



Government Investment in Decarbonising Industry (GIDI) Fund

Frequently Asked Questions

What is the GIDI Fund?

GIDI means: Government Investment in Decarbonising Industry Fund (the GIDI Fund).

The GIDI Fund was launched in 2020, originally, to accelerate the decarbonisation of industrial process heat and contribute to the COVID-19 recovery by stimulating the domestic economy and supporting employment. The GIDI Fund is a partnership between Government and businesses.

Since November 2020, three rounds of the GIDI Fund have been completed supporting 53 projects, across 12 regions. These projects include \$68.7 million of Government public good co-funding and an additional \$117 million of private funding for the abatement projects.

The Government recently announced the GIDI Fund was being significantly expanded with funding provided from the Climate Emergency Response Fund (CERF). The investment will be across a broader number and type of projects – solely for measures that reduce carbon emissions and enable the reduction of energy use in industry.

EECA (the Energy Efficiency and Conservation Authority) is administering the GIDI Fund on behalf of the Government. Information about what the GIDI Fund has achieved to date can be found on [EECA's website](#).

The first contestable RFP, as part of the expanded GIDI Fund, will be released on Thursday 9 June and will be open for applications for eight weeks. The focus, similar to previous rounds, is assisting medium to large energy users to lower their energy-related emissions from industrial process heat, by supporting fuel switching and energy efficiency projects.

The recent Budget announcement included an expanded scope for GIDI - what does this mean?

As part of the recently announced CERF, the Government has significantly expanded the GIDI Fund, to build on the success of the programme to date. The Government is investing around \$650 over four years to accelerate the decarbonisation of industry and help meet New Zealand's first emissions budget (2022-2035) as set out in the Emissions Reduction Plan.

While there will be a continued focus on industrial process heat this will be alongside new initiatives such as assisting small to medium-sized businesses to buy and install low emission, high-efficiency electrical equipment; and assistance for commercial buildings to replace fossil fuel space and water heating with a lower-emissions alternative.

Does this RFP funding round include these new initiatives?

Outside of this first RFP funding round, all new initiatives are undergoing programme design by EECA and will be available to the market in due course.

This current funding round is similar to previous GIDI co-funding available in that it is contestable. However, there are changes to the Minimum Funding Conditions, the Eligibility Conditions, and the Investment Principles. One significant change is the lower \$300k minimum Project size (down from the \$500,000 previously).

Who is eligible to apply for this RFP funding round?

The GIDI Fund is open to all New Zealand-based and NZBN registered private sector businesses. This excludes State sector agencies eligible for State sector decarbonisation funding – you can find out more [here](#). Local Government organisations including both Local and Regional Authorities; and Council Controlled Organisations (CCO's) are also excluded.

How much money can I apply for in this first RFP?

You should only apply for the amount of Government public good co-funding necessary for your decarbonisation project to be approved for investment (i.e. this funding will assist you to overcome barriers preventing you from otherwise investing in decarbonisation at this time) and only up to a maximum of 50% of the eligible project costs. Also, keep in mind that the funding is contestable, and the amount of co-funding requested will affect how a proposal is assessed. The funding will only help meet the incremental cost of projects.

If you have a large project (greater than \$10m) you may be required to agree to special conditions, for example, a decarbonisation partnership agreement with EECA, or a non-standard funding agreement.

How do I apply for co-funding?

You will need to submit a proposal for co-funding using the RFP Response Form. You can also attend an Applicant Briefing Session to help you understand the RFP. Instructions and guidance on completing the form, and details on the Applicant Briefing Session are in the RFP document on the [EECA website](#).

What can I use the co-funding for?

You can apply for co-funding if your proposal reduces or enables the reduction of energy use and/or carbon emissions of industrial processes, through energy efficiency, fuel switching (e.g., from coal to biomass or electricity) to a renewable energy supply or other decarbonisation approaches.

What type of projects are ineligible in this funding round?

Projects that are ineligible for GIDI co-funding include residential and commercial buildings and campuses; transport initiatives including off-road vehicles and marine vessels; waste minimisation; electricity generation; reducing agricultural emissions or embodied carbon (other than through the energy used to make a product); displacing one fossil fuel for another (e.g. coal to natural gas); Greenfields developments (other than where an existing operation using non-renewable fuel types is relocated to a greenfield site which will then use renewable fuels); and Research and Development (technologies must be commercially proven and available). For a full and complete list, we suggest you refer to the RFP document.

If you require feedback on whether your project proposal would potentially fit with the Fund's scope, please email EECA at GIDIFund@eeca.govt.nz.

What do you mean by incremental cost?

Incremental cost means the cost difference between the Default Option (the alternative to the lower-emissions option) and the lower-emissions Preferred Project you are applying for co-funding for. Examples are in the RFP.

What Project Financial information is needed to support an Application?

A Financial Assessment Template (attached to the Response Form for the RFP) requires that all applicants provide a range of detailed financial data on the project implementation and lifetime operational metrics. It is important that this is fully completed and submitted with the Response Form.

How soon can I access the Government public good co-funding if I am successful?

Once a proposal has been approved for co-funding the successful applicant will enter into a Funding Agreement with EECA. The Funding Agreement will detail the obligations on EECA and the recipient for the duration of the project, which must be met in order to receive co-funding.

Who decides what proposals will be funded?

A Technical Advisory Group (TAG) will evaluate proposals and provide an evaluation report of its findings to an Assessment Panel.

The Assessment Panel will take into account and consider the TAG's evaluation report; the assessment criteria results; additional information or clarification sought and received from applicants; and any other matters that the panel considers relevant when applying the Investment Principles to the proposal.

The panel will then make funding recommendations to the EECA Chief Executive, EECA Board and the Minister Energy and Resources in accordance with EECA's delegated authority framework.

The EECA Chief Executive or the EECA Board or the Minister of Energy and Resources are the decision-makers for the GIDI Fund in accordance with the approval delegation hierarchy, and respectively have the sole discretion, based on the recommendations of the assessment panel, to determine which projects (if any) will receive public good co-funding and the amount of any co-funding in accordance with their delegation.

Where can I find out what projects have already been funded through the GIDI Fund?

Details of successful projects from previous GIDI funding are available on the [EECA website](#).

Can I combine multiple sites into one Response Form?

No - each proposal must be specific to one site and one counterparty. It becomes too difficult to fully assess if multiple sites/applicants are grouped, as some projects may be eligible for co-funding and others might not, depending on individual project parameters.

Can I combine multiple projects at one site into one Response Form?

Multiple projects combined at one site and with only one applicant will be acceptable provided the projects are combined with one total capital cost and one \$/tonne abatement cost figure – hence they are all able to be approved or none. Combining projects at one site is 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.

Are conversions to geothermal energy eligible for co-funding?

New Zealand regards geothermal energy as renewable, therefore projects planning to directly use geothermal energy can apply. As geothermal energy still has some CO₂-e emissions associated with it these must be accounted for when calculating the emissions reduction and consequently the \$/tonne cost of carbon savings.

Would a space heating, and domestic and commercial water heating project be in the scope of the GIDI Fund?

No - this RFP is to support industrial process heat decarbonisation. Consequently, domestic hot water and space heating of commercial building projects are out of scope. The only space heating that is within scope for this round is for hot houses used for horticulture.

When is the Applicant deadline to submit proposals and other key dates?

The deadline to submit proposals is **5pm, Thursday 04 August 2022**. Applicants will be notified of the decisions from mid-November 2022 onwards. Other key dates and steps in the RFP process are included in Section 2 of the RFP.

Have the RFP and Response Form changed since previous GIDI rounds?

Yes, there have been changes to the RFP and Response Form since previous GIDI rounds. This latest funding round incorporates lessons learned to date, and reflects that this funding was received through Budget 2022 as part of Government's CERF. It is this funding that will support co-investment in projects approved in this RFP.

Accordingly, we have updated the Investment Principles, and the Minimum Funding and Eligibility Conditions. Please take time to read and understand the RFP before applying.

Your proposal 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.

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

Yes. A link to the presentation will be available on the EECA website (Applicant Briefing Session) at 11am, Monday 20 June 2022.

Is there any guidance on the productive life of assets being implemented by the Project?

Yes, the Financial Assessment Template (to be completed and attached to the web-based Response Form) has guidelines on 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

My proposal is for an innovative solution – can I apply for funding?

Funding is available to support early adopters of technologies that demonstrate enhanced emissions abatement and that have wide potential for replication. You will need to help us understand what you propose, the level of technology innovation utilised, and the potential for further uptake of these technologies to decarbonise industry. Details specific to innovative solutions proposals are in the RFP.

Can I include in my proposal 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, waste reduction can be claimed as a co-benefit if you are submitting an innovative solutions proposal. Details specific to innovative solutions are in the RFP.

Are the estimated carbon abatement values for previously successful applicants available?

Projects from the first three rounds of GIDI are available on EECA's website. Approved projects can be found [here](#).

I have saved my Response Form 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 Response Form jointly?

Yes, but please be aware of the following constraints:

- When editing the Response Form please ensure that **only one user is editing and saving the Application at any time**.
- The Response Form has a helpful 'Tips for using this form' section which we recommend you read.
- Your Response Form may contain confidential or sensitive information. So please carefully check the e-mail addresses before forwarding the link.

Are GIDI co-funding applications kept confidential?

EECA has security processes in place and takes necessary steps to protect the Privacy, Confidentiality, Integrity and Availability of your data. If you voluntarily provide personal information (e.g. through online forms, email requests or newsletters), we will only use that information for the purpose for which it was intended and to communicate with you.

Can applicants that were successful in previous GIDI rounds reapply?

Yes, provided they continue to meet the Minimum Funding and Eligibility Conditions set out in the RFP.

When must projects be implemented by?

Projects in this round must be implemented (that is, fully commissioned and operational) by 31 December 2025.

For more information on GDI, please visit:

EECA.govt.nz