

# GIDI Fund FAQ's



## 1. What is the fund for?

The Government Investment in Decarbonising Industry (GIDI) Fund is a partnership between Government and business to accelerate emission reductions from process heat used in industry by supporting energy efficiency and fuel switching projects (e.g. from fossil fuels like coal to biomass or electricity). As part of the Government's COVID-19 response and recovery, investment in decarbonisation projects also aims to stimulate the domestic economy, and support employment.

## 2. How much money can I apply for?

You should only apply for the amount of government co-investment necessary to get your sustainable decarbonisation project across the line or brought forward significantly, to a maximum of 50% of the incremental project costs. Also, keep in mind that the funding is contestable, and the amount of funding requested will affect how the project is ranked. The assessment of possible co-funding will be applied to the incremental cost of the project when compared to the non-low emission alternative option.

There are limits though. Your project will need to have a total capital cost of greater than \$500k, and applications to the GIDI Fund for individual projects should normally not exceed \$5m for an individual project. Cumulative group projects (including the applicant's group of companies) must not exceed 25% of the total Fund (\$17.25m). Applications may be considered that exceed these levels, at the discretion of the EECA Chief Executive, EECA Board or the Minister.

## 3. What do you mean by incremental cost in the RFP Response Form?

We are interested to know the difference between your project to purchase, create or implement a low emission solution and what would otherwise happen e.g. the current operational case, or the fossil fuelled base case alternative.

Applicants are required to provide suitable financial data on the project implementation and lifetime operational metrics to enable financial assessment of the proposal and alternative case. Calculation of the incremental cost is a requirement of the Response Form and is a key factor in determining the potential level of EECA funding support for a Project. To see examples, please refer to the RFP Document.

## 4. What do I have to do?

You will need to submit a proposal for funding on the [RFP Response Form](#). Instructions and guidance on completing the form are in the [RFP Document](#) on the [EECA website](#).

## 5. What can I use the funding for?

Projects considered for co-investment will be those that decarbonise industrial process heat through improved energy efficiency, technology innovation, and/or fuel switching where they directly reduce the use of fossil fuels. This can include support for electricity network infrastructure upgrades where they directly enable an electrification project.

The RFP document outlines types of projects that would be outside the scope of the fund, notably residential and commercial buildings, transport initiatives including off-road vehicles and marine vessels, displacing one fossil fuel for another (e.g. coal to gas), and Research and Development (technologies must be commercially available).

## 6. How soon can I access the funding if I am successful?

Once a proposal has been approved for funding the successful applicant will negotiate a funding agreement that commits the recipient to implement the project. The funding agreement will detail the

obligations on the recipient for the duration of the project, which must be met in order to receive funding from the GIDI Fund.

## 7. Who decides what proposals will be funded?

- An assessment panel will assess the proposals against the set of criteria outlined in the RFP Document and then make recommendations to inform the decision-making process. The EECA Chief Executive, EECA

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Board and Minister of Energy and Resources are the decision-makers for GIDI Fund in accordance to the approval delegation hierarchy, and respectively have the sole discretion to determine which *Projects (if any) will receive co-funding and the value of any co-funding in accordance to their delegation.*

## 8. Who is eligible to apply for funding from the GIDI Fund?

The GIDI Fund is open to all New Zealand-based and NZBN registered private sector business. Public Sector organisations, Local Authorities, and Council controlled organisations are not eligible to access the GIDI Fund. A full set of applicant and project eligibility conditions are outlined in the RFP Document.

## 9. Where can I find out what projects have been funded?

Details of successful Round 1&2 Projects are available on the [EECA website](#).

## 10. Can I combine multiple sites into one application?

We prefer one site/one counterparty for each application. It becomes problematic if multiple sites/applicants are grouped, as some projects may be eligible for funding and others might not, depending on individual project parameters. If this poses an issue, such as size of projects being under \$500k each, then please discuss further with EECA.

## 11. Can I combine multiple projects at one site into one application?

Multiple projects combined at one site and one applicant will be acceptable provided the projects are combined with one total capital cost and one \$/tonne abatement cost figure – hence they either all get approved or none. Combining projects at one site are highly encouraged. Please contact EECA if you have a specific reason (e.g. size or complexity) not to combine projects at one site before submitting your application.

## 12. Would conversions to geothermal also be eligible for the fund?

New Zealand regards geothermal energy as renewable, therefore, associated projects will qualify within the scope of the GIDI Fund. As geothermal energy still has some CO<sub>2</sub>-e emissions associated with it these must be accounted for when calculating the net emissions reduction and consequently the \$/tonne cost of carbon savings.

## 13. Would a space heating and water heating project be in the scope of the fund?

The GIDI Fund is to support industrial process heat decarbonisation. Domestic hot water and space heating of commercial building projects are out of scope for the GIDI Fund. The only space heating that is within scope of the fund is that of hot houses used for horticulture.

## 14. When is the deadline for Round 3 and other key dates?

The deadline for proposals is 5pm, Monday 18 October 2021. Applicants will be notified of the outcome from Monday 20 December 2021. Other steps in the RFP process and key dates are included in s2.2 of the RFP (*Our timeline*).

## 15. Has the RFP and Response Form changed since Round 1&2?

The essence of the GIDI fund has not changed. However, there have been changes to the RFP and Response Form for Round 3 to incorporate lessons learned from Round 1&2. Please take time to read and understand the RFP before completing your Application.

Your Application must be submitted using the web-based response form in the 'How to Apply' section of the EECA website. A PDF version of the Response Form has been provided on the EECA website for reference only.

## 16. Will the Supplier Briefing be recorded if I am unable to attend?

Yes. There will be a link to the presentation on the EECA website (Applicant Briefing Session). The GIDI round 3 Presentation can be found here: [GIDI Fund Applicant briefing session video](#)

## 17. Is there any guidance on the productive life of assets implemented by the Project?

Yes. In section 5 of the web-based Response Form there are guidelines for the productive life of assets. EECA assumptions are as follows:

- New Boilers – 25 years
- Boiler conversions – Remaining useful life (maximum 25 years)
- High temperature heat pumps - 20 years
- Other technologies – case by case basis (maximum 25 years)
- Energy efficiency – case by case basis

## 18. Can I include in the Application emissions savings resulting from a reduction in waste to landfill?

Emission savings from reduction in waste to landfill is not allowed in the carbon abatement cost calculations. However, the waste reduction can be claimed as a co-benefit in the innovative solution section of the web-based response form (s5.6 Level of Innovation and co-benefits).

## 19. Are the estimated lifetime carbon abatement values for successful Round 1&2 applicants available?

Yes. These will be added to the Table of Successful Applicants on the EECA website. Successful applicants can be found [here](#).

## 20. I have saved my Application as a Draft and received an e-mail with a link to my Application. Can I share the link with others in my organisation so that we can complete the Application jointly?

Yes, but please be aware of the following constraints:

- When editing the Application please ensure that only one user is editing and saving the Application at any time. Some changes will be lost if multiple users are editing the Application, as changes can only be saved by one individual
- When the Application is saved as a Draft a new link will be e-mailed to the lead Applicant and previously mailed links will be invalidated
- Your Application may contain confidential or sensitive information. So please check carefully the e-mail addresses before forwarding the link

## 21. How are the GIDI applications kept confidential?

The RFP outlines a number of confidentiality obligations and undertakings, which are defined in sections 5.1, 6.17 and 6.18 of the RFP document. EECA has implemented secure SharePoint and network drives for the storage of confidential data with appropriate and limited access.

## 22. Are greenfields developments eligible for GIDI co-funding?

Yes. But please note that:

- This is a contestable fund and the proposal must still meet the eligibility conditions and the Application will be evaluated against defined assessment criteria
- The incremental project cost would be the difference between the preferred project's (that funding is sought for) cost and the fossil-fuelled alternative option's cost. Any fossil-fuelled alternative options will need to be credible and supported by a sound rationale and justification.

## 23. Is there a carbon emissions threshold for GIDI eligibility?

No. Round 3 has a minimum of \$8m co-investment available. This is a contestable fund where all Applicants in the round will be evaluated against the minimum evaluation criteria defined in the RFP.

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## 24. When must the Project be implemented by?

The Applications for Round 3 projects must demonstrate that the Project can be implemented by 31 March 2024.

If your Application is unable to meet this date (or other Funding Principles in s4.3 of the web-based Response Form) you will need to provide compelling reasons as to why the Project should be prioritised above other Projects that do meet the eligibility criteria.

## 25. Can Applicants that were successful in Round 1&2 reapply?

Yes, provided they continue to meet the minimum eligibility criteria. This is a contestable fund and the proposal must still meet the eligibility conditions and the Application will be evaluated against defined assessment criteria and other Applicants.

## 26. What type of projects will be out of the scope of the fund?

Any project that does not directly accelerate the decarbonisation of Industrial process heat will be out of the scope of the fund. Projects focusing on these areas are out of scope:

- Residential or commercial buildings and campuses
- Transport initiatives including decarbonisation of off road vehicles, marine vessels and Aircraft
- Waste minimisation
- Electricity generation e.g. Solar panels/batteries, Wind Farm,
- Reducing agricultural emissions or embodied carbon
- Research & development, and the implementation of technologies that are not commercially available
- Information Technology projects - Such as web portals
- Manufacturing of renewable fuels - Such as wood chips, wood pellets, biochar, biocoal etc

Please see the [GIDI Fund - Round 3 Document](#) for further Information