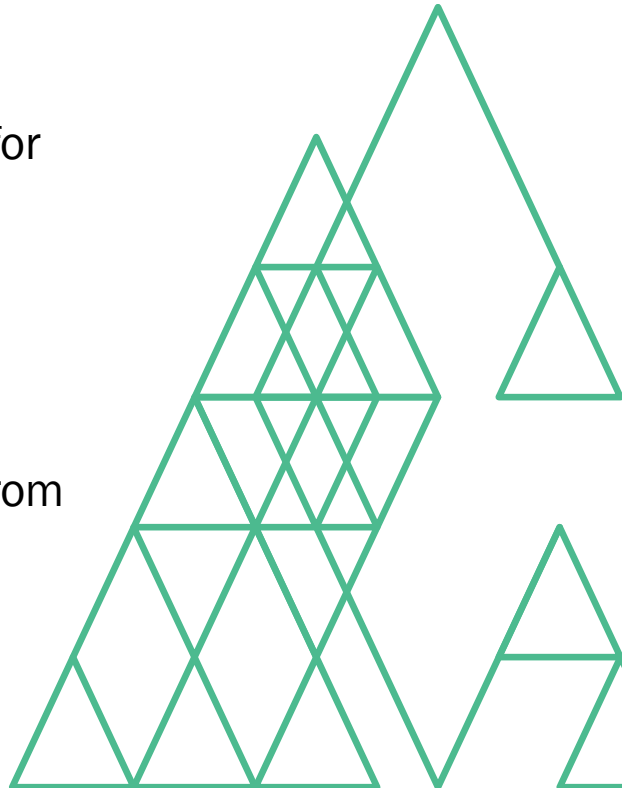
What we require

- Complete any training and/or other requirements deemed necessary by the equipment suppliers to ensure full manufacturer's warranty is available.
- Attend a one-hour online supplier training session.
- Provide high quality customer service.
- Provide quality, cost-effective supply and installation of hot water heat pumps that meet the minimum product requirements.
- Provide onsite evaluations in line with EECA's evaluation criteria



What we require

- Accurately size, scope and price each installation.
- Provide a full installation warranty and any related backup service(s) that is valid for 12 months.
- Install monitoring devices as and when required.
- Undertake/oversee the decommissioning of the existing heating system and arrange for safe, sustainable and appropriate disposal of plant and associated waste.
- Maintain accurate records and allow open access to EECA's auditors.
- Obtain consents from customers for EECA access, use and sharing of data gathered from installed equipment monitors.



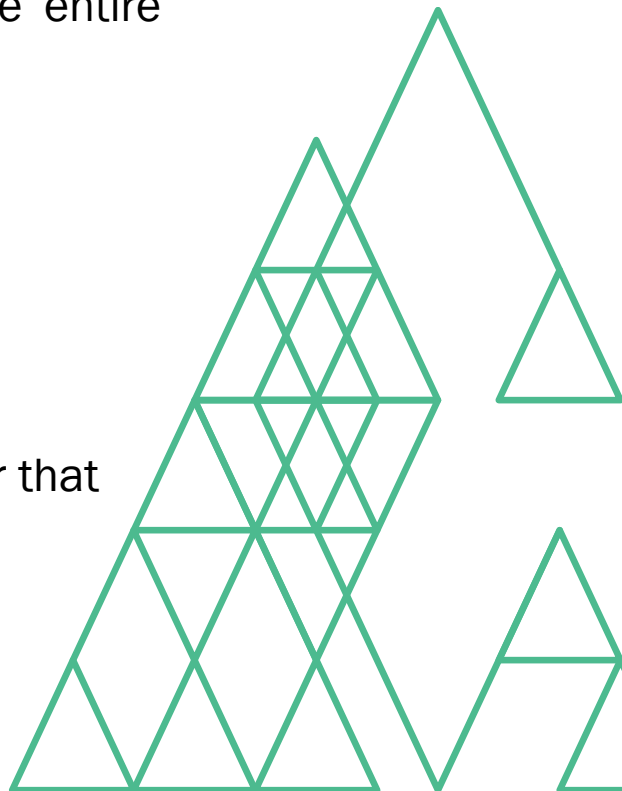
Pre-conditions

1. Confirm that you have completed at least 10 installs of hot water heat pumps 15-50KWs, or similar on commercial buildings in the last 18 months and provide a list of 10 customers where these installs occurred.

2.) You must confirm that your company is a full-service supplier, i.e. you manage the entire process, including:

- accurately scoping and pricing each installation.
- supplying and installing the hot water heat pumps.
- training the end users in its use; and providing warranty and back up service.

3.) Confirm that your company is accredited by at least one Heat pump equipment supplier that can meet our product requirements

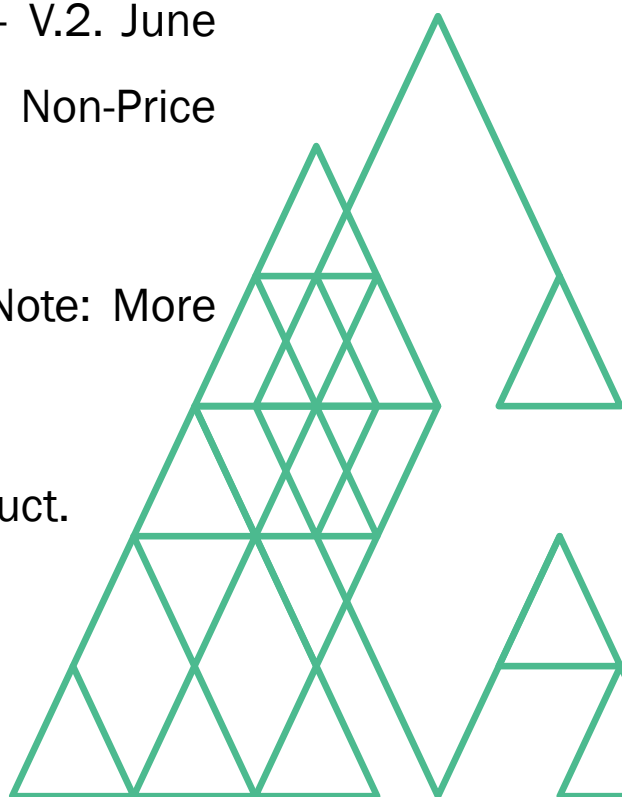


Pre-conditions

4.) Please provide evidence of a Health and Safety pre-qualification from either IMPAC PREQUAL (60% +), SHE PRE-QUAL or SiteWise (75% +) that is appropriate to the size of the business, operating model (use of subcontractors) and the work being undertaken. If using subcontractors, evidence of their H&S prequalification must also be provided. Request for Proposal – V.2. June 2021 Page 18 Note: More details on this requirement are requested in the scored Non-Price Attributes section.

5.) Confirm that you have a system for handling complaints and customer liaison. Note: More details on this requirement are requested in the scored Non-Price Attributes section

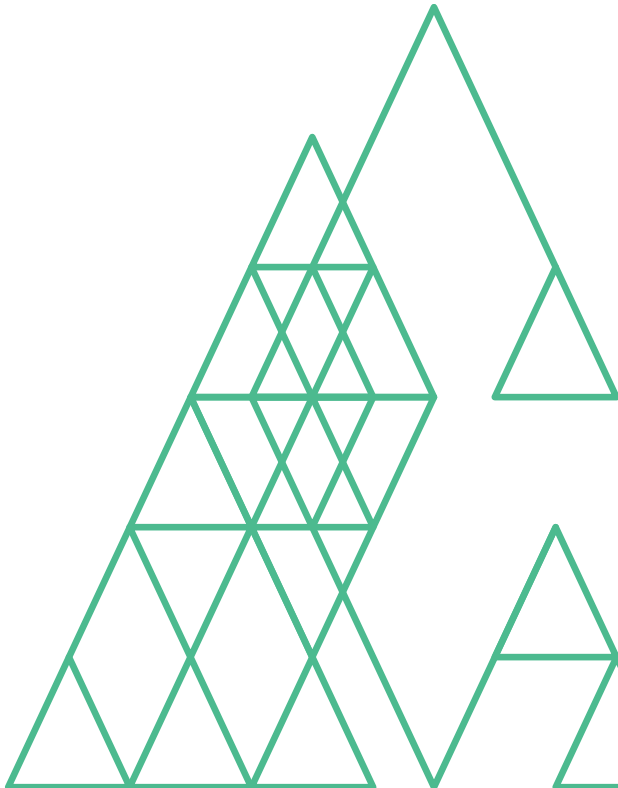
6.) Confirm your company's compliance with the NZ Government Supplier Code of Conduct.



Track Record

EECA is looking for Installers who have experience and a track record of delivering projects on time to specified standards and on budget, Installers are asked to provide:

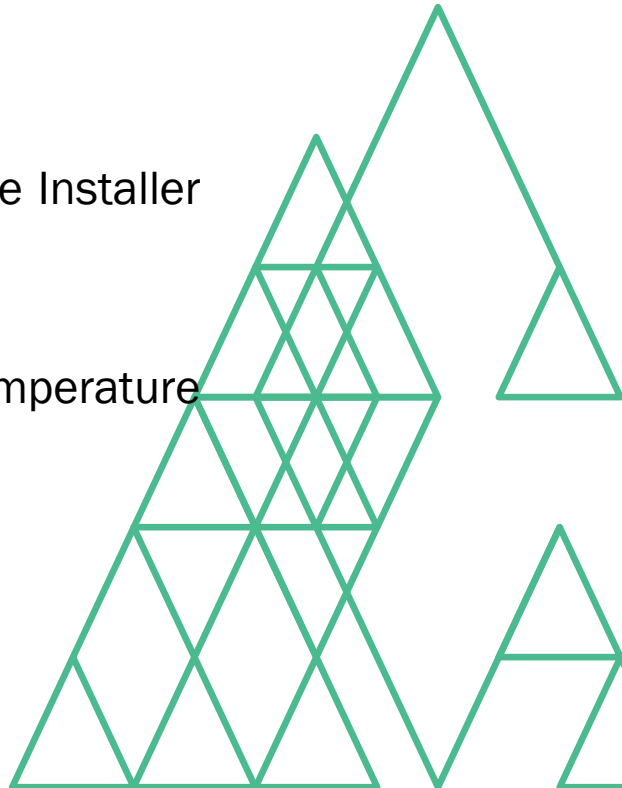
- Demonstrable competence and experience providing work in one or several commercial hot water heat pump end uses in a commercial and/or industrial environment.
- Demonstrable experience in the installation of hot water heat pumps by:
  - I. Identifying energy efficiency opportunities in commercial/industrial heat pump systems.
  - II. Managing the installation and delivery of commercial hot water heat pump appliances.
- Experience delivering programmes/projects where there is a strong focus on:
  - I. Health and safety processes and procedures.
  - II. Stakeholder management.
  - III. Robust reporting frameworks.



Monitoring

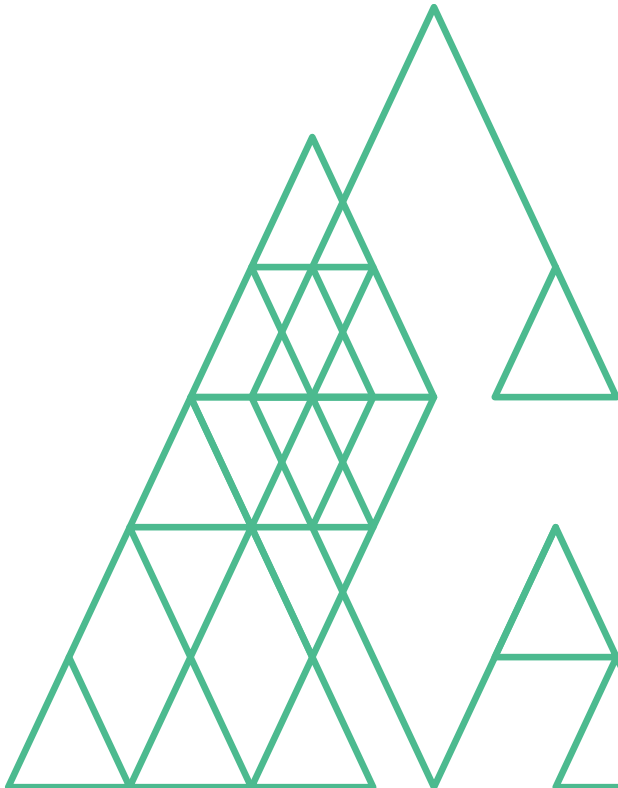
For those projects selected for monitoring Installers are asked to:

- Gain written permission from the end user to use a monitoring device to collect the following information:
  - Energy consumption
  - Supplied hot water volume and temperature.
- Where the equipment provided for installation does not have monitoring capability the Installer is asked to source and install a monitoring device that can capture the information.
- Provide two reports to EECA on energy consumption and supplied hot water and temperature per monitored project at 6 months and 12 months post installation.



Job design requirements

- When a customer agrees to a job evaluation, the Installer will collect information about customer's energy use, water use and details about existing and new equipment.
- This information will be entered into a EECA web form for approval.
- EECA will confirm job approval and co-funding levels before installers can start the job.



Questions

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