

Consultation on EECA's 2021/22 levy funding proposal and related work programme



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Executive Summary

Scope of consultation

This consultation paper sets out and seeks submissions on the Energy Efficiency and Conservation Authority's (EECA) levy funding proposal for our 2021/22 work programme from three energy levies:

- the Petroleum or Engine Fuel Monitoring (PEFM) levy,
- the Electricity Industry Levy (electricity levy), and
- the Gas Safety, Monitoring and Energy Efficiency (GSME) levy.

Submissions are sought on EECA's levy proposal by **Monday, 5:00 pm on 21 December, 2020.**

Our 2021/22 levy funding proposal

EECA's activities are funded by the Crown through appropriations of public money. Some of these activities are partially funded from levies on electricity, natural gas and engine fuels (petrol, diesel, ethanol and biodiesel).

For 2021/22, EECA's proposal is for **\$14.3 million** of funding from the three energy levies, made up of the following proportions in 2021/22 to *partially* fund for the listed activities. We welcome submissions on these proposals:

PEFM levy - \$7.5 million (52% of levy funding) – unchanged from 2020/21

- **The Low-Emission Vehicles Contestable (LEVCF) Fund** (\$6.76 million) to co-invest in vehicles and infrastructure that will accelerate the uptake of low-emission vehicles in New Zealand
- **An Electric Vehicle and Low Emissions Vehicle Support Campaign** (\$0.74 million), to promote and encourage people to use electric vehicles or low emissions vehicles instead of high emissions vehicles.

Electricity levy - \$5.5 million (39% of levy funding) – unchanged from 2020/21

- **The Equipment Energy Efficiency (E3) Programme** (\$3.12 million) for developing energy efficiency standards and regulations for electrical products used in business and residential settings.
- **Technology Demonstration Programme** (\$0.35 million) to support demonstration projects for proven but under-utilised electricity efficient technologies and processes.
- **Energy Transition Accelerator (ETA) Programme** (\$0.29 million), to provide our partners with bespoke long term transition pathways to a low energy-related emissions future.
- **Large Energy Users Programme** (\$1.74 million) to help businesses and government agencies become more electricity efficient and to transition to low-emissions technology.

Gas levy - \$1.3 million (9% of levy funding) – unchanged from 2020/21

- **The Equipment Energy Efficiency (E3) Programme** (\$0.27 million) for developing energy efficiency standards and regulations for gas products used in business and residential settings.
- **Technology Demonstration Programme** (\$0.03 million) to support demonstration projects for proven but under-utilised technologies and processes to improve gas efficiency.
- **Energy Transition Accelerator ETA Programme** (\$0.20 million), to provide our partners with bespoke long term transition pathways to a low energy-related emissions future.
- **Large Energy Users Programme** (\$0.80 million) to help businesses and government agencies use gas more efficiently and to transition to low-emissions technology.

Summary of our proposed levy funding proposal:

EECA intervention	PEFM levy		Electricity Levy		GSMEEL levy	
	2020/21 levy amount (\$m)	2021/22 levy proposal (\$m)	2020/21 levy amount (\$m)	2021/22 levy proposal (\$m)	2020/21 levy amount (\$m)	2021/22 levy proposal (\$m)
<i>Efficient and low emissions transport</i>						
Low Emission Vehicles Contestable Fund	6.07	6.76				
Electric Vehicle (and Low Emissions Vehicle)* Support campaign	1.43	0.74				
<i>Energy efficient homes</i>						
E3 Programme – Residential			1.23	1.56	0.15	0.135
<i>Productive and low-emissions business</i>						
E3 Programme – Business			1.23	1.56	0.15	0.135
Technology Demonstration Programme			0.33	0.35	0.05	0.03
Energy Transition Accelerator			0.58	0.29	0.24	0.20
Large Energy User Programme Including: <i>Government leadership</i>			2.13	1.74	0.72	0.80
Total	7.5	7.5	5.5	5.5	1.3	1.3
2021/22 total	14.3					
2021/22 total	14.3					
2019/20 total	13.8					
2018/19 total	14.0					
2017/18 total	13.0 (electricity levy only)					

*added for 2021/22

EECA's strategic focus areas (see page 7)

EECA's interventions/programmes

What you need to know to make a submission

What this consultation paper is about

This consultation paper seeks submissions on EECA's levy proposal and draft levy-funded work programme for 2021/22, which covers the period 1 July 2021 to 30 June 2022.

Consultation on EECA's levy funding proposal from the three energy levies is required under section 129A of the Electricity Industry Act 2010 for the electricity levy, and section 14A of the Energy (Fuels, Levies, and References) Act 1989 for the GSMEE levy and the PEFM levy.

The legal context for this consultation is outlined in Appendix 4 (see page 29).

How to make a submission

Email: You may provide your submission in electronic form, which can be emailed to levyconsultation@eeca.govt.nz with "EECA 2021/22 levy consultation" in the subject line.

Post: Alternatively, you may wish to **post a hard copy of your submission** to EECA's address:
EECA
PO Box 388, Wellington 6140

All received submissions, will be acknowledged upon receipt. We will also provide written responses to each submission by 31 March 2021.

We will publish all submissions we receive on our website. If required, please indicate any information you wish to provide on a confidential basis and do not want published.

EECA is subject to the Official Information Act 1982 and this means we may be required to release information, unless there is a good reason to withhold it. If you indicate there is a part of your submission that should not be published, we will consult with you before deciding to release or publish that information.

Submission deadline

The consultation period commences on Monday 16 November 2020, and all submissions must be received **by Monday 5:00 pm, 21 December, 2020**.

Next steps

We will consider all submissions before presenting our levy funding request for our 2021/22 work programme to the Minister of Energy and Resources (**Minister**) in early 2021.

The approved appropriations will be announced by the Government on Budget day, which is usually in May. This information will be included in EECA's 2021/22 Statement of Performance Expectations which will be published by 30 June 2021.

Questions?

If you have any questions regarding the contents of this consultation document or the submission process, please email us at levyconsultation@eeca.govt.nz.

Our story

About EECA

EECA was established as a Crown entity under the Energy Efficiency and Conservation Act 2000 (**EECA Act**), to encourage, promote and support energy efficiency, energy conservation and the use of renewable sources of energy.

Our purpose is to *Mobilise New Zealanders to be world leaders in clean and clever energy use.*

Our desired outcome

We want New Zealand to have a sustainable energy system that supports the prosperity and wellbeing of current and future generations. To achieve this, we must focus on energy efficiency, and the use of renewable energy sources. Put simply, we want all of New Zealand to recognise that clean and clever energy use will be an asset to our collective future in a myriad of ways (see page 7 for further detail).

Our three levers

We work to create positive change across systems, using a combination of three important levers. We choose the most effective combination of the three depending on factors like existing barriers and market maturity.

- **Co-investing:** We co-invest in energy-efficient technologies and renewable sources of energy. Where there are financial barriers, we help to overcome these and appropriately share the financial risk to incentivise energy users to accelerate investment in technologies and renewable sources of energy that can make a real difference.
- **Motivating people:** We motivate people to make clean and clever energy choices. We develop and communicate credible information that will help targeted audiences to make informed choices, and to take action.
- **Regulating:** We regulate proven technologies and processes. We help prevent inefficient products and appliances from being sold in New Zealand. We support the development of energy-related policies that create the 'enabling environment' energy users need to transition to a low-emissions economy.

Our investment approach

We have five strategic focus areas, as shown in our Strategy over the page. The programmes we design and implement within these focus areas are guided by our strategic principles and align with:

- the New Zealand Energy Efficiency and Conservation Strategy (2017-2022);¹
- the commitments New Zealand has made as a party to the Paris Agreement on Climate Change;
- the ambitions of the Government in respect of the supply of renewable energy for the electricity sector; and
- the transition to a net-zero emissions economy by 2050.

These challenges are huge and EECA is committed to playing its part. We look forward to working with a wide range of stakeholders and customers as we transition to a low-carbon and sustainable energy system that supports the prosperity, and the wellbeing, of current and future generations.

¹ *Unlocking our energy productivity and renewable potential – the New Zealand Energy Efficiency and Conservation Strategy 2017 – 2022* (NZECS): www.mbie.govt.nz/assets/346278aab2/nzeecs-2017-2022.pdf

EECA's Strategy

Our Strategy

Our purpose

Mobilise New Zealanders to be world leaders in clean and clever energy use

Our strategic principles



Focus on
impact



Understand
the customer



Define the
problem



Join the
dots



Display
leadership

Our strategic focus areas



Productive and low-emissions business

- ✓ EECA's clients continuously improve their energy and emissions productivity and motivate other businesses to take action
- ✓ New Zealand businesses are continuously improving their energy productivity and using sustainable energy



Efficient and low- emissions transport

- ✓ More New Zealanders choose a low-emissions vehicle over a fossil-fuelled vehicle and have a good experience using it
- ✓ People who do not buy a low-emission vehicle choose a more efficient fossil-fuelled vehicle



Energy efficient homes

- ✓ Households consume electricity more efficiently to reduce peak loading on infrastructure
- ✓ More New Zealanders live in energy efficient homes and make informed choices on energy efficient technologies and behaviours



Government leadership

- ✓ The state sector is an exemplar in improving its energy productivity and reducing its energy related emissions
- ✓ State services implement energy policy and programme to accelerate the transition to clean and clever energy use in New Zealand



Engage hearts and minds

- ✓ New Zealanders feel that the way they use energy positively contributes to achieving New Zealand's climate change commitments
- ✓ New Zealanders expect and demand energy-related products and services based on their energy efficiency and sustainability

Our desired outcome

New Zealand has a sustainable energy system that supports the prosperity and wellbeing of current and future generations

Emerging government policies and initiatives

Emerging government policies and initiatives

Our proposed 2021/22 work programme is aligned to the Government's priorities and the policy initiatives being driven by its response to COVID-19 pandemic and its climate change agenda.

Those most relevant to our work include:

- The Climate Change Response (Zero Carbon) Amendment Act 2019, which includes the establishment of the independent Climate Change Commission²
- The Government's Climate Action Plan '*Transitioning to a low emissions future*', released in August 2019 in response to the Productivity Commission's Low Emissions Economy report³ ;
- The Minister of Energy and Resource's Renewable Energy Strategy Work Programme.
- The government's COVID-19 response pandemic and recovery plan.

Positive impacts from clean and clever energy

Progressing towards a more sustainable energy system has many benefits.

Environmental

Using energy more efficiently and switching to renewable energy solutions reduces emissions. Energy use causes 41% of New Zealand's gross greenhouse gas emissions, primarily through using fossil fuels. There are significant opportunities for New Zealand to reduce its emissions associated with energy use, and thereby help meet our Paris Agreement target.

While more than 80% of our electricity generation comes from renewable resources⁴, emissions from electricity generation still account for 4.4% of New Zealand's total energy-related emissions, meaning that using our electricity more efficiently can reduce energy-related emissions.⁵

At times, such as during very cold weather or low inflow periods, a significant portion of New Zealand's peak demand is met by thermally generated electricity, meaning that reducing peak demand is another important step to achieving the Government's goal of a 100 percent renewably electricity system (during a normal hydrological year).

Transport and process heat are large producers of energy-related emissions. New Zealand's growing transport energy needs are almost exclusively met by petroleum-derived fossil fuels. Emissions from transport account for nearly 20% of New Zealand's energy-related emissions.⁶ Around 55% of our industrial and commercial heat needs are met by fossil fuels.⁷

Economic

² <https://www.mfe.govt.nz/climate-change/zero-carbon-amendment-act>

³ <https://www.mfe.govt.nz/sites/default/files/media/Climate%20Change/transitioning-to-a-low-emissions-future.pdf>

⁴ <https://www.mbie.govt.nz/dmsdocument/11679-energy-in-new-zealand-2020>

⁵ <https://www.mfe.govt.nz/sites/default/files/media/Climate%20Change/new-zealands-greenhouse-gas-inventory-1990-2018-snapshot.pdf>

⁶ Ibid.

⁷ <https://www.mbie.govt.nz/assets/8c89799b73/process-heat-current-state-fact-sheet.pdf>

Improving energy efficiency saves money across the economy. New Zealand spends approximately \$18.5 billion on energy each year, and EECA estimates that New Zealand could save around 15 – 20% of its energy use through improved energy efficiency by 2030.⁸

Lower energy prices: In an efficient and competitive market, less energy will be used. This produces a mix of economic benefits and wealth transfers in the form of lower energy prices for energy users. Price reductions tend to be larger in markets with convex supply curves (such as electricity), where the cost of more production tends to increase steeply as demand increases.

Increased energy productivity: Energy efficiency can be achieved by using less energy to deliver the same services or using the same amount of energy to deliver a greater level of service. Improved energy efficiency increases energy productivity, which supports New Zealand businesses and exporters to become more competitive and profitable.

Reduced / delayed investment: Electricity efficiency can help to reduce peak demand, delivering system-wide benefits to New Zealanders in the form of reduced or delayed investment in grid and distribution infrastructure, and less volatile wholesale prices.⁹ Our research indicates that electricity efficiency measures can be deployed at a lower equivalent cost than new renewable generation, and that implementing these measures would make it easier to meet new demand arising from electrification.¹⁰

Resilience and security: Switching to renewable energy solutions where possible also reduces our dependence on fossil fuels, increases our energy security and makes us more resilient to fluctuating commodity prices. Electric vehicles can be more expensive to purchase than fossil-fuelled vehicles, especially brand new. But as they cost far less to run, they can be very cost-effective over time.

Social

Disposable income: ensuring that poor performing and inefficient appliances are not available for sale in New Zealand saves households and businesses money on their energy bills for the lifetime of those appliances.

Improved health and wellbeing: there are proven health benefits from reducing pollution associated with the use of fossil fuels for heat and transport.

⁸ EECA's analysis using: 2016 *Energy Balance*, Ministry of Business, Innovation and Employment's (MBIE); *Energy in New Zealand 2016*, MBIE; weekly oil price monitoring, MBIE; market data and relevant public domain reports.

⁹ Concept Consulting Group Ltd, *What is the case for electricity efficiency initiatives?* June 2017.

¹⁰ *Energy Efficiency First*, EECA 2019

How we are funded

Our activities are funded by the Crown from general appropriations. In 2021/22, we are receiving funding through four appropriations within Vote Business, Science and Innovation:

- **Energy Efficiency and Conservation:** this appropriation is used to achieve improvements in energy efficiency, energy conservation and renewable energy. See below for more detail.
- **Grant Scheme for Warm, Dry Homes:** this appropriation is used to achieve energy savings and health benefits for households through the Warmer Kiwi Homes scheme.
- **Implementation of the Grant Scheme for Warm, Dry Homes:** this appropriation is used to achieve the implementation of the Warmer Kiwi Homes grants scheme
- **Crown Energy Efficiency:** this appropriation is used to achieve the delivery of energy efficiency savings in the public sector through interest free loans.

Energy Efficiency and Conservation

This appropriation is limited to operational and policy outputs in accordance with our statutory functions under the EECA Act and the Government's energy strategies. There are four components: Crown funding, electricity levy funding, PEFM levy funding and GSMEEL levy funding.

The Government collects the energy levies and partially invests them in our work programmes. **This document consults on the level of levy funding that will be used to partially fund EECA's work programme.**

The contributions to EECA's 2021/22 proposed budget and a comparison to our 2020/21 actual budget is shown below:

Funding source by appropriation	2020/21 budget (\$000)	2021/22 proposal (\$000)
Non-departmental output expenses		
Energy Efficiency and Conservation		
Crown funded initiatives	16,284	16,284
Electricity levy funded initiatives	5,500	5,500
PEFM levy funded initiatives	7,500	7,500
GSMEEL levy funded initiatives	1,300	1,300
State Sector Decarbonisation Fund	0	3,980
Government Investment to Decarbonise Industry	0	200
Warmer Kiwi Homes - Implementation	3,240	5,272
Warmer Kiwi Homes - Grants	41,760	32,950
Total operational appropriations		
Other revenue	785	375
Total operational funding	76,369	73,361
Non-departmental capital expenses		
Crown Energy Efficiency	2,000	2,000
Total capital funding	2,000	2,000

Who pays the energy levies?

Electricity Industry Levy

Section 128 of the Electricity Industry Act 2010 (**EI Act**) provides for a levy on electricity industry participants. The funds recovered by this levy meet many of the costs of the Electricity Authority (**EA**).

Prior to 1 July 2017, section 128 of the EI Act provided that the electricity levy could only be used to meet a portion of EECA's costs in relation to the encouragement, promotion, and support of electricity efficiency. Section 128 of the EI Act now provides that the electricity levy can fund a portion of the costs of EECA in performing all of its functions, and in exercising its powers and duties, under the EECA Act (and so is no longer limited to electricity efficiency activities).

The EECA portion of the levy is collected from electricity industry participants that purchase electricity from the wholesale market (i.e. typically electricity retailers)¹¹. The final 2021/22 electricity levy rate will be published in the New Zealand Gazette in May 2021¹².

Petroleum or Engine Fuel Monitoring (PEFM) levy

Section 24 of the Energy (Fuels, Levies and References) Act 1989 (**EFLR Act**) provides for the collection of a levy on each litre of petroleum or engine fuel sold (petrol, diesel, ethanol, and biodiesel).

The PEFM levy is payable by fuel importers, who pass on the cost on to consumers. Imported petrol and diesel is levied by the New Zealand Customs Service at the port of import, whereas imported oil is levied at the refinery once processed into the finished product.

Since 1 July 2017, section 14(2A) of the EFLR Act provides that the PEFM levy can fund a portion of the costs of EECA in performing its functions and exercising its powers and duties under the EECA Act.

The indicative PEFM levy rate for 2021/22 is 0.61 cents/litre, including 0.11 cent/litre for the variable EECA cost, and 0.5 cents/litre for non-EECA activities. The final levy rate will be published in the New Zealand Gazette in May 2021.

Gas Safety, Monitoring and Energy Efficiency (GSME) levy

Section 23 of the EFLR Act provides for the collection of a levy on piped natural gas, except for gas which is sold for used as a feedstock or for the generation of electricity or is liquefied petroleum gas. The GSME levy is payable by sellers of piped gas to gas retailers and gas retailers who sell piped gas.

From 1 July 2017, section 14(2A) of the EFLR Act provides that this GSME levy can fund a portion of the costs of EECA in performing its functions and exercising its powers and duties under the EECA Act.

The indicative GSME levy rate for 2021/22 is 3.9 cents/GJ, including 1.9 cents/GJ for the variable EECA cost, and 2.0 cents/GJ for non-EECA activities. The final levy rate will be published in the New Zealand Gazette in May 2021.

¹¹ www.ea.govt.nz/assets/dms-assets/26/26868Published-Gazette-notice-2020-21-invoiced-rates.pdf

¹² www.gazette.govt.nz

Our draft 2021/22 work programme

Our approach to providing information on the proposed 2021/22 levy-funded programmes

Detailed information on proposed levy-funded programmes

Consistent with our approach for the past few years, we have provided detailed information below on the programmes that will be funded from the three energy levies. This includes the need for each programme and the expected outputs and benefits they will deliver.

In addition, where it is appropriate or practicable, we have also outlined the link between the groups being levied and whether they benefit from, or cause a need for, a particular levy-funded programme. The provision of information of this type helps to ensure transparency in the use of levy funding for our programmes and helps us to consult with levy payers and other parties who are significantly affected by the levy.

In future years, where our work programme includes more activities that achieve multiple benefits relevant to more than one levy, we may seek to fund these activities from multiple levies (as we currently do with the Technology Demonstration, ETA, Large Energy Users, and E3 programmes).

Full work programme provided for context

We have again this year provided information about our whole proposed programme portfolio to demonstrate the wider context for our work, and how our partially levy-funded programmes fit within this wider portfolio (see Appendix 1, page 26).

Levy-funded programmes are only partially funded by levy-funding

We are not seeking to recover 100% of the costs of levy-funded activities from the levies. We are instead proposing to recover 88% of the total costs of electricity-related programmes from the electricity levy, 87% from the GSMEE levy, and 87% from the PEFM levy. The balance of the costs of these programmes will be covered by our baseline Crown funding.

This is because the method for allocating overheads to levy-related activities, and assessing the proportion of programme costs across levy sources is subjective, albeit based on robust assumptions. Consequently, we have chosen to take a conservative approach in not seeking to fully recover all assessed costs from the levies.

Proposed levy funded activities in 2021/22

For 2021/22, our levy funding proposal is **\$14.3 million** from the three energy levies at the following proportions and allocations:

PEFM levy

Programme	2020/21 PEFM levy	2021/22 PEFM levy proposal
Low Emission Vehicle Contestable Fund (see page 15)	\$6.07 million	\$6.76 million
EV and LEV Support Campaign (see page 16)	\$1.43 million	\$0.74 million
Total	\$7.5 million	\$7.5 million

Electricity levy

Programme	2020/21 electricity levy	2021/22 electricity levy proposal
E3 programme (see page 18)	\$2.46 million	\$3.12 million
Large energy users (see page 21)	\$2.13 million	\$1.74 million
Emissions Transition Accelerator programme (see page 22)	\$0.58 million	\$0.35 million
Technology demonstration programme (see page 23)	\$0.33 million	\$0.29 million
Total	\$5.5 million	\$5.5 million

GSMEET levy

Programme	2020/21 GSMEET levy	2021/22 GSMEET levy proposal
E3 programme (see page 18)	\$0.29 million	\$0.27 million
Large energy users (see page 21)	\$0.72 million	\$0.80 million
Emissions Transition Accelerator programme (see page 22)	\$0.24 million	\$0.20 million
Technology demonstration programme (see page 23)	\$0.05 million	\$0.03 million
Total	\$1.3 million	\$1.3 million

Efficient and low-emissions transport



Why this matters

The transport sector provides the single largest opportunity to improve New Zealand's energy productivity and reduce energy-related emissions. Transport is responsible for 19.7% of New Zealand's total greenhouse gas emissions each year and 48.5% of energy-related emissions.¹³

There are significant improvements to be made using sustainable and efficient technologies, particularly low emission vehicles. Meeting our transport needs with sustainable energy will reduce emissions and our dependence on imported fuel. It also helps people reduce the costs of transport to get around.

The Government's Electric Vehicles (EV) Programme includes a package of measures to accelerate the uptake of EV's. As of 30 September 2020, there were more than 22,000 electric vehicles registered in New Zealand¹⁴. However, while the number of EVs is still increasing, the growth rate is starting to flatten. The impacts of COVID-19 have caused a decrease in the number of EV registrations, however this has also impacted internal combustion engine (ICE) registrations to a similar degree.

¹³ Ministry for the Environment (Manatū Mō Te Taiao), New Zealand's Greenhouse Gas Inventory 1990 – 2017 (2019): <https://www.mfe.govt.nz/sites/default/files/media/Climate%20Change/emissions-profile-infographic.pdf>

¹⁴ Ministry of Transport (Te Manatū Waka) Monthly electric and hybrid light vehicle registrations: <https://www.transport.govt.nz/mot-resources/vehicle-fleet-statistics/httpswww-transport-govt-nzmot-resourcesvehicle-fleet-statisticshttpswww-transport-govt-nzmot-resourcesvehicle-fleet-statisticsmonthly-electric-and-hybrid-light-vehicle-registrations/>

EECA is responsible for delivering two components of the programme – the LEVCF and Electric Vehicle and Low Emissions Vehicle Support Campaign. In 2021/22 we propose to part levy-fund the LEVCF and the Electric Vehicle Campaign which includes a new Low Emission Vehicle Support Campaign.

Low Emission Vehicles Contestable Fund

What are we aiming to achieve

The purpose of the LEVCF is to encourage innovation and investment that will accelerate the uptake of low emission vehicles in New Zealand that might not otherwise occur.

The LEVCF plays a critical role in fostering New Zealand's emerging Low Emissions Vehicles market. The LEVCF co-finances investments into Low Emissions Vehicle technology that would not be likely to occur, or likely to occur more slowly and with less coordination, without government support. By financing these projects, including through financing charging infrastructure, and the diffusion of these technologies into a variety of sectors where they are yet to be utilised, the Contestable Fund helps to accelerate the uptake of Low Emissions Vehicles.

Through eight funding rounds, we have committed \$27 million of government co-funding across 163 projects, with almost all applicants providing at least 50% of project costs (and in many cases more than 50%). These projects have resulted in the installation of over 600 vehicle chargers.

We establish the 'investment focus' before each round to signal to applicants the types of projects that will be prioritised and where the Government intends to target its investment. The investment focus is designed to address specific barriers we have identified and is approved by the Minister. The current investment focus can be found on our website. For example, Round 9 of LEVCF has a focus on low emissions heavy vehicles and supporting the development of the public charging network¹⁵.

We measure the success of the funding by evaluating how the individual projects contribute to the LEVCF's overarching objectives. We closely monitor the progress of all co-funded projects and will evaluate their performance in subsequent years. A list of LEVCF projects funded to date is available on our website.¹⁶

What we expect to deliver in 2021/22

For the Low Emission Vehicles Contestable Fund in 2021/22, we expect to undertake the following activities:

- Commit up to \$6.5 million in projects that promote and support the uptake of low emission vehicle technologies and are consistent with the investment criteria.
- Pay out \$6.5 million in co-funding by ensuring partner projects meet their milestones as contracted.
- Deliver at least 85% of anticipated results for projects completed in 2021/22
- Deliver learning outcomes and publish case studies in detail to aid the development of business cases and to showcase potential.

¹⁵ Low Emission Vehicles Contestable Fund Request for proposals Round 9: <https://genless.govt.nz/assets/Business-Resources/LEVCF-Round-9-Request-for-Proposals-Final-1.pdf>

¹⁶ Further information on successful projects to date can be found here: www.eeca.govt.nz/funding-and-support/low-emission-vehicles-contestable-fund/low-emission-vehicles-contestable-fund-successful-projects/

Electric Vehicle and Low Emissions Vehicle Support Campaign

What are we aiming to achieve

We are responsible for administering the Government's Electric Vehicle and Low Emissions Vehicle Support Campaign. The outcome we are seeking is that more New Zealanders choose an electric vehicle or low emissions vehicle over a high emissions vehicle and have a good experience using it.

Through this campaign we seek to inspire, problem solve and create momentum to ensure more New Zealanders than ever choose a Low Emissions Vehicle over a high emissions vehicle. We will continue to develop and provide independent and authoritative information that 'busts myths' and motivates people to improve their transport choices. We aim to engage and excite New Zealanders about electric vehicles and low emissions vehicles and overcome known information barriers, such as uncertainty about battery life and afterlife, range anxiety, uncertainty about charging e.g. how to charge and where to find public charging stations. The campaign will inform and reinforce the emissions profile of vehicles and help consumers compare the total cost of owning cars through our online Total Cost of Ownership tool.

What we expect to deliver in 2021/22

For the Electric Vehicle and Low Emission Vehicle Support Campaign, in 2021/22, we expect to undertake the following activities:

- Commission authoritative reports and continue to develop information on the state of electric vehicle and low emissions vehicle technology and the implications for New Zealand.
- Develop advertising campaigns and publish information about electric vehicles and low emissions vehicles on our website, through traditional media, social media channels and any other channels that are suitable to support effective and impactful campaign delivery.
- Provide guidance and advice to motorists, car dealers, and other industry players
- Manage productive stakeholder relationships with partners.
- Conduct market research and monitoring to understand target audiences.

2021/22 levy funding proposal

In 2021/22, we are seeking \$7.5 million sourced from the PEFM levy to part-fund our two electric vehicle programme. This levy funding amount comprises of the following:

PEFM levy

Programme	2020/21 PEFM levy	2021/22 PEFM levy proposal
Low Emission Vehicle Contestable Fund (see page 15)	\$6.07 million	\$6.76 million
EV and LEV Support Campaign (see page 16)	\$1.43 million	\$0.74 million
Total	\$7.5 million	\$7.5 million

Link to PEFM levy

The transport sector is heavily reliant on fossil fuels and with continued growth in the domestic transport sector, emissions from road transport are increasing. By harnessing New Zealand's highly renewable electricity system and by promoting the transition to low emissions vehicle technologies, the LEVCF and Electric Vehicle and Low Emissions Vehicle Support Campaign support the country's transition to a low emissions economy. The widespread uptake of electric vehicles and low emissions vehicles will contribute to New Zealand meeting its climate change commitments, reduce fossil fuel consumption, improve local air quality by reducing harmful air pollutants, save money, diversify the sources of our transport energy, and enhance energy security in the long run.

Equipment Energy Efficiency (E3)



The Equipment Energy Efficiency (E3) Programme is a joint programme with Australia that develops common regulatory energy efficiency standards for both residential and business products.¹⁷ Collaboration with Australia means that overheads are shared appropriately between the two countries, making the programme cost-effective and excellent value for money.

The programme includes:

- the development and optimisation of minimum energy performance standards (MEPS) to ensure that poor-performing products are prevented from being sold in New Zealand; and
- ensuring regulated appliances for sale in stores display the correct energy rating label to help consumers choose energy efficient products.

The E3 Programme contributes to two of EECA's strategic focus areas, 'Productive and low-emissions businesses' and 'Energy efficient homes'. The programme ensures manufacturers and suppliers raise the efficiency of their products, resulting in efficiency gains and reducing the total cost of operating products in New Zealand.

Key benefits of the E3 programme

Over 86 million business and residential products have been sold under the E3 Programme since 2002, delivering energy savings of 59.5 PJs, emissions reductions of 2.33 Mt CO₂e, and representing savings of \$1.45 billion in national benefit.

The key estimated benefits for this programme in 2021/22 include:

- electricity savings of 357 GWh
- carbon emissions reduction of 39 ktCO₂e
- a national benefit of \$31.4million.

¹⁷ More information about EECA's E3 Programme is available here:

<https://www.eeca.govt.nz/our-work/product-regulations/equipment-energy-efficiency/>

What we expect to deliver in 2021/22

For the E3 Programme, in 2021/22, we expect to undertake the following activities:

- Contribute to the governance of the trans-Tasman E3 Programme, including developing future strategies and priorities
- Develop and implementing Minimum Energy Performance Standards (MEPS) for 20 product classes. In 2021/22, this may include (subject to Ministerial approval) electric motors and air conditioners over 65KW
- Develop Publically Available Specifications for High Temperature Heat Pumps and EV Chargers.
- Review existing regulations to check they are still relevant, and if not revoke them. This may include set top boxes and external power supplies.
- Manage industry compliance with the [Energy Efficiency \(Energy Using Products\) Regulations 2002](#) through market surveys, check-testing and taking enforcement action when required.

2021/22 levy funding proposal

In 2021/22, we are seeking \$3.12 million sourced from the electricity levy and \$0.27 million from the GSMEE levy to part-fund our contribution to the E3 Programme. These levy funding amounts comprise of the following:

Electricity levy

Programme	2020/21 electricity levy	2021/22 electricity levy proposal
E3 programme (see page 18)	\$2.46 million	\$3.12 million
Large energy users (see page 21)	\$2.13 million	\$1.74 million
Emissions Transition Accelerator programme (see page 22)	\$0.58 million	\$0.35 million
Technology demonstration programme (see page 23)	\$0.33 million	\$0.29 million
Total	\$5.5 million	\$5.5 million

GSMEE levy

Programme	2020/21 GSMEE levy	2021/22 GSMEE levy proposal
E3 programme (see page 18)	\$0.29 million	\$0.27 million
Large energy users (see page 21)	\$0.72 million	\$0.80 million
Emissions Transition Accelerator programme (see page 22)	\$0.24 million	\$0.20 million
Technology demonstration programme (see page 23)	\$0.05 million	\$0.03 million
Total	\$1.3 million	\$1.3 million

Link to electricity levy

Residential households and businesses benefit directly from the E3 Programme whenever they purchase appliances or equipment covered by the programme. Products will use less energy, for the same output, resulting in a lower total cost of ownership, as compared to the absence of our intervention. More efficient products result in lower energy and maintenance costs for businesses, thereby enabling them re-invest the savings to be more productive and profitable.

The E3 Programme effectively lowers overall energy demand (particularly electricity), leading to lower energy costs for all consumers and creating system-wide benefits that allow New Zealand to defer investment in new

expensive generation infrastructure, and to continue meeting most of its stationary energy needs from renewable and low-emission energy resources.

Link to the GSMEE levy

Part of the E3 Programme is proposed to be funded under the GSMEE levy in 2021/22 to support work on **MEPS** on business products (such as gas boilers), which would improve gas efficiency and reduce associated emissions. This part of the E3 Programme will therefore help to reduce negative externalities caused by GSMEE payers in the form of reduced carbon emissions.

Productive and low-emissions business



Why this matters

There are significant opportunities for businesses to increase their energy productivity and use of sustainable energy. Businesses use about 50% of New Zealand's energy, excluding transport, and generate more than 40% of our energy-related emissions.¹⁸

Improving energy productivity and switching to sustainable energy has many benefits. These include direct benefits, such as lower energy costs and improved profitability, as well as a contribution to New Zealand's emissions reduction goals.

Process heat use represents the most significant stationary energy opportunity for improved energy productivity and emission reductions from the use of sustainable energy in the business sector.¹⁹

Large Energy User Programme

What are we aiming to achieve

Businesses can improve their energy efficiency by up to 20% through smarter energy use and investment in energy efficient technologies. We partner with large energy using businesses and state sector organisations to prioritise the areas of greatest potential for energy savings and emission reductions.²⁰ We facilitate access to tailored advice and services for large energy users across New Zealand to help them identify and invest in long-term solutions to energy and carbon management challenges. This reduces energy-related costs for the

¹⁸ EECA's Energy End Use Database

¹⁹ Process heat is energy use for commercial and industrial processes, manufacturing and heating. For example, meat and dairy processors use steam from boilers to sanitise equipment and process raw products, such as turning milk into powder. It generally involves the use of coal, gas, wood or electricity.

²⁰ You can find out more information about EECA's support of large energy users by visiting the following webpage:
<https://www.eecabusiness.govt.nz/funding-and-support/support-for-large-energy-users/>

business, moves the sector forward on the energy transition journey and helps build capability in the sector. It also creates public benefits, primarily in the form of reduced carbon emissions.

We work directly with large energy users because their large-scale operations offer the most cost-effective gains, and provides the greatest benefits to our economy. Their prominence also provides leadership to other businesses (large and small), and the best opportunity to spread best energy management practices across the market.

What we expect to deliver in 2021/22

For the Large Energy User Programme, in 2021/22, we expect to undertake the following activities:

- Long-term energy management partnerships with large energy users, with EECA providing direct account management support and non-capital co-funding for electricity and gas projects.
- Support and funding for energy audits, operational efficiency improvements, energy monitoring and targeting, and optimisation of critical energy systems.
- Training and industry development.
- Monitor project milestones in order to ensure that co-funding is only paid out as contracted.
- Provision of energy management information, resources and advice.
- A targeted approach for small to medium enterprises.

The key estimated quantitative benefits of the Large Energy User Programme in 2020/21 include:

- Savings of 0.70PJ
- Carbon emissions reduction of 58.1 ktCO₂e per annum

These savings relate to projects that are eligible to be funded by the electricity and GSMEE levies only; additional savings will be achieved through our large energy user programme from projects funded by our baseline Crown funding.

While the levy funding will be committed in 2021/22, and expended from 2021/22 onwards, the energy and emission savings (associated with that funding) will be measured and reported in subsequent years.

We have developed a new process where we record and report the full impact of our initiatives by calculating their lifetime energy and emission savings, instead of our previous approach where we based savings on annual estimates. This new reporting system will be implemented for the 2020/21 financial year.

Energy Transition Accelerator (ETA) Programme

What are we aiming to achieve

In 2021/22, we continue to target businesses with the largest potential energy-related carbon reduction and will be utilising data to inform our strategic investment direction. We encourage businesses to progress long-term planning for reduction of their energy-related carbon emissions, as far out as 2050. Through our ETA programme, we support the development of low-emissions pathways and related tools to support each client in making technically and economically viable decisions and investments that support their energy transition to a low carbon future. We also continue to showcase best practice and develop tools to influence all businesses regardless of size.

What we expect to deliver in 2021/22

For the ETA Programme, in 2021/22, we expect to undertake the following activities:

- Develop long-term energy transition pathways and targets in collaboration with New Zealand's largest energy-related carbon emitters, with EECA providing direct account management support and non-capital co-funding for opportunity analysis and feasibility studies.
- Embed the ETA programme further by implementing it with an additional 12 large emitting businesses.
- Initiate the development of a template approach and tools for all businesses to adopt, irrespective of the amount of energy they use or energy-related emissions they produce.
- Monitor project milestones in order to ensure that co-funding is fully paid out as contracted.

Technology Demonstration Programme

What are we aiming to achieve

We aim to find solutions to high energy use and emissions reduction which often involves support for new technologies. New and under-utilised technologies can carry risk for businesses due to uncertainty about performance and the risk of disruption to production lines, and this can have flow-on impacts on other areas of performance, consumer satisfaction and overall business competitiveness.

Our co-investment in innovative technology demonstrations shares the financial risk. This investment supports early adoption of technologies by setting up/demonstrating commercially available, but proven under-utilised technologies, which have significant potential to reduce energy use and emissions in New Zealand.²¹ The programme also includes *process changes*, which are under-utilised process improvements for making energy-using technology more energy efficient.

Not only do these projects create direct benefits, they help accelerate the diffusion of innovative technologies and processes throughout the economy.

What we expect to deliver in 2021/22

For the Technology Demonstration Programme, in 2021/22, we expect to undertake the following activities:

- Provide co-funding to demonstrate proven, yet under-utilised energy efficient technologies or processes in New Zealand, with the aim of promoting the projects for broader uptake.
- Develop case studies and information to promote the results of at least two demonstration projects and to encourage uptake within, and across sectors.

All technology demonstration projects are monitored. Projects must also meet our cost-effective energy benefits criteria, be applicable to multiple sites and/or to other sectors, and demonstrate a reduction in energy intensity and/or carbon emissions.

For the Technology Demonstration Programme, the key estimated benefits in 2021/22 include:

- Technologies demonstrated through EECA-supported projects are adopted within a different sector, at a different scale or at a different location.
- Savings of at least 0.04PJ.
- Carbon emissions reduction of 2.3 ktCO₂e per annum.

²¹ You can find out more information about our technology demonstration projects by visiting the following webpage:
<https://genless.govt.nz/businesses/co-funding-and-support/business-co-funding-and-support-programmes/technology-demonstration-projects/>

These savings relate to projects that are eligible to be funded by the electricity and GSMEET levies only; additional savings will be achieved through our Technology Demonstration Programme from projects funded by our baseline Crown funding.

These savings are verified through energy saving reports received from project partners as milestones are completed.

These savings are verified through energy saving reports received from partnering businesses as milestones are completed. We currently only report the first year they are reported. However, as the savings are locked in for the lifetime of the new technology/fuel/process, we are reviewing our reporting process and may move to recording and reporting the full impact of our initiatives.

2021/22 levy funding proposal

In 2021/22, we propose to seek \$2.38 million sourced from the electricity levy and \$1.03 million from the GSMEET levy to part-fund our productive and low-emissions business activities. These levy funding amounts comprise of the following:

Electricity levy

Programme	2020/21 electricity levy	2021/22 electricity levy proposal
E3 programme (see page 18)	\$2.46 million	\$3.12 million
Large energy users (see page 21)	\$2.13 million	\$1.74 million
Emissions Transition Accelerator programme (see page 22)	\$0.58 million	\$0.35 million
Technology demonstration programme (see page 23)	\$0.33 million	\$0.29 million
Total	\$5.5 million	\$5.5 million

GSMEET levy

Programme	2020/21 GSMEET levy	2021/22 GSMEET levy proposal
E3 programme (see page 18)	\$0.29 million	\$0.27 million
Large energy users (see page 21)	\$0.72 million	\$0.80 million
Emissions Transition Accelerator programme (see page 22)	\$0.24 million	\$0.20 million
Technology demonstration programme (see page 23)	\$0.05 million	\$0.03 million
Total	\$1.3 million	\$1.3 million

Link to electricity levy

The Large Energy User, Energy Transition Accelerator and Technology Demonstration Programmes help to achieve electricity efficiency, resulting in demand reduction and downward pressure on wholesale prices.²² Increased electricity efficiency can also result in reduced lines network costs when reducing peak usage, and defer investment in new generation infrastructure, resulting in system-wide benefits for all electricity consumers, including levy payers.²³

²² Energy Link, *Electricity Price Impact of the EECA Levy-funded Electricity Efficiency Programmes*: Updated 2015, (October 2015).

²³ Concept Consulting Group Ltd, *What is the case for electricity efficiency initiatives?* June 2017.

Link to GSMEET levy

Inefficient gas use by levy payers can cause emissions to be higher than they need to be. The Large Energy User, ETA and Technology Demonstration Programmes promote the efficient use of gas through boiler tuning, energy system optimisation and equipment upgrades. The programmes will contribute towards lowering costs and creating efficient, more productive and lower-carbon businesses.

As well as increasing efficient gas use, in some situations, there are also economically-viable lower-emission alternatives that can avoid the use of gas and its associated emissions. This includes the use of biomass fuels for heating (e.g. wood) where appropriate, and electrically-powered heat pumps to make hot water. Using gas levy funding to facilitate these activities by providing information and funding feasibility studies, helps mitigate the emissions that gas causes, and conserves gas reserves for those activities where there are no viable lower-emission alternatives.

Appendix 1: Our proposed 2021/22 work programme and forecasted budget

EECA's 2021/22 work programme									(as per 20/21 Forecast)			(as per 21/22 Forecast)			Total Cost with Mvt in Commitments included			Levy funding allocated Pro-Rata (except for PEFML)			
										Commitments b/f			Commitments c/f								
		Electricity Industry Levy activities		GSMEE Levy activities		PEFM Levy activities		Non-Levy related activities		Electricity Industry Levy	GSMEE Levy activities	PEFM Levy activities	Electricity Industry Levy	GSMEE Levy activities	PEFM Levy activities	Electricity Industry Levy	GSMEE Levy activities	PEFM Levy activities	Electricity Industry Levy	GSMEE Levy activities	PEFM Levy activities
	Total fully allocated cost per project	%	\$	%	\$	%	\$	%	\$							\$	\$	\$	\$	\$	\$
Productive and low-emissions business																					
Standards and Regulations	1,935,411	92%	1,780,578	8%	154,833			0%	(0)							1,780,578	154,833	0	1,560,478	135,395	0
Information & Promotion to Business	1,250,141							100%	1,250,141							0	0	0	0	0	0
Large Energy Users - Direct	1,346,529	23%	309,702	34%	457,820			43%	579,007	(277,225)	(409,811)		277,225	409,811		309,702	457,820	0	271,419	400,344	0
Technology Demonstrations	1,877,082	21%	394,187	2%	37,542			77%	1,445,353	(454,080)	(43,246)		454,080	43,246		394,187	37,542	0	345,461	32,829	0
Industry Development	633,284	20%	126,657	10%	63,328			70%	443,299	(18,230)	(9,115)		18,230	9,115		126,657	63,328	0	111,001	55,378	0
NABERSNZ	432,750	80%	346,200	0%				20%	86,550							346,200	0	0	303,406	0	0
Energy Transition Accelerator (ETA)	1,401,449	24%	336,348	16%	224,232			60%	840,869	(128,328)	(85,552)		128,328	85,552		336,348	224,232	0	294,771	196,081	0
Large Energy Users - Indirect	984,310	76%	748,076	17%	167,333			7%	68,902	(601,553)	(134,558)		601,553	134,558		748,076	167,333	0	655,605	146,325	0
Process Heat Decarb Fund	994,024							100%	994,024												
	10,854,980		4,041,747		1,105,087		0		5,708,146							4,041,747	1,105,087	0	3,542,141	966,352	0
Efficient and low-emissions transport																					
Transport Strategy & Development	241,336							100%	241,336							0	0	0	0	0	0
VFEL	470,360							100%	470,360							0	0	0	0	0	0
Low Emission Vehicles - CF	7,733,484					100%	7,733,484	0%	0		(7,779,702)			7,779,702		0	0	7,733,484	0	0	6,764,377
Low Emission Vehicles - IC	841,013					100%	841,013	0%	0							0	0	841,013	0	0	735,623
	9,286,193		0		0		8,574,497		711,696							0	0	8,574,497	0	0	7,500,000
Energy efficient homes																					
Standards and Regulations	1,935,410	92%	1,780,577	8%	154,833			0%	(0)							1,780,577	154,833	0	1,560,477	135,395	0
In-Home Efficiency	209,505							100%	209,505										0	0	0
Warmer Kiwi Homes	39,264,272							100%	39,264,272							0	0	0	0	0	0
	41,409,187		1,780,577		154,833		0		39,473,777							1,780,577	154,833	0	1,560,477	135,395	0
Government leadership																					
State Sector Decarbonisation	3,790,497	0%	0	0%	0			100%	3,790,497							0	0	0	0	0	0
Local Authorities	755,719	60%	453,431	30%	226,716			10%	75,572	(307,170)	(153,585)		307,170	153,585		453,431	226,716		397,382	198,253	
Influencing Strategy	1,128,550							100%	1,128,550							0	0	0	0	0	0
	5,674,766		453,431		226,716		0		4,994,619							453,431	226,716	0	397,382	198,253	0
Engage heart and minds																					
Hearts and Minds	6,135,874							100%	6,135,874										0	0	
	6,135,874		0		0		0		6,135,874							0	0	0	0	0	0
Total to be expensed in 21/22	73,361,000		6,275,755		1,486,636		8,574,497		57,024,111	(1,786,586)	(835,867)	(7,779,702)	1,786,586	835,867	7,779,702	6,275,755	1,486,636	8,574,497	5,500,000	1,300,000	7,500,000
Less Levy expenditure related to commitments made and funded in prior years			1,786,586		835,867		7,779,702														
21/22 Levy activities expensed in year			4,489,169		650,769		794,795														
Add: 21/22 Levy activities contractually committed in year but not expensed in year (funding held in retained earnings)			1,786,586		835,867		7,779,702														
Total cost of 21/22 Levy related activities			6,275,755		1,486,636		8,574,497														
2021/22 Funding breakdown																					
Levy Appropriations			5,500,000		1,300,000		7,500,000														
EECA Baseline Appropriation			775,755		186,636		1,074,497														
			6,275,755		1,486,636		8,574,497														

Appendix 2: Our current 2020/21 work programme and budget

EECA's 2020/21 work programme								(as per 19/20 Forecast)			(as per 20/21 forecast)			Total Cost with Mvt in Commitments included			Levy funding allocated Pro-Rata (except for PEFML)				
		Commitments b/f										Commitments c/f									
		Electricity Industry Levy activities		GSMEE Levy activities		PEFM Levy activities		Non-Levy related activities		Electricity Industry Levy	GSMEE Levy activities	PEFM Levy activities	Electricity Industry Levy	GSMEE Levy activities	PEFM Levy activities	Electricity Industry Levy	GSMEE Levy activities	PEFM Levy activities	Electricity Industry Levy	GSMEE Levy activities	PEFM Levy activities
	Total fully allocated cost per project	%	\$	%	\$	%	\$	%	\$							\$	\$	\$	\$	\$	\$
Productive and low-emissions business																					
Standards and Regulations	1,884,758	92%	1,733,977	8%	150,781			0%	(0)							1,733,977	150,781	0	1,225,707	144,486	0
Information & Promotion to Business	1,647,218							100%	1,647,218							0	0	0	0	0	0
Large Energy Users - Direct	2,891,672	55%	1,590,420	18%	520,501			27%	780,751	(967,091)	(316,503)		716,841	234,603		1,340,170	438,601	0	947,333	420,290	0
Technology Demonstrations	2,723,387	25%	680,847	3%	81,702			72%	1,960,839	(480,689)	(57,683)		271,189	32,543		471,347	56,562	0	333,184	54,200	0
Industry Development	542,539	40%	217,016	30%	162,762			30%	162,762	(59,960)	(44,970)		59,960	44,970		217,016	162,762	0			0
NABERSNZ	440,085	80%	352,068	0%				20%	88,017							352,068	0	0			0
Energy Transition Accelerator (ETA)	1,635,538	50%	817,769	15%	245,331			35%	572,438	(210,044)	(63,013)		210,044	63,013		817,769	245,331	0	578,061	235,088	0
Large Energy Users - Indirect	1,111,613	70%	778,129	30%	333,484			0%	0	(235,570)	(100,959)		191,470	82,059		734,029	314,584	0	518,867	301,450	0
	12,876,810		6,170,225		1,494,559		0		5,212,025							5,666,375	1,368,619	0	3,603,152	1,155,514	0
Efficient and low-emissions transport																					
Transport Strategy & Development	641,466							100%	641,466							0	0	0	0	0	0
VFEL	391,133							100%	391,133							0	0	0	0	0	0
Low Emission Vehicles - CF	7,616,971			100%	7,616,971	0%	0				(7,654,185)			7,612,185		0	0	7,574,971	0	0	6,071,540
Electric Vehicles - IC	1,782,175			100%	1,782,175	0%	0									0	0	1,782,175	0	0	1,428,460
	10,431,745		0		0		9,399,146		1,032,599							0	0	9,357,146	0	0	7,500,000
Energy efficient homes																					
Standards and Regulations	1,884,758	92%	1,733,977	8%	150,781			0%	(0)							1,733,977	150,781	0	1,225,706	144,486	0
Peak Demand Management	722,267							100%	722,267							0	0	0	0	0	0
Warmer Kiwi Homes	46,075,202							100%	46,075,202							0	0	0	0	0	0
	48,682,227		1,733,977		150,781		0		46,797,469							1,733,977	150,781	0	1,225,706	144,486	0
Government leadership																					
Public Sector/Crown Loans	1,376,613	73%	1,004,927	3%	41,298			24%	330,387	(457,068)	(18,784)		401,588	16,504		949,447	39,018	0	671,142		0
Cross Government Collaboration	1,038,879							100%	1,038,879							0	0	0	0	0	0
	2,415,492		1,004,927		41,298		0		1,369,266							949,447	39,018	0	671,142	0	0
Engage heart and minds																					
Hearts and Minds	3,433,390							100%	3,433,390										0	0	
Community Renewables	309,854							100%	309,854										0	0	
	3,743,244		0		0		0		3,743,244							0	0	0	0	0	0
Total to be expended in 20/21	78,149,517		8,909,129		1,686,638		9,399,146		58,154,603	(2,410,422)	(601,912)	(7,654,185)	1,851,092	473,692	7,612,185	8,349,799	1,558,418	9,357,146	5,500,000	1,300,000	7,500,000
Less Levy expenditure related to commitments made and funded in prior years			2,410,422		601,912		7,654,185														
19/20 Levy activities expended in year			6,498,707		1,084,726		1,744,961														
Add: 19/20 Levy activities contractually committed in year but not expended in year (funding held in retained earnings)			1,851,092		473,692		7,612,185														
Total cost of 20/21 Levy related activities			8,349,799		1,558,418		9,357,146														
2020/21 Funding breakdown																					
Levy Appropriations			5,500,000		1,300,000		7,500,000														
EECA Baseline Appropriation			2,849,799		258,418		1,857,146														
			8,349,799		1,558,418		9,357,146														

Appendix 3: Notes on our financial projections for our 2020/21 and 2021/22 work programmes

The tables in Appendices 1 and 2 (above) outline the financial projections for our 2020/21 and 2021/22 work programmes. When reviewing them, it is important to understand that:

- The expenses incurred by EECA in any given year are a mix of the operating costs of our activities and our co-investment with partners in pursuit of government objectives.
- EECA enters into agreements with partners that frequently span multiple financial years. A good example of this is the LEVCF.

Commitments delivered on and expended in the current financial year are shown as expenses in the Statement of Comprehensive Revenue and Expenses for the year. Outstanding co-investment commitments are shown as committed funds in retained earnings in EECA's Statement of Financial Position (see our 2019/20 Annual Report).

The financial tables in Appendix 1 and 2 state the commitments brought forward for programmes that include co-investment in multi-year projects and the expected funding to be expended in future financial years.

1. Cost allocation

Direct costs are those costs directly attributable to specific programme activity, and include items such as:

- The co-funding provided by EECA
- The directly attributable marketing costs of the programme activity
- Outsourced services to help deliver the programme
- The personnel costs associated with delivery of the programme.

Indirect costs are costs which cannot be attributable to a specific programme and are distributed across the entire portfolio. Indirect costs are allocated to projects using cost drivers that are appropriate to the costs being allocated. Indirect costs include HR, Finance, ICT, and Property costs. These are predominantly a function of the number of people employed, and consequently, are attributed in proportion to the staff allocated to each programme. Indirect costs comprise approximately one third of the fully allocated cost of each programme.

2. Calculation of levy percentages applicable to each programme

For each levy-funded programme, a specific methodology is used to calculate the appropriate levy percentage:

- For the **E3 Programme**, we use the levy percentages from the previous year and apply it to the forecast costs for the upcoming financial year.
- All costs related to the **Low Emission Vehicles Contestable Fund** and **Electric Vehicle and Low Emissions Vehicle Support Campaign** are fully attributed as qualifying costs against the PEFM levy.
- For the **Productive and low-emission business activities**, every milestone within each contract in our Grants Enterprise System (GEM) has the relevant levy percentages attached to it based on the activities being carried out. We use the total programme levy percentages from the previous year and apply it to the forecast costs for the upcoming financial year.

3. Calculation of total levy costs expended in the year

Once the fully allocated work programme has been determined, the levy-related percentages is applied to each levy-funded programme, giving the total proposed levy funding.

Appendix 4: Legal context for this consultation

Electricity Industry Act 2010

Section 129A of the Electricity Industry Act 2010 requires EECA to consult with those industry participants who are liable to pay a levy and any other representatives of persons whom EECA believes to be significantly affected by a levy:

129A Energy Efficiency and Conservation Authority consultation about request for appropriation

(1) The Energy Efficiency and Conservation Authority must, before submitting a request to the Minister seeking an appropriation of public money for the following year, or any change to an appropriation for the current year, that relates to costs that are intended to be recovered by way of levies under section 128(3)(c), consult about that request with:

- (a) those industry participants who are liable to pay a levy under that section; and
- (b) any other representatives of persons whom the Energy Efficiency and Conservation Authority believes to be significantly affected by a levy.

(2) The Energy Efficiency and Conservation Authority must, at the time when the request is submitted, report to the Minister on the outcome of that consultation.

(3) This section applies to requests in respect of the financial year beginning 1 July 2018 and later financial years.

Energy (Fuels, Levies, and References) Act 1989

The Energy Innovation (Electric Vehicles and Other Matters) Amendment Act 2017 inserts section 14A into the Energy (Fuels, Levies, and References) Act 1989, which requires EECA to consult with those industry participants who are liable to pay a levy and any other representatives of persons whom EECA believes to be significantly affected by a levy:

14A Energy Efficiency and Conservation Authority consultation about request for appropriation

(1) The EECA must, before submitting a request to the Minister seeking an appropriation of public money for the following year, or any change to an appropriation for the current year, that relates to costs that are intended to be recovered by way of a levy under section 23 or 24, consult about that request with—

- (a) those persons who are liable to pay the levy; and
- (b) any other representatives of persons whom the EECA believes to be significantly affected by the levy.

(2) The EECA must, at the time when the request is submitted, report to the Minister on the outcome of that consultation.

Appendix 5: 2019/20 Annual Report on EECA's levy-funded activities

2019/20 Annual Report: EECA's levy-funded activities



Executive Summary

EECA's purpose is to mobilise New Zealanders to be world leaders in clean and clever energy use. With 40% of our country's greenhouse gas emissions currently coming from the energy sector, we play an important role in supporting the transition to a low-emissions and climate-resistant economy, while also improving our energy productivity.

We work to create positive change across the energy system, using a combination of three important levers: co-investment, motivation, and regulation. We select the most effective intervention (or combination) depending on factors like existing barriers and market maturity.

Co-investing in energy-efficient technologies and renewable sources of energy

We help overcome financial barriers by sharing some of the financial risk of investment in innovative technologies and renewable sources of energy, with the aim that once proven, the use of these technologies can be replicated elsewhere.

Technology developments are increasingly important and some of the biggest opportunities are in low carbon solutions for process heat and transport. To accelerate the conversion of New Zealand's light vehicle fleet to low-emissions vehicles, we delivered two more rounds of our Low-Emission Vehicles Contestable Fund in 2019/20, committing co-funding of \$8.32 million to innovative projects, with all applicants providing at least 50% of project costs. This fund will be reviewed in 2021 to ensure it is still delivering the benefits intended.

We also continued our work with the largest energy using businesses in our economy that collectively use nearly a quarter of New Zealand's total energy. These ongoing partnerships are fundamental to EECA and we extend our appreciation to all collaboration partners. In 2019/20, our electricity and gas levy-funded business programmes contributed to savings of 0.77PJs of energy, which is the equivalent of the power required to supply roughly 21,150 households in a year. These programmes abated approximately 62,100 tonnes of CO₂e emissions (including transport), the equivalent of removing over 25,555 fossil fuelled vehicles from our roads.

Motivating New Zealanders to make clean and clever energy choices

Among the greatest problems we face in the transition to a low-emission future, is how best to communicate and encourage viable actions, when there is so much 'noise' surrounding the issue. Our research shows that while New Zealanders believe climate change is an issue, they are not acting. There is a critical need to link beliefs and action. EECA's Gen Less campaign seeks to bridge this gap and motivate people to make clean and clever energy choices.

In 2019/20 we continued to develop and communicate credible information to inform the public on the benefits of electric vehicles and it is encouraging to see the continuing increase of registered electric vehicles in New Zealand albeit at slower rate than preferred.

Regulating inefficient appliances out of the market

We regulate proven technologies and processes and help prevent inefficient products and appliances from being sold in New Zealand. The Equipment Energy Efficiency (E3) programme continued to deliver electricity savings of 339 GWh (1.22 PJ) in 2019/20 through product energy performance standards and labelling. This is EECA's most successful programme and is the "hidden friend" of electricity users throughout the economy.

Looking ahead

With our clear strategy, we are on a journey to deliver even greater benefits for future generations. We appreciate the feedback we receive each year on our levy-funded activities and are currently seeking submissions on our energy-levy funding proposal for our 2021/22 work programme. We look forward to hearing from industry participants and other parties affected by the energy-levies.



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Introducing EECA

The Energy Efficiency and Conservation Authority (EECA) is a Crown entity established under the Energy Efficiency and Conservation Act 2000, to encourage, promote and support energy efficiency, energy conservation and the use of renewable sources of energy.

EECA encourages the use of clean and clever energy across the economy, through a combination of direct interventions, such as co-investment and regulation. EECA also seeks to motivate people by providing information, raising awareness and offering expert advice so they are better equipped to make sustainable energy choices.

EECA is partially funded by three energy levies

EECA is funded by the Crown through appropriations of public money. The Crown recovers a portion of this funding through three energy levies: the Petroleum or Engine Fuels Monitoring Levy (PEFM levy), the Electricity Industry Levy (electricity levy) and the Gas Safety, Monitoring and Energy Efficiency Levy (GSMEEL levy).

Under the Energy Innovation (Electric Vehicles and Other Matters) Amendment Act 2017, EECA can use funding from these levies to fulfil our statutory function.

In November 2018, EECA carried out a consultation process to ask stakeholders and the public for their views about the use of the three levies for its proposed 2019/20 programme of work. EECA received 11 submissions, with one submission from the Major Electricity Users' Group (MEUG) opposing EECA's request. In response to a request from MEUG during the 2019/20 consultation process, EECA now publicly discloses the financial and industry support committed to project partners under our Large Energy User programme, Indirect Programme, Technology Demonstration programme and the Low Emission Vehicles Contestable Fund.

Following consultation, the Minister of Energy and Resources allocated a total of \$13.8 million in levy funding:

- \$7.5 million from the PEFM levy
- \$5.2 million from the electricity levy
- \$1.1 million from the GSMEEL levy

This report describes EECA's levy-funded activities in 2019/20 and the benefits these programmes delivered. For further information on EECA's activities during the year, please refer to the [2019/20 Annual Report](#).

Overview of our levy-funded activities in 2019/20

Levy-funded outputs

In 2019/20, EECA's levy-funded programmes:

- contributed to a total annual energy savings of 1.99 PJ
- co-invested \$1.95 million in new or under-utilised energy saving technology demonstration projects
- contributed to the accelerated uptake of electric vehicles in New Zealand by:
 - committing to co-invest \$8.32 million in new low-emission vehicle initiatives, and paying out \$6.8 million in co-investment to multi-year projects that had met their contracted milestones.
 - providing information on the Gen Less and EECA websites and promoting Gen Less through other media and social media channels.

Expenditure on levy-funded activities

A total of \$17.93 million was spent during the year on activities that are partially funded by levies. Appendix 1 provides a full breakdown of actual expenditure against the programmes delivered in 2019/20.

Appendix 2 provides the proposed work programme and budget for 2019/20 that was released for consultation in November 2018. It shows the amount funded from each levy and from EECA's baseline funding.

Electricity Levy and Gas Safety, Monitoring and Energy Efficiency (GSME) Levy

In 2019/20, the Electricity levy and the GSME levy were used to deliver the following programmes in the business and residential sectors:

EECA Programme	Electricity levy	GSME levy
Equipment Energy Efficiency (E3) programme (commercial, industrial and residential)	✓	✓
Large Energy User programme (direct and indirect)	✓	✓
Energy Transition Accelerator	✓	✓
Technology Demonstration programme	✓	✓
NABERS NZ	✓	✗

These programmes have been assessed as having a high impact across the market in terms of supporting the uptake of new emerging technologies, energy efficiency, promoting the use of renewables, and addressing and planning for emissions reductions.

Equipment Energy Efficiency (E3) programme

EECA works with the Australian Department of Environment and Energy on the E3 Programme. The programme works to make residential, commercial and industrial products more energy efficient, through the implementation of minimum energy performance standards (MEPS) and mandatory energy performance labelling (MEPL). This involves: developing standards, developing regulations, compliance and enforcement, partner engagement, and marketing to consumers.

Standards and regulations

In 2019/20, EECA continued to develop Energy Performance Standards (MEPS) for products and appliances that are sold in New Zealand. By not allowing inefficient appliances onto New Zealand's shop floors, and by adding energy performance labels to those that were already there, EECA helped consumers to make choices that reduced ongoing electricity bills. Over the past two decades, these regulations have saved New Zealanders just over \$1.23 billion and generated energy savings of 50.37 PJ.

Large Energy Users programme

EECA has a range of programmes that increase awareness in businesses and public sector organisations, and reduce the barriers to electricity efficiency improvements. In 2019/20, EECA partnered with businesses that use almost a quarter of the energy used in New Zealand.

Over the past year, EECA has really started to see the results of an increased focus on helping the sector to not only become more energy efficient, but to also switch to cleaner forms of energy. Over the past 12 months, EECA's business partners reported new annual savings of 0.77 PJ as a result of our involvement. This is a comparable result to 2018/19 with associated energy-related emissions savings increasing from 53,700 to 62,100 tonnes of carbon per year.

One of EECA's key programmes for promoting energy efficiency is the Energy Graduate programme, which has grown considerably in the past year with 11 new graduates employed across New Zealand in both the private and public sectors. EECA's energy graduate co-funding helps businesses commit the time and resource needed to analyse how energy is being used and the best ways to make savings.

Details of our business co-funding and support programmes can be found here: <https://genless.govt.nz/running-a-business/co-funding-and-support/business-co-funding-and-support-programmes/>

Energy Transition Accelerator

EECA continues to work with 11 large energy-using businesses that are committed to reducing their emissions through the Energy Transition Accelerator programme. EECA provides expert assistance to help each business onto a customised long-term pathway to decarbonisation by identifying technically- and economically-viable low carbon investments.

A good example of this is EECA's recent project with Alliance Group Limited. Along with energy advisers from DETA consulting, EECA provided thought leadership and support, to identify substantial energy saving and carbon reduction opportunities across all the processing facilities in Alliance with good financial paybacks. EECA is now collaborating with Alliance to implement these projects.

Technology Demonstrations projects

EECAs continue to encourage businesses to adopt proven energy efficient technologies that are underutilised in New Zealand by providing co-investment through our technology demonstration programme.

In the past year, EECA helped use the latest developments in vacuum cooling technology to save energy in food production. Implementation of the technology in an Auckland food factory has reduced the cooling time of cooked food before packaging from 23 hours to approximately 20 minutes. This has resulted in considerable electricity savings. The technology has similar implications for a number of other industries like primary vegetable processing and the preservation of cut flowers.

Another example from 2019/20 is McCain Foods, a business that cut down emissions significantly, reduced water usage and eliminated waste through the adoption of an innovative electrification technology as a result of a partnership with EECA. Until recently, McCain used steam from burning coal to pre-treat potatoes before slicing them into chips. However, with the installation of its new Pulsed Electric Field system, emissions were reduced by over 1,400 tonnes every year. Additional benefits from this programme were also seen in the form of space saving and an improved end product. This technology has the potential to be replicated across many industries that require pre-treatment using process heat – for example, in plants that process meat and dairy and juice products.

NABERS NZ

The 2019/2020 financial year saw increasing uptake of NABERSNZ rating despite the impacts of COVID-19. A total of 42 certified ratings were completed, showing a 20% increase compared with the annual target. Regarding ratings numbers, the past year has been the best for NABERS NZ since it was brought to New Zealand in 2013.

Summary of 2019/20 electricity levy use and delivered benefits

Consulted proposal			Allocation for electricity levy-funded activities			Expenditure for electricity levy-funded activities		Savings from electricity levy-funded projects completed in 2019/20	
Delivery area	Proposed 2019/20 levy funding allocation	Proposed electricity savings per annum (GWh)	Funding committed to levy projects at 1 July 2019	2019/20 levy funding allocated	2019/20 funding allocated from Crown baseline	Work completed and expensed in 2019/20	Work committed to levy projects at 30 June 2020	Energy savings (GWh)	Emissions Savings (tCO ₂ e)
E3 programme (commercial and industrial products)	\$1,015,261	278 GWh	–	\$1,212,625	\$373,409	\$1,586,034	–	143 GWh	37,400 tCO ₂ e
E3 programme (residential products)	\$1,015,261		–	\$1,212,625	\$373,409	\$1,586,034	–	197 GWh	
Large energy users (direct and indirect)	\$1,993,293	16 GWh	\$2,475,237	\$2,112,725	\$655,074	\$3,319,821	\$1,923,215	194.2 GWh	62,100 tCO ₂ e (across the 'Productive and low emissions business' portfolio)
Energy Transition Accelerator	\$574,102	–	\$100,721	\$228,882	\$70,481	\$277,103	\$122,981	2.5 GWh	
Technology demonstrations	\$602,083	2 GWh	\$146,979	\$433,143	\$133,379	\$170,552	\$542,949	10.8 GWh	
NABERSNZ	–	–	–	–	\$328,100	\$328,100	–	–	–
Total	\$5,200,000		\$2,722,937	\$5,200,000	\$1,933,852	\$7,267,644	\$2,589,145		

Note on Large energy users and Technology demonstrations: Due to the multi-year nature of many of the programmes, with large projects spanning multiple years with staged payments, a number of the projects will have milestone commitments for some time in out-years. This is why energy savings from completed projects far exceed proposed savings per annum in some instances.

Summary of 2019/20 GSMEE levy use and delivered benefits

Consulted proposal			Allocation for GSMEE levy-funded activities			Expenditure for GSMEE levy-funded activities		Savings from GSMEE levy-funded projects completed in 2019/20	
Delivery area	Proposed 2019/20 levy funding allocation	Proposed gas savings per annum (GWh)	Funding committed to levy projects at 1 July 2019	2019/20 levy funding allocated	2019/20 funding allocated from Crown baseline	Work completed and expensed in 2019/20	Work committed to levy projects at 30 June 2020	Energy savings (GWh)	Emissions Savings (tCO ₂ e)
E3 programme (commercial and industrial products)	\$98,450	–	–	\$103,559	\$34,357	\$137,916	–	143 GWh	37.4 tCO ₂ e
E3 programme (residential products)	\$98,450		–	\$103,559	\$34,357	\$137,916	–	197 GWh	
Large energy users (direct and indirect)	\$660,363	25 GWh	\$1,031,866	\$650,872	\$530,557	\$1,210,678	\$1,002,617	194.2 GWh	62,100 tCO ₂ e (across the 'Productive and low emissions business' portfolio)
Energy Transition Accelerator	\$207,980	–	\$12,250	\$183,085	\$60,742	\$170,525	\$85,552	2.5 GWh	
Technology demonstrations	\$34,757	2 GWh	\$59,799	\$58,925	\$19,550	\$93,028	\$45,246	10.8 GWh	
Total	\$1,100,000		\$1,103,915	\$1,100,000	\$679,563	\$1,750,063	\$1,133,415		

Note on Large energy users and Technology demonstrations: Due to the multi-year nature of many of the programmes, with large projects spanning multiple years with staged payments, a number of the projects will have milestone commitments for some time in out-years. This is why energy savings from completed projects far exceed proposed savings per annum in some instances.

Petroleum or Engine Fuels Monitoring Levy

EECA wants New Zealanders to have their transport needs met using significantly less, and cleaner energy. This involves the fleet becoming more energy and emissions efficient.

Electric vehicles in New Zealand have reached 21,000 registered as of 30 June 2020²⁴. However, while demand is still increasing, the rate is starting to flatten off. EECA's work on electric vehicles sits within a cross-government package of measures to accelerate the uptake of electric vehicles.

In 2019/20, the PEFM Levy was used to fund two key programmes:

- Low Emission Vehicles Contestable Fund
- Electric Vehicle Information Campaign

Low Emission Vehicles Contestable Fund (LEVCF)

In 2019/20, EECA continued to support early and innovative investment in low-emission vehicles and associated infrastructure. EECA committed to co-invest \$8.32 million in projects through the LEVCF and saw multi-year projects advance such that they met the criteria to draw on nearly \$6.8 million in co-investment.

A key achievement from 2019/20 was Asthma NZ's fleet of EVs. Asthma NZ's mobile nurses educate over 3,000 people every year at homes, schools, workplaces and in the community. To help people effectively manage asthma, the nurses explain the triggers and ways to minimise them. With vehicle emissions being one of these triggers, their use of petrol cars for community visits was at odds with Asthma NZ's strategy. Making the switch to electric vehicles (EVs) was the perfect opportunity for Asthma NZ to remove petrol emissions from their visits and reduce their running costs, ultimately helping them in their goal of educating more patients. The LEVCF made this opportunity a reality by replacing their petrol fleet with 8 electric cars and providing charging infrastructure at convenient locations.

During the year, the LEVCF continued to support the expansion of New Zealand's charging infrastructure, with a particular emphasis on key tourist routes and destinations. During 2019/20, the number of co-funded EV chargers nationwide surpassed 1,000 with over 600 in operation.

A full list of projects funded to date is available on our website.²⁵

Information campaign

EECA works to help more New Zealanders choose a low-emissions vehicle over a fossil fuelled vehicle. EECA continued to develop and provide independent and authoritative information that dispels myths and motivates people to improve their transport choices.

²⁴ <https://www.transport.govt.nz/statistics-and-insights/fleet-statistics/sheet/monthly-ev-statistics>

²⁵ <https://www.eeca.govt.nz/funding-and-support/low-emission-vehicles-contestable-fund/low-emission-vehicles-contestable-fund-successful-projects/>

Summary of 2019/20 PEFM levy use and delivered benefits

Consulted proposal			Allocation for PEFM levy-funded activities			Expenditure for PEFM levy-funded activities		PEFM Levy-funded activities
Delivery area	Proposed 2019/20 levy funding allocation	Proposed outputs	Funding committed to levy projects at 1 July 2019	2019/20 levy funding allocated	2019/20 funding allocated from Crown baseline	Work completed and expensed in 2019/20	Work committed to levy projects at 30 June 2020	Outputs delivered in 2019/20
Low Emission Vehicles Contestable Fund	\$5,868,022	For projects completed, at least 55% deliver anticipated results	\$6,171,185	\$6,530,599	\$1,318,100	\$6,240,182	\$7,779,702	27 projects were completed in 2019/20, 96% (26) of which delivered the anticipated results
Electric Vehicles Information Campaign	\$1,631,978	At least 58% of people surveyed say they are favourable towards electric vehicles	-	\$969,401	\$195,659	\$1,165,060	-	55% of people surveyed report they are favourable towards electric vehicles (12-month rolling average)
		At least 35% of people surveyed say they are likely to consider an electric vehicle as their next car purchase						44% of people surveyed say they are likely to consider an electric vehicle as their next car purchase (12 month rolling average)
Total	\$7,500,000		\$6,171,185	\$7,500,000	\$1,513,759	\$7,405,242	\$7,779,702	

Appendix 1: Our 2019/20 work programme and associated expenditure

EECA's 2019/20 work programme - Actuals										(as per 18/19 Actuals)			Total Cost with Mvt in Commitments included			Levy funding allocated Pro-Rata (except for PEFML)		
	Total fully allocated cost per project	Electricity Industry Levy activities		GSMEEE Levy activities		PEFM Levy activities		Non-Levy related activities		Commitments b/f			Commitments c/f					
		%	\$	%	\$	%	\$	%	\$	Electricity Industry Levy	GSMEEE Levy activities	PEFM Levy activities	Electricity Industry Levy	GSMEEE Levy activities	PEFM Levy activities	Electricity Industry Levy	GSMEEE Levy activities	PEFM Levy activities
Productive and low-emissions business																		
Standards and Regulations	1,723,950	92%	1,586,034	8%	137,916			0%	(0)							1,586,034	137,916	0
Information & Promotion to Business	595,300							100%	595,300							0	0	0
Large Energy Users - Direct	3,251,964	39%	1,268,266	23%	747,952			38%	1,235,746	(754,193)	(909,423)		313,385	542,397		827,458	380,926	0
Technology Demonstrations	1,550,474	11%	170,552	6%	93,028			83%	1,286,893	(146,979)	(59,799)		542,949	45,246		566,522	78,475	0
Industry Development	379,374	17%	64,494	3%	11,381			80%	303,499	(60,000)	(30,000)		0	0		4,494	(18,619)	0
NABERSNZ	410,125	80%	328,100	0%				20%	82,025							328,100	0	0
Energy Transition Accelerator (ETA)	1,065,780	26%	277,103	16%	170,525			58%	618,152	(100,721)	(12,250)		122,981	85,552		299,363	243,827	0
Large Energy Users - Indirect	1,800,000	68%	1,224,000	17%	306,000			15%	270,000	(787,352)	(5,974)		566,023	185,858		1,002,671	485,884	0
Community Energy Projects	19,361		0		0			100%	19,361							0	0	0
	10,796,328		4,918,548		1,466,802		0		4,410,977							4,614,641	1,308,409	0
Efficient and low-emissions transport																		
Transport Strategy & Development	208,124							100%	208,124							0	0	0
VFEL	402,783							100%	402,783							0	0	0
Low Emission Vehicles - CF	6,240,182					100%	6240182	0%	0			(6,171,185)			7,779,702	0	0	7,848,699
Electric Vehicles - IC	1,165,060					100%	1165060	0%	0							0	0	1,165,060
	8,016,149		0		0		7,405,242		610,907							0	0	9,013,759
Energy efficient homes																		
Standards and Regulations	1,723,949	92%	1,586,033	8%	137,916			0%	0							1,586,033	137,916	0
Energywise	43,741							100%	43,741							0	0	0
Peak Demand Management	330,760							100%	330,760							0	0	0
In-Home Efficiency	674,794							100%	674,794							0	0	0
Warmer Kiwi Homes	51,671,491							100%	51,671,491							0	0	0
LED Pilot	299,389							100%	299,389				129,265			129,265	0	0
	54,744,124		1,586,033		137,916		0		53,020,175							1,715,298	137,916	0
Government leadership																		
Public Sector/Crown Loans	1,211,210	63%	763,062	12%	145,345			25%	302,803	(873,692)	(86,469)		914,542	274,362		803,912	333,238	0
Cross Government Collaboration	762,213							100%	762,213							0	0	0
Fleet Audit Pilot	120,135							100%	120,135							0	0	0
	2,093,558		763,062		145,345		0		1,185,151							803,912	333,238	0
Engage heart and minds																		
Hearts and Minds	3,689,931							100%	3,689,931							0	0	0
	3,689,931		0		0		0		3,689,931							0	0	0
Total to be expended in 19/20	79,340,089		7,267,643		1,750,063		7,405,242		62,917,141	(2,722,937)	(1,103,915)	(6,171,185)	2,589,145	1,133,415	7,779,702	7,133,851	1,779,563	9,013,759
Less Levy expenditure related to commitments made and funded in prior years			2,722,937		1,103,915		6,171,185											
19/20 Levy activities expended in year			4,544,706		646,148		1,234,057											
Add: 19/20 Levy activities contractually committed in year but not expended in year (f)			2,589,145		1,133,415		7,779,702											
Total cost of 19/20 Levy related activities			7,133,851		1,779,563		9,013,759											
2019/20 Funding breakdown																		
Levy Appropriations			5,200,000		1,100,000		7,500,000											
EECA Baseline Appropriation			1,933,851		679,563		1,513,759											
			7,133,851		1,779,563		9,013,759											

Appendix 2: Our 2019/20 proposed budget, released for consultation in November 2018

EECA's 2020/21 work programme

	Total fully allocated cost per project	Electricity Industry Levy activities		GSMEE Levy activities		PEFM Levy activities		Non-Levy related activities	
		%	\$	%	\$	%	\$	%	\$
Productive and low-emissions business									
Standards and Regulations	1,884,758	92%	1,733,977	8%	150,781			0%	0
Information & Promotion to Business	1,647,218							100%	1,647,218
Large Energy Users - Direct	2,891,672	55%	1,590,420	18%	520,501			27%	780,751
Technology Demonstrations	2,723,387	25%	680,847	3%	81,702			72%	1,960,838
Industry Development	542,539	40%	217,016	30%	162,762			30%	162,761
NABERSNZ	440,085	80%	352,068	0%				20%	88,017
Energy Transition Accelerator (ETA)	1,635,538	50%	817,769	15%	245,331			35%	572,438
Large Energy Users - Indirect	1,111,613	70%	778,129	30%	333,484			0%	0
	12,876,810		6,170,226		1,494,561		0		5,212,023
Efficient and low-emissions transport									
Transport Strategy & Development	641,466							100%	641,466
VFEL	391,133							100%	391,133
Low Emission Vehicles - CF	7,616,971					100%	7,616,971	0%	0
Electric Vehicles - IC	1,782,175					100%	1,782,175	0%	0
	10,431,745		0		0		9,399,146		1,032,599
Energy efficient homes									
Standards and Regulations	1,884,757	92%	1,733,976	8%	150,781			0%	0
Peak Demand Management	722,267							100%	722,267
Warmer Kiwi Homes	46,075,202							100%	46,075,202
	48,682,226		1,733,976		150,781		0		46,797,469
Government leadership									
Public Sector/Crown Loans	1,376,613	73%	1,004,927	3%	41,298			24%	330,388
Cross Government Collaboration	1,038,879							100%	1,038,879
	2,415,492		1,004,927		41,298		0		1,369,267
Engage heart and minds									
Hearts and Minds	3,433,390							100%	3,433,390
Community Renewables	309,854							100%	309,854
	3,743,244		0		0		0		3,743,244
Total to be expensed in 20/21	78,149,517		8,909,129		1,686,640		9,399,146		58,154,602
Less Levy expenditure related to commitments made and funded in prior years			2,410,422		601,912		7,654,185		
19/20 Levy activities expensed in year			6,498,707		1,084,728		1,744,961		
Add: 19/20 Levy activities contractually committed in year but not expensed in year (funding held in retained earnings)			1,851,092		473,692		7,612,185		
Total cost of 20/21 Levy related activities			8,349,799		1,558,420		9,357,146		
2020/21 Funding breakdown									
Levy Appropriations			5,500,000		1,300,000		7,500,000		
EECA Baseline Appropriation			2,849,799		258,420		1,857,146		
			8,349,799		1,558,420		9,357,146		

(as per 19/20 Forecast)

Commitments b/f			Commitments c/f			Total Cost with Mvt in Commitments included			Levy funding allocated Pro-Rata (except for PEFML)		
Electricity Industry Levy	GSMEE Levy activities	PEFM Levy activities	Electricity Industry Levy	GSMEE Levy activities	PEFM Levy activities	Electricity Industry Levy	GSMEE Levy activities	PEFM Levy activities	Electricity Industry Levy	GSMEE Levy activities	PEFM Levy activities
						\$	\$	\$	\$	\$	\$
						1,733,977	150,781	0	1,225,707	144,486	0
						0	0	0	0	0	0
(967,091)	(316,503)		716,841	234,603		1,340,170	438,601	0	947,333	420,289	0
(480,689)	(57,683)		271,189	32,543		471,347	56,562	0	333,184	54,201	0
(59,960)	(44,970)		59,960	44,970		217,016	162,762	0			0
						352,068	0	0			0
(210,044)	(63,013)		210,044	63,013		817,769	245,331	0	578,061	235,088	0
(235,570)	(100,959)		191,470	82,059		734,029	314,584	0	518,867	301,450	0
						5,666,376	1,368,621	0	3,603,152	1,155,514	0
						0	0	0	0	0	0
						0	0	0	0	0	0
	(7,654,185)				7,612,185	0	0	7,574,971	0	0	6,071,540
						0	0	1,782,175	0	0	1,428,460
						0	0	9,357,146	0	0	7,500,000
						1,733,976	150,781	0	1,225,706	144,486	0
						0	0	0	0	0	0
						0	0	0	0	0	0
						1,733,976	150,781	0	1,225,706	144,486	0
(457,068)	(18,784)		401,588	16,504		949,447	39,018	0	671,142		0
						0	0	0	0	0	0
						949,447	39,018	0	671,142	0	0
									0	0	
									0	0	
						0	0	0	0	0	0
(2,410,422)	(601,912)	(7,654,185)	1,851,092	473,692	7,612,185	8,349,799	1,558,420	9,357,146	5,500,000	1,300,000	7,500,000