

The background of the slide is a photograph of several modern skyscrapers with glass facades. The buildings are reflected in each other, creating a complex pattern of light and dark. The sky is a mix of blue and white, with a bright sun or light source in the upper right corner creating a lens flare effect that washes out the top right of the image. The overall color palette is dominated by blues, greys, and the warm tones of the lens flare.

GIDI: Commercial Buildings

Applicant & Supplier Briefing
18th July 2023

Housekeeping

- **Live Q&A** will be open **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.
- Both **mics and cameras will be disabled** 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 about **45mins**



GIDI: Commercial Buildings

- GIDI: Commercial Buildings launched 1 July 2023.
- Provides grant funding to commercial building owners for **space and water heating projects** over \$300k.
- Funding is for *replacement* of water and space heating with cleaner, more energy efficient tech.
- Applications funded on a **First-in-first-served** basis and will be open until 30 June 2024, if not fully expended prior.
- **Eligibility and assessment criteria** are largely the same as GIDI Industrial.



Minimum Funding Conditions

1. Minimum project size \$300,000 – Can involve multiple sites
2. Government co-funding up to 50% of eligible project cost
3. Funding incremental capitalised project costs, not operating costs
4. Projects must be fully commissioned and operational within two years of the project being approved by EECA
5. New Zealand-based and NZBN registered private sector businesses and local government
6. Delivered in New Zealand
7. Full and complete application.

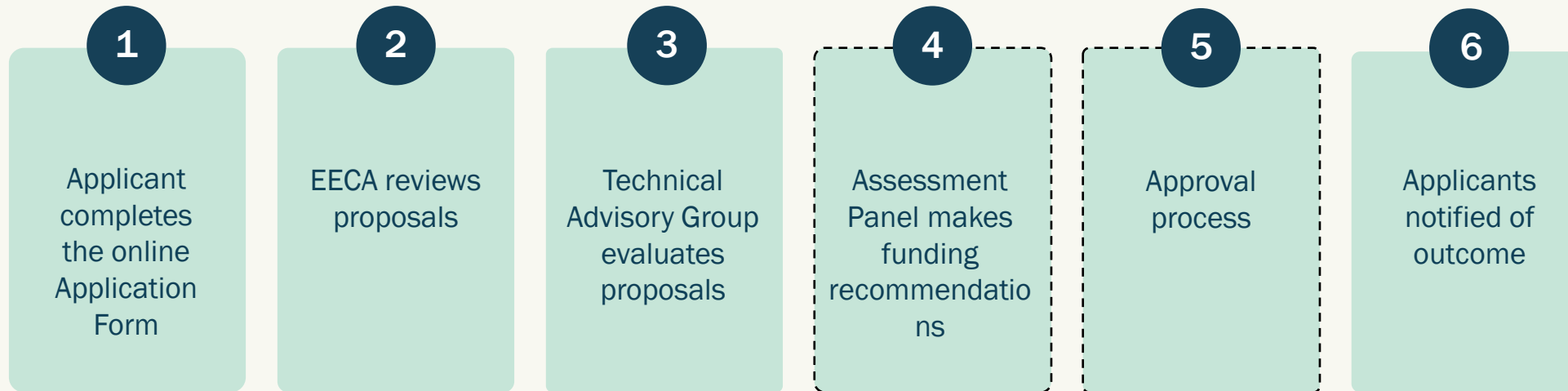


Key documents

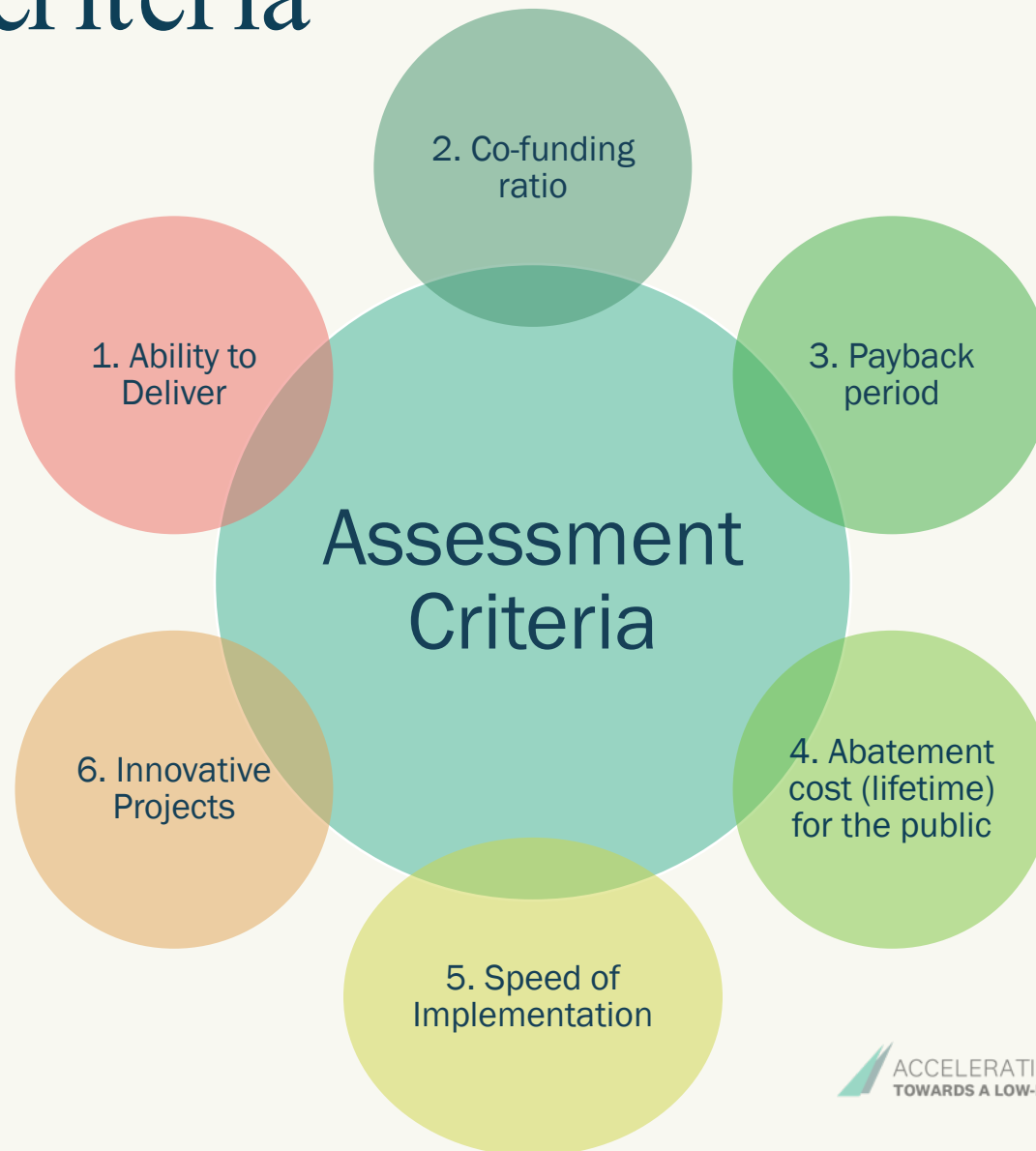
- Application documents:
 - Applicant Guide
 - Business Case Checklist
 - FAQs
 - Application Form
 - Financial Assessment Template
 - Proposed Funding Agreement (contract)
- Minimum specifications
 - High-temperature heat pumps PAS
 - Biomass boilers PAS



Assessment and decision making

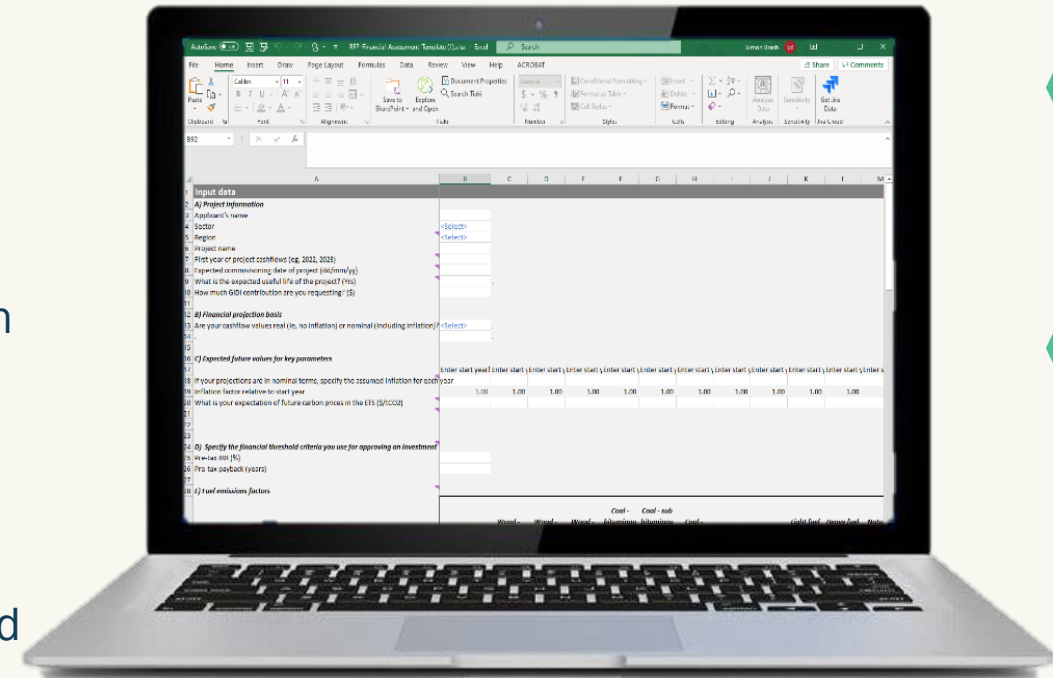


Assessment criteria



The Financial Assessment Template (FAT)

- You'll want to check this out early in the process, as some data needed in the Application Form is calculated for you in the Financial Assessment Template
- Upload completed template to the Application Form
- The FAT enables EECA to evaluate all projects on a like-for-like basis
- **The evaluation:**
 - Estimates CO2 abatement costs for both applicants and EECA
 - Helps us understand project economics and the case for funding
 - Provides evidence for project additionality
 - Tests for 'unusual' cost assumptions



FAT structure – a walkthrough

In_Out tab:

- Applicants enter basic information about the project.
- Also presents the results of financial performance and CO2 abatement cost calculations.

Cashflow tab: Where projections of costs and fuel consumption are entered.

- Information about two possible futures required:
 - If the project goes ahead – the ‘**Preferred Project**’.
 - If the project doesn’t go ahead – the ‘**Base Case**’.
- Cost projections can be entered with inflation (nominal) or without inflation (real).
- Only ‘cash costs’ must be entered. e.g., depreciation should not be included in Opex, as it duplicates Capex.
- Fuel-related opex costs are split out from other opex to enable EECA comparison of applicants’ fuel price assumptions.
 - Fuel costs should be entered without carbon costs.
 - EECA will seek clarification of unusual fuel price projections.

Our account managers are here to provide assistance, contact GIDIFund@eeca.govt.nz with any questions.



FAT examples

Inputs in the cashflow tab

	Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Time period (t)		0	1	2	3	4	5	6	7	8	9	10
Discount fac		1.00	0.94	0.89	0.84	0.79	0.75	0.70	0.67	0.63	0.59	0.56
1) Capital expenditure (CAPEX) (\$) - please enter all costs as positive numbers												
Preferred Project (PF) Applicant comment												
Super low emission melter		465,000										
Replacement melter nozzles												45,000
Total Preferred Project capex		465,000	0	0	0	0	0	0	0	0	0	45,000
Base Case (BC) Applicant comment												
Coal fired melter		0										
Replacement melter nozzles						30,000						
Total Base Case capex		0	0	0	0	30,000	0	0	0	0	0	0
Increase / (decrease) in capex (PP - BC)		465,000	0	0	0	-30,000	0	0	0	0	0	45,000
2) Operating & Maintenance Expenditure (OPEX) (\$) - please enter all costs as positive numbers												
2a) Non-fuel opex Applicant comment												
Preferred Project (PF) Applicant comment												
Maintenance		24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
Operation		16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000
Routine filter replacements		8,000		8,000		8,000		8,000		8,000		8,000
Total Preferred Project non-fuel opex		48,000	40,000	48,000	40,000	48,000	40,000	48,000	40,000	48,000	40,000	48,000
Base Case (BC) Applicant comment												
Maintenance		30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Operation		21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000
Routine filter replacements		3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Ash disposal		11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000
Total Base Case non-fuel opex		71,000	71,000	71,000	71,000	71,000	71,000	71,000	71,000	71,000	71,000	71,000
Increase / (decrease) in non-fuel opex		-23,000	-31,000	-23,000	-31,000	-23,000	-31,000	-23,000	-31,000	-23,000	-31,000	-23,000
2b) Fuel opex - EXCLUDING ETS costs												
Preferred Project (PF) Applicant comment												
Electricity - Energy + Network		18,500	37,000	38,850	40,793	42,832	44,974	47,222	49,584	52,063	54,666	57,399
Wood - pellet		2,400	4,800	5,040	5,292	5,557	5,834	6,126	6,432	6,754	7,092	7,446
<Select>												
Total Preferred Project fuel opex		20,900	41,800	43,890	46,085	48,389	50,808	53,349	56,016	58,817	61,758	64,846
Base Case (BC) Applicant comment												
Coal - lignite		24,000	24,720	25,462	26,225	27,012	27,823	28,657	29,517	30,402	31,315	32,254
Heavy fuel oil		8,000	8,480	8,989	9,528	10,100	10,706	11,348	12,029	12,751	13,516	14,327
<Select>												
Total Base Case fuel opex		32,000	33,200	34,450	35,754	37,112	38,528	40,005	41,546	43,153	44,830	46,581
Increase / (decrease) in fuel opex (PP - BC)		-11,100	8,600	9,440	10,331	11,277	12,280	13,343	14,470	15,664	16,927	18,265

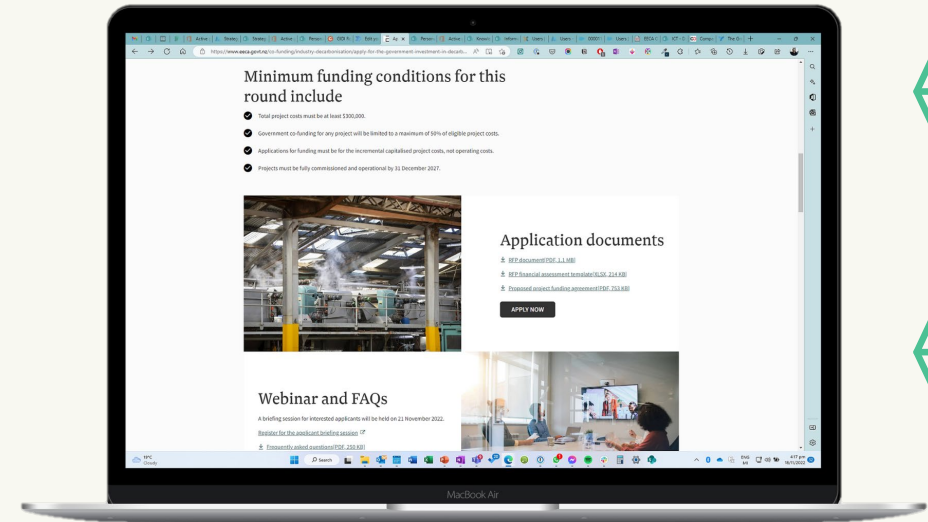
Abatement cost - \$/tonne

- EECA's financial evaluation of projects considers the abatement cost to business, and the abatement cost to society.
- These abatement costs are assessed against:
 - Cost of carbon to business – i.e. the ETS cost
 - Cost of carbon to society – using values provided by the NZ Treasury
- The financial evaluation also considers:
 - The discount rate for business – based on cost of capital or required IRR
 - The discount rate for society – using values provided by the NZ Treasury
- Societal carbon costs are higher than those for businesses, while societal discount rates are lower than those for businesses
- Together, these establish a preferred envelope for GIDI funding: Projects which are, without GIDI co-funding, NPV negative from a business perspective, but NPV positive from a social perspective.
- If these things aren't true, be ready to provide evidence for why we should still support the project – capital constraints, novel technical risk, flow on benefits, industrial allocation, etc.



Ready to apply?

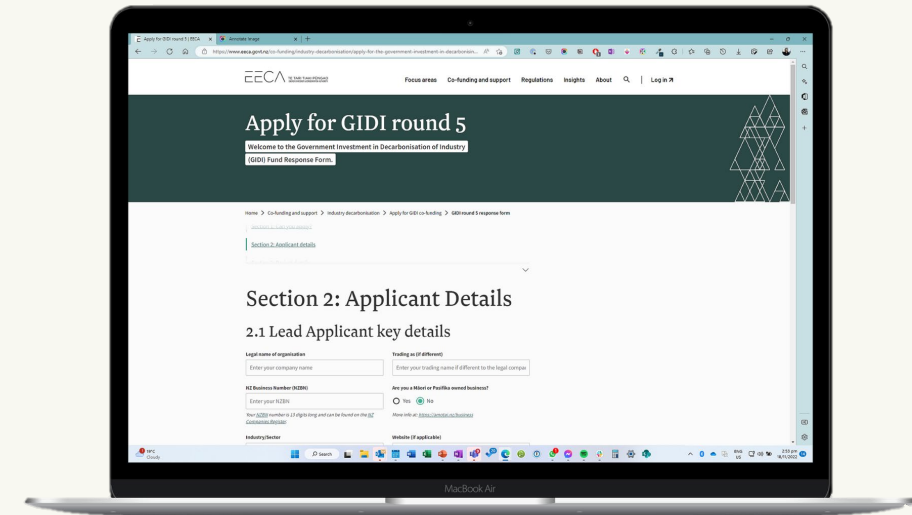
1. Go to <https://www.eeca.govt.nz/co-funding/industry-decarbonisation/gidi-commercial-buildings/>
2. Read the Applicant Guide in full, pay close attention to the Investment Principles & make sure your Proposal meets the Minimum Funding Conditions and that you can respond to the Application Requirements.
3. Click **APPLY NOW**
4. Fill in the online Application Form, remember to have your Financial Assessment Template, business case, and your project plan ready so these can be uploaded with the Application Form.
5. Submit your Application Form at any time, when your proposal is ready.



Tips for using the online application form

Pay close attention to the ‘tips for using this online form’ on the welcome page

- It’s long – get in early and familiarise yourself with how it works.
- We have made a Word version of the Application Form available on the Welcome page for reference and drafting with your team.
- Choose an ‘Application Form Owner’ – someone to own the application process on your side.
- Save as you go – when you click ‘save’ you will receive a unique link. Use this link to access your form from then on. The form saves every time you navigate between pages.
- One at a time – if multiple people go in at the same time you risk overwriting each other’s work.
- If you accidentally close the browser tab, pushing Ctrl-Shift-T will reopen it.



FAQs

Can multiple sites be combined into one application for GIDI: Commercial Buildings?

Yes, you can combine multiple sites into one project, and one application form, if the individual site level projects are similar. That is, if the applicant intends to install the same technology, with the same end use, transitioning all away from the same initial fuel type. The project should be highly replicable across sites and be undertaken within a similar timeline.

Is work to the electricity network within the scope of the fund?

Yes – distribution network work is in scope of the GIDI fund if required to enable the heating plant replacement. However, you need to have good information from your network about the cost and timing of this before applying. If the assets affected are shared ones, make sure you ask your network how the work could be optimised and if they would benefit from talking to EECA about GIDI Infrastructure support.

We are developing an extensive list of FAQs – check the GIDI: Commercial Building page



FAQs

Does a tenant need a landlord's consent?

Yes, just like your bank, we will need evidence that you have the right to do this work and that you've got all the consents you need to get going. A letter or copy of your lease should usually be enough.

What funding options are available for projects under \$300k?

The GIDI: Clean Tech Hot Water Heat Pump programme focuses on smaller hot water heat pump systems with output between 15-50kw, replacing existing califont instant/on demand hot water type boilers and/or providing new heat pumps to operate with existing combustions boilers (hybrid systems) for commercial buildings. The maximum total project cost for this programme is \$150k.

We are developing an extensive list of FAQs – check the GIDI: Commercial Building page



Questions from the floor





Stay in the loop of latest developments ([@EECA_nz](#), [LinkedIn](#))

Contact us with any questions (GIDIfund@eeca.govt.nz)

Find everything on the GIDI fund here (www.eeca.govt.nz/gidifund)

[GIDI: Industrial | EECA](#)

