Consultation: EECA energy levies funding proposal for 2026/27

16 February 2026 –
8 March 2026

EECA ENERGY EFFICIENCY & CONSERVATION AUTHORITY
TE TARI TIAKI PŪNGAO

Consultation summary

The Minister for Energy approves energy levy funding each year for EECA programmes

The Energy Efficiency and Conservation Authority (EECA) delivers programmes that directly support the affordability, resilience, and productivity of New Zealand's energy system:

- Energy efficiency is simple and cost-effective – increasing the use of efficient technologies and measures directly unlocks savings on energy bills, increases business productivity, and lowers system infrastructure demand and costs.
- Growing the availability and use of smart products and demand-flexible systems in New Zealand gives consumers greater control over their energy use and bills and reduces the pressure and costs for our wider energy system.
- Increasing local renewable energy use lowers New Zealand's vulnerability to external supply disruptions and prices, making clean energy an essential component of energy security and affordability.

Legislation permits EECA to recover funding from levies to help deliver our programmes. A levy is a charge or fee collected by the government to fund a particular service or objective. EECA can recover funding from three energy-related levies collected by the New Zealand government on the petroleum and engine fuel, electricity, and natural gas industries:

1. The Petroleum or Engine Fuel Monitoring (PEFM) levy
2. The Electricity Industry (Electricity) levy
3. The Gas Safety, Monitoring and Energy Efficiency (GSMEE) levy.

While the energy levies are paid by energy suppliers, the charges are built into the prices customers pay for fuel, electricity and gas.

Each year, EECA must publicly consult on the funding we propose to recover from the energy levies and the work programme it will help deliver. We must then submit a levy funding request to the Minister for Energy who makes the final decision. EECA levy funding approved by the Minister is announced on Budget Day (28 May 2026).

We invite submissions on our proposal to recover $23.259 million of energy levy funding in 2026/27

EECA's proposal for 2026/27 is to maintain our existing 2025/26 levy funding recovery:

- $23.259 million of energy levy funding made up of:
  - $13.500 million from the PEFM levy
  - $7.543 million from the Electricity levy
  - $2.216 million from the GSMEE levy.

The proposed levy funding would contribute to the cost of activities within five EECA programmes in 2026/27:

- Low Emissions Heavy Vehicle Fund
- Technology and Fuel Enabler Programme
- Distributed Flexibility Programme
- Practical Consumer and Business Information Programme
- Standards and Regulations Programme.

Maintaining the existing levy recovery provides stability and predictability for levy payers at a time of ongoing economic uncertainty and cost pressures. The proportions continue to align with the mix of activity EECA is undertaking across our programmes. As usual, levy funding is only used to support activities that are linked to the relevant levy and within our legislative mandate.

The detailed proposal, including the impacts on users, is outlined from page 13.

You can give us feedback on our levy funding proposal by emailing a written submission to **levyconsultation@eeca.govt.nz** by the end of **Sunday 8 March 2026**.

EECA will consider all consultation submissions. We will then report on the outcome of the consultation when presenting our energy levies funding request to the Minister for Energy in late March 2026.

The Minister for Energy makes the decision on our levy funding. EECA levy funding approved by the Minister will be announced in Budget 2026 (28 May 2026) and published in our Statement of Performance Expectations for 2026/27.

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About EECA

We are the government's delivery agency for energy efficiency, energy conservation, and renewable energy use

The Energy Efficiency and Conservation Authority (EECA) is government's lead delivery agency and expert voice on energy use. We were established as a Crown Agent through the Energy Efficiency and Conservation Act 2000. Under the Act, our function is "to encourage, promote and support energy efficiency, energy conservation, and the use of renewable sources of energy."

Energy comes from resources like the sun, wind, and fossil fuels. The most common understanding of energy use is at home. However, the energy system is complex and most of New Zealand's energy use happens in the transport and business sectors to power vehicles, run equipment, and produce process heat.

Energy efficiency is using less energy to perform the same task, usually with the help of efficient technologies. For example, an efficient LED light bulb still lights up the room – but it uses less energy when compared to an incandescent light bulb.

Energy conservation is reducing energy use if it is not needed. For example, turning the lights off when no one is in the room.

Renewable sources of energy come from natural resources that can be replenished and will not run out – like solar, hydro, geothermal, biomass, wind, and marine.

We use three levers within our programmes to help overcome market barriers to an efficient, secure, and affordable energy system that supports our economic growth.

Regulation is an important tool to guide the market towards clean and clever energy use. Energy efficiency regulations and standards give New Zealanders and businesses access to the most energy-efficient products and technologies available internationally – helping them make purchasing decisions that will save money on their energy bills and lower demand on our energy systems.

A lack of **information and motivation** is a common barrier to making smart energy choices. Our evidenced-based information, tools and advice give New Zealanders and businesses the knowledge and confidence they need to make clean and clever energy choices and investments – lowering their energy bills, improving business productivity, and creating benefits for New Zealand's wider energy system.

We use our expertise to deliver **targeted investment and support** where there are significant and evidenced market barriers to the adoption of efficient, renewable energy technologies and fuels. We are committed to investing in a way that provides value for money and delivers strong outcomes for New Zealanders.

We support the Government's energy priorities from the demand side

As an operational government agency, it is our job to support government energy priorities. Energy affordability and security are the energy priorities of the current government. Our role is on the demand side of energy. We help users have more choice and control so they can make smart, efficient energy decisions – whether as individuals, whānau, communities, businesses, or large companies. We also support energy system planning and resilience.

Supporting energy security

> **Energy security** is a having a resilient energy system that can provide uninterrupted availability of energy to households, businesses and other users when and where it is needed. It also means having enough capacity in the system to handle sudden increases in demand or unexpected disruptions.

Energy efficiency is at the core of energy security. It is the most simple, cost-effective way to help energy users save money and the cheapest way to manage overall energy demand.

With the ability to respond to energy signals in real time, smart technologies and systems are a crucial opportunity to help manage and shift energy demand, including during peak periods of pressure on our supply systems.

Use of local renewable energy lowers our vulnerability to external supply disruptions, making it an essential component of energy security and resilience.

Supporting energy affordability

> **Energy affordability** is the ability of a consumer to afford the cost of energy without it disproportionately impacting their overall income and financial stability.

When you use less energy, you pay for less energy. Efficient technologies and measures directly unlock savings on energy bills, increase business productivity, and lower system infrastructure costs.

Smart products and demand-flexible systems allow consumers to manage their own energy usage and shift their energy use to off-peak times when it is cheapest, unlocking energy bill savings and reducing the need for energy infrastructure investment.

Increasing use of local renewable energy systems will leave us less exposed to global energy price fluctuations and increase competition in the local energy market, resulting in lower rates for consumers. Furthermore, distributed energy resources create opportunities for consumers to generate and manage their own energy and make savings on their bills

We are focused on opportunities to increase energy efficiency, empower energy users, and accelerate renewable energy use

We set three strategic goals in our Statement of Intent 2024–2028 to help us focus our efforts in areas that will deliver on our legislative function, support the Government's energy priorities, and maximise outcomes for New Zealanders.

Energy efficiency first

Efficient energy use is the first option users adopt

When you use energy efficiently, you pay for less energy and free up capacity in our supply systems. As one of the easiest ways to make savings across all types of energy, energy efficiency is the foundation of energy affordability and security of supply. It directly reduces energy bills, improves business productivity, and offsets or defers costly investment in infrastructure.

The outcomes we seek

- Users accept and adopt energy efficient products and practices.
- Proven energy efficient technologies are identified and widely available.

Empower energy users

Users are empowered to control their energy

Knowledge, choice and control are key to an efficient, flexible energy system that supports New Zealand's security, resilience and affordability. When users can use energy efficiently, shift their demand, and generate their own energy, significant savings are possible. A smart, responsive energy network also helps manage supply and demand fluctuations, integrate renewables, and reduce the need for costly infrastructure upgrades.

The outcomes we seek

- Users understand, manage and conserve their energy use.
- Users get value from responsive and flexible energy.

Accelerate renewable energy

Users transition to low-emissions energy

While our electricity system is significantly renewable, we rely on non-renewable energy sources for around 70% of our energy needs. Reliance on imported fossil fuels can expose us to price fluctuations and supply disruptions. Renewable energy is often abundant and less vulnerable to external factors, helping our energy supply and prices to be more secure and stable. In addition, the rapidly dropping price of renewable generation and energy storage represents a significant economic opportunity for New Zealand.

The outcomes we seek

- Users plan for and adopt low-emissions energy and technologies.
- Fuel options for energy transition are identified and widely available.

Energy efficiency, energy conservation and the use of renewable energy helps keep energy bills down, the lights on, and the economy growing

Economic benefits

More affordable energy and reduced or delayed system investment

Efficient technologies and measures directly unlock savings on energy bills, increase business productivity, and lower system infrastructure costs. Electricity efficiency measures can be deployed at a lower equivalent cost than new renewable generation and implementing these measures would make it easier to meet new demand arising from electrification. For example, our analysis shows that investment in electricity efficiency measures could deliver around 4,000 GWh of extra renewable electricity capacity at a lower price than investment in new renewable generation alone.[1]

Smart products and demand-flexible systems allow consumers to manage their own energy usage and shift their energy use to off-peak times when it is cheapest, unlocking energy bill savings and reducing the need for energy infrastructure investment. Our recent research identified up to 1,800 MW of demand across New Zealand that could be shifted away from peak times with the potential to save New Zealand up to $3 billion.[2]

Increasing use of local renewable energy systems will leave New Zealand less exposed to global energy price fluctuations and increase our competition in the local energy market, resulting in lower rates for consumers. Furthermore, distributed energy resources create opportunities for consumers to generate and manage their own energy and make savings on their bills.

Increased energy productivity

A modern, affordable and secure energy system is fundamental to a strong, productive economy. Energy efficiency is 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, helping businesses and exporters become more competitive and profitable.

Resilience and security

New Zealanders need access to energy that is secure, reliable, and resilient. To do this, there needs to be enough energy available to meet the demand from users, the right infrastructure must be in place to provide the energy where it is needed, and energy sources must be resilient to external forces like international availability and intermittent or extreme weather. Switching to renewable energy solutions where possible reduces our dependence on fossil fuels, increases our energy security through diverse local fuels, and makes us more resilient to fluctuating commodity prices.

[1] Estimates are based on the Ministry of Business, Innovation and Employment's (MBIE) Levelised Cost of Electricity (LCOE, 2021) with adjustments for inflation to present day and EECA's New Zealand Energy Scenarios TIMES-NZ 2.0 (2021) with costs updated based on data from EECA programmes.

[2] The full potential of flexible electricity use in New Zealand, Energy Efficiency and Conservation Authority (2026).

Supporting New Zealand's environmental credentials

New Zealand's environmental credential and standards are key drivers of the value of goods and services in the international marketplace. A low-emissions economy, including an efficient and low-emissions energy sector, can help support our clean green exporting reputation.

Environmental benefits

Accelerating renewable energy

Around 40% of New Zealand's gross greenhouse gas emissions come from energy use, particularly the fossil fuels that power much of our transport and industrial process heat. By improving energy efficiency and shifting to renewable energy sources, we can lower New Zealand's carbon footprint while also strengthening energy security, reducing exposure to volatile fuel prices, and supporting the transition to a more resilient and affordable energy system.

Social benefits

Reducing costs

When you use less energy, you pay for less energy. Efficient technologies and measures directly unlock energy savings for users. For example, our product energy efficiency regulations have saved more than 102 PJ of energy use – equivalent to the yearly energy use of 2.5 million homes and $2.6 billion in national benefit. Smart products and demand-flexible systems are increasingly allowing consumers to manage their own energy usage and shift their energy use to off-peak times when it is cheapest. Increasing use of local renewable energy systems will also leave us less exposed to global energy price fluctuations and increase our competition in the local energy market, resulting in lower rates and bills for consumers. Furthermore, distributed energy resources create opportunities for consumers to generate and manage their own energy.

Improved health and wellbeing

There are proven health benefits from reducing pollution associated with the use of fossil fuels for heat and transport. Air pollution is linked to significant health impacts including increased prevalence of childhood asthma, increased hospitalisations with cardiovascular and respiratory issues, and premature death.[3]

[3] Health impacts of exposure to human-made air pollution, Statistics New Zealand (2023).

About recovering funding from the energy levies

EECA recovers funding from the energy levies each year in amounts determined by the Minister for Energy

A levy is a charge or fee collected by the government to fund particular services or objectives.

In New Zealand, the government collects three energy-related levies on the engine fuel (petrol, diesel, ethanol and biodiesel), electricity, and natural gas industries:

1. The Petroleum or Engine Fuel Monitoring (PEFM) levy
2. The Electricity Industry (Electricity) levy
3. The Gas Safety, Monitoring and Energy Efficiency (GSMEE) levy.

These levies are paid to the government by energy and fuel suppliers, but the charges are built into the prices customers pay for electricity, gas, and fuel at the point of purchase. You can find more information about the purpose of the levies and who pays them on page 26.

Government levying principles state that those who create the need for an activity or stand to benefit from it should contribute to its costs. In the context of energy levies, the 'causers' are energy users whose consumption drives the need for monitoring, regulation, or efficiency improvements – particularly where energy use is inefficient or relies on non-renewable sources. The 'beneficiaries' are those who gain from the outcomes of these activities, such as improved energy efficiency, safety, and sustainability. While the outcomes benefit all New Zealanders, some groups may receive more direct or commercial advantages depending on their level of energy use or involvement in the sector.

Legislation permits EECA to recover funding from the three energy levies to use for activities within our statutory function "to encourage, promote and support energy efficiency, energy conservation, and the use of renewable sources of energy".

Legislation does not set a limit on EECA's recovery of energy levy funding; however, the government has put a cap in place of $23.259 million per year.

While EECA makes a levy funding request to the Minister for Energy each year, the Minister has the final decision on the total and portions of funding EECA recovers from the PEFM, Electricity, and GSMEE levies each year.

EECA must publicly consult on our proposed levy funding request

EECA is required to consult with energy levy payers and stakeholders on our proposed levy funding. We also take this opportunity to report back to levy payers and stakeholders on how we spent our levy funding in the prior year (our report for 2024/25 starts on page 29).

EECA must report on the outcome of the consultation when submitting our levy funding request to the Minister for Energy for decision.

EECA's levy funding is recovered for activities linked to the levies

As outlined above, levy legislation allows EECA to recover funding from the energy levies for activities that fall within our statutory function. However, in line with government levying principles, we direct levy funding to programme activities that can be linked to the relevant levy. Our consultation paper clearly outlines how each programme is linked to the levies. Levy funding does not typically cover the full cost of the programmes in this consultation – there is also a Crown contribution.

In recent years, we have pooled our approved Electricity levy and GSMEE levy funding. We intend to continue this in 2026/27. The use of multiple fuels (i.e. electricity and gas) by many businesses has driven the need for EECA to have greater operational flexibility and avoid the complexity and administrative costs of making strict judgements about which levy can be used when an activity cuts across both gas and electricity. This approach is permitted by the Energy (Fuels, Levies, and References) Act 1989.

EECA's levy funding consultation is based on presently known information

EECA's proposed levy funding reflects known information at the time of consultation. As a Crown entity, our programmes and funding are subject to government and ministerial decisions, which may change after the consultation period.

If significant changes occur, we will direct collected levy funding towards activities that are linked to the relevant levies. While we will prioritise funding towards related levy activity wherever possible, there may be circumstances where alignment is not possible due to significant shifts in government priorities or programme adjustments made in between cycles. In such cases, EECA will be guided by the levy principles set out by the Office of the Auditor General, and programmes will continue to deliver broad benefits to levy payers. The levy proportions will be adjusted accordingly in the next annual cycle.

Energy levies funding proposal for 2026/27

EECA proposes to recover $23.259 million from the levies in 2026/27 to contribute to five programmes

In line with government levying best practice, we use levy funding for activities within our work programme that can be linked to the levies (i.e. levy fuel users create a need for or benefit from the programmes).

Proposed levy recovery and use

This consultation paper seeks stakeholder feedback on our proposal to recover $23.259 million from the energy levies in the proportions outlined below, which would contribute to the cost of five levy-related programmes in 2026/27. This is no change from the total and proportions EECA recovered in 2025/26.

	Proposal ($m)			
	PEFM levy	Electricity levy	GSMEE levy	Total
Proposed levy recovery 2026/27				
	13.500	7.543	2.216	23.259
Forecast levy spend 2026/27				
Low Emissions Heavy Vehicle Fund	10.000	-	-	10.000
Technology and Fuel Enabler	1.693	3.719	1.761	7.173
Distributed Flexibility	0.537	1.671	0.093	2.301
Practical Consumer and Business Information	0.901	1.073	0.234	2.208
Standards and Regulations	0.369	1.080	0.128	1.577
	13.500	**7.543**	**2.216**	**23.259**

Maintaining EECA's current levy recovery provides stability and predictability for levy payers at a time of ongoing economic uncertainty and cost pressures. The proportions continue to align with the mix of activity EECA is undertaking across our programmes. As usual, levy funding is only used to support activities that are linked to the relevant levy and within our legislative mandate. Note the amounts above are only the levy contribution and not the full cost of delivering the listed programmes – there is also a Crown contribution.

Estimated impact on users

The estimated impact of EECA's proposed 2026/27 levy recovery is modest at the user level. The table below outlines the estimated EECA levy rates and costs to consumers.

Financial year	EECA energy levy proportions ($m)		EECA portion of levy rate	Estimated cost for average household	Estimated cost for medium industrial user
2026/27 (proposal)	PEFM	13.500	0.07 c/litre[4]	Corolla: 3.5c per fill Hilux: 5.6c per fill	N/A
	Electricity	7.543	0.17 c/kWh	$1.31 annually	$47.49 annually for a 272 MWh user
	GSMEE	2.216	7.4 c/GJ[5]	$1.80 annually	$2,220 annually for a 30,000 GJ user
		23.259			
2025/26 (approved)	PEFM	13.500	0.19 c/litre	Corolla: 9.5c per fill Hilux: 15.2c per fill	N/A
	Electricity	7.543	0.17 c/kWh	$1.31 annually	$47.49 annually for a 272 MWh user
	GSMEE	2.216	3.8 c/GJ	$0.92 annually	$1,140 annually for a 30,000 GJ user
		23.259			

EECA programmes are targeted, efficient, and cost-effective, with efforts made to keep costs modest. The programmes proposed to receive levy funding have clear links to the levies (as outlined in the following section) and help keep energy bills down, the lights on, and the economy growing.

[4] While EECA's PEFM levy recovery is unchanged from 2025/26 to 2026/27, the estimated EECA portion of the PEFM levy rate for 2026/27 is notably lower than 2025/26. This is the result of an $8.55 million PEFM levy underspend by EECA in 2024/25 (outlined further on page 31), lowering the necessary PEFM collection for EECA in 2026/27.

[5] While EECA's GSMEE levy recovery is unchanged from 2025/26 to 2026/27, the estimated EECA portion of the GSMEE levy rate for 2026/27 is notably higher than 2025/26. This is the result of an overall GSMEE under-collection in 2024/25 (due to lower-than-expected natural gas use) and lower estimated natural gas use for 2026/27 (so collection is spread over fewer GJ).

Planned levy-related programmes

EECA is focused on delivering programmes that support the Government's energy affordability and security goals. This section outlines the EECA programmes that we propose to recover levy funding for in 2026/27. Note this does not represent our full work programme for 2026/27 as other programmes are fully Crown-funded.

Low Emissions Heavy Vehicle Fund (LEHVF)

About the programme

Heavy vehicles make up less than 5% of New Zealand's vehicle fleet, but account for roughly a quarter of road transport emissions.

Zero and low-emissions heavy vehicles are now available on the New Zealand market, but high upfront costs and the unknown total cost of ownership represent key barriers to uptake in the private sector.

The Low Emissions Heavy Vehicle Fund aims to offset these barriers by providing grants of up to 25% of the purchase price of a new low or zero-emissions heavy vehicle, or 25% of the cost to convert an existing ICE heavy vehicle to be powered by approved low-emissions technologies.

By offsetting the upfront costs, the programme enables businesses to increase their productivity with vehicles that are cheaper to operate. It also provides market signals to manufacturers to encourage future supply.

Initial estimates indicate that switching about 450 diesel-only vehicles would prevent around 350,000 tonnes of carbon dioxide equivalent emissions across the lifecycle of the vehicles.

Link to the PEFM levy

The Low Emissions Heavy Vehicle Fund helps improve the efficiency, resilience, and long-term sustainability of New Zealand's freight system. The programme directly lowers the cost, risk, and uncertainty of transitioning to new heavy vehicle technologies that lower day-to-day operating costs and emissions. Levy payers benefit from shared learning and market development supported by the fund, including better availability of vehicles, maintenance capability, and fuel supply, which drives down costs over time for all operators. Benefits to the wider system include a more sustainable transport system in New Zealand, improved air quality, and reduced health impacts.

Technology and Fuel Enabler (TAFE) Programme

About the programme

There are significant national opportunities to increase the use of efficient and renewable technologies and fuels that reduce costs, improve business productivity, and support New Zealand's energy security and resilience.

Energy is a considerable expense for businesses, with rising prices and tightening gas availability creating substantial pressures. While efficient and innovative energy solutions are emerging across many commercial and industrial applications, there are significant barriers to businesses accessing and adopting them.

Introduced in 2025/26, the Technology and Fuel Enabler Programme works with the market to identify and develop solutions to targeted barriers related to efficient and renewable technologies and fuel use, particularly for nascent markets. The programme has a strong focus on addressing information asymmetries and coordination failures through non-financial solutions such as advice, tools, resources, and stakeholder coordination. In situations where barriers are not fully addressed by non-financial solutions, targeted funding can be deployed.

Opportunity areas addressed by the programme will change over time in response to ongoing market insights, analysis and research, and the broader strategic and policy direction set by the government. Subject to Ministerial approval, the programme is expected to focus on the following opportunity areas in 2026/27:

- **Wood energy** – New Zealand has around 8 million tonnes of wood biomass per year that could be sustainably diverted for use as wood energy. In October 2025, the Government released its Wood Energy Strategy and Action Plan signalling its intent to accelerate wood energy in New Zealand. With businesses facing cost increases and supply constraints for natural gas, analysis shows that wood energy is now an economically competitive solution to displace gas in many cases. Further, coal use for industrial process heat is banned from 2037 and wood fuels can often be utilised as cost-effective conversions of coal boilers. Woody biomass is a nascent industry in New Zealand. A 'chicken and egg' situation is often delaying or deferring investments on the supply side, as well as in biomass heat plants. The Technology and Fuel Enabler Programme will support wood energy market maturity and investment by coordinating stakeholders, supporting investment case development, building capability in industry, and demonstrating potential across New Zealand applications. For example, in 2025/26 we are enabling wood biomass aggregation facilities that can supply local wood energy processing facilities, and supporting the development of investment cases for wood energy supply manufacturing facilities.
- **Biogas** – Biogas technology is mature globally. However, New Zealand's biogas production remains limited with industry estimates of 3.5–4.9 PJ produced annually (mainly by landfills and wastewater treatment plants). The 2025 Government Statement on Biogas highlighted biogas as a strategic option to improve energy

resilience as fossil gas reserves decline and to support decarbonisation of gas-dependent, hard-to-electrify industries. The Technology and Fuel Enabler Programme will help explore biogas as a clean fuel alternative by strengthening system knowledge (including feedstock mapping) and sharing information and resources to assist industry decision making.

- **Geothermal heat** – Geothermal heat provides a direct renewable heat source for use across a wide range of applications. In 2023, direct use of geothermal energy across industrial, agricultural, commercial and residential sectors amounted to 7.45PJ. In its recent draft geothermal strategy, the Government outlined the potential of geothermal energy in New Zealand and indicated a target to double geothermal energy use in New Zealand by 2040. Geothermal technology is mature, however growth of geothermal energy across industry has stalled. The main barriers are a lack of understanding of available geothermal heat resources, applicable technologies, and commercial project risks. The Technology and Fuel Enabler Programme will help promote geothermal heat as a clean fuel alternative by strengthening system knowledge (including geothermal heat mapping), sharing information and resources, and supporting demonstration projects in New Zealand settings.
- **Efficient heat** – Industrial process heat remains one of New Zealand's most energy-intensive and emissions-intensive end uses. Declining gas availability, increasing price volatility, and the need to improve energy productivity are driving interest in cleaner, more efficient technologies. A range of efficient, smart technology options have emerged including innovative electric heating, mechanical vapour recompression, thermal energy storage, and high temperature heat pumps. However, these remain underutilised in New Zealand. The Technology and Fuel Enabler Programme will help unlock the productivity and resilience benefits of efficient electricity and heat use by providing information and resources and demonstrating proven technologies in New Zealand settings.
- **Support for gas users** – High gas prices and tightening availability is a major concern for gas-using New Zealand businesses. Our market and industry research shows that gas users are looking for support to maximise energy efficiency, reduce gas use, and consider alternative fuels. We provide direct support for gas-using businesses to lower their energy costs and unlock long-term resilience. This includes our Walkthrough Energy Assessment which outlines immediate actions that can be taken to improve energy efficiency on site and options for new fuel or technology in the medium to long term. Assessments to date have identified opportunities to enable savings of 10-30%. We also offer support for detailed energy audits, feasibility studies, optimisation studies, and other technical support.

Link to the Electricity levy

The Technology and Fuel Enabler Programme has a strong focus on accelerating the availability and uptake of efficient electric solutions with strong commercial and industrial

potential, supported by well-functioning markets and enabling infrastructure investment. By demonstrating the effectiveness of electric solutions, reducing information barriers, and improving market coordination, the programme reduces complexity, uncertainty, and cost for users. Direct benefits to levy payers include cost savings and improved access to trusted information and solutions. Wider system benefits include improved affordability, more efficient use of the electricity system, reduced pressure on the grid, and increased uptake of distributed renewable generation.

Link to the GSMEE levy

The Technology and Fuel Enabler Programme directly supports gas users to increase their energy efficiency and access alternative fuel solutions. The programme has a specific workstream to support gas-using businesses to identify and implement efficiency measures that reduce natural gas use. It also has a number of workstreams focused on unlocking renewable fuel markets (including wood energy, geothermal heat, and other emerging fuels). Through evidence-based information and resources, market development, and targeted financial mechanisms, the programme directly unlocks energy cost savings and delivers productivity and resilience improvements for levy payers. Benefits to New Zealand include more efficient and reduced national gas use, increased energy security through fuel diversification, and reduced emissions.

Link to the PEFM levy

The Technology and Fuel Enabler Programme plays a role in advancing the development and market-readiness of renewable fuels that can reduce dependence on imported petroleum and engine fuels in the medium to long term. By addressing information gaps and supporting coordination among suppliers, technology providers, and end users, the programme helps accelerate the availability and competitiveness of alternatives to petroleum and engine fuels. Direct benefits to levy payers include improved access to future fuel options and credible information, reduced long-term exposure to price volatility, and clearer pathways for transitioning fleets or industrial processes to cleaner fuels. Benefits to New Zealand include reduced national fuel demand, enhanced resilience to global fuel supply disruptions, progress toward emissions-reduction goals, and a more diverse and secure national energy mix.

Distributed Flexibility (DF) Programme

About the programme

Distributed flexibility refers to shifting or reducing electricity use to better match supply, relieve grid stress, and avoid costly infrastructure (especially during peak use times). It also includes optimising how distributed energy resources are used, stored, or exported to support the wider electricity system. Building on traditional demand response like ripple control, distributed flexibility places consumers at the centre, enabling them (via smart technologies

and competitive flexibility markets) to use, store, or export electricity and be rewarded for providing flexible load, in line with their preferences.

By flattening the load curve, distributed flexibility can defer expensive network and generation investments, lower consumer costs, improve grid reliability, and increase the use of renewable generation. Our recent research identified up to 1,800 MW of demand across New Zealand (around 25% of total demand) could be shifted away from peak times with the potential to save New Zealand up to $3 billion.

The Distributed Flexibility Programme aims to drive adoption of distributed flexibility in New Zealand and demonstrate its potential to reduce infrastructure investment, lower electricity costs, and improve grid efficiency. Subject to Ministerial approval, activities in 2026/27 are expected to include:

- **Home energy management systems** – Intelligent consumer technology is key to unlocking the flexibility opportunity for New Zealand. The ability to see and control consumption (with explicit consent) creates value for the network, aggregators, and consumers. Early results show home energy management systems (HEMS) could save New Zealand households almost a billion dollars per year. A low-cost physical HEMS (~$500) can act as an interface for intelligent residential homes with the electricity network – enabling consumer to maximise energy efficiency and bill reduction while providing a 'plug in' point for aggregators seeking consumer flexibility. The Distributed Flexibility Programme will help demonstrate and promote HEMS as a technology solution to ensure consumers can unlock the benefits of smart technology while retaining sovereignty and control of their own data and choices.
- **Efficient and flexible commercial and industrial energy use** – The commercial and industrial sectors are responsible for a significant share of national energy demand. Supporting efficient and flexible energy use in these sectors represents one of the most impactful and immediate opportunities to reduce pressure on the electricity system, avoid infrastructure investment, and improve New Zealand's energy productivity. Our research suggests industrial flexibility could deliver up to 550MW and 100GWh of energy per year, at a current cost of $350/MWh, with costs expected to fall rapidly as technology evolves. The Distributed Flexibility Programme will work with industry to support uptake of flexibility-enabling technologies such as battery storage, thermal storage, and interruptible load management.to unlock lower cost energy at peak times and significantly reduce the need for commercial and industrial users to invest in new connectivity infrastructure.
- **Vehicle-to-everything (V2X)** – V2X allows electric vehicles to act like mobile batteries, storing electricity and supplying power to homes, buildings, or local areas when it is needed most. At a community or neighbourhood level, V2X allows the electricity stored in electric vehicle batteries to be shared and used when demand is highest. This helps reduce pressure on local electricity networks at peak times and can delay or avoid the need for expensive network upgrades. It also makes better use of electric vehicles,

which are often parked for long periods. For consumers, this can mean lower electricity costs, a more reliable local power supply during busy periods or outages, and better use of renewable energy like solar. For the wider electricity system, V2X helps create a more flexible and efficient network, lowers overall infrastructure costs, and provides practical insights into community-based energy solutions. The Distributed Flexibility Programme will support the demonstration of electric vehicle batteries as shared storage assets at a community or suburb scale, enabling embedded network-style operation and supporting both consumer value and local network capacity.

Link to the Electricity levy

The Distributed Flexibility Programme has a strong focus on improving the efficiency, resilience, and cost-effectiveness of the electricity system. By reducing peak demand and deferring expensive network and generation investment, the programme helps avoid costs that would otherwise flow through to consumers via higher lines charges or retail prices. Direct benefits to levy payers include lower long-term electricity bills, improved reliability during winter peaks, and access to smart technologies that help households and businesses reduce their own costs. Benefits to the wider system and New Zealand include more efficient use of renewable generation, reduced need for new infrastructure, increased energy security, and lower overall system costs – contributing to a more affordable and sustainable electricity sector.

Link to the GSMEE levy

While the Distributed Flexibility Programme is primarily electricity-focused, it promotes smarter, more efficient use of energy across households, industry, and commercial sites. Flexible industrial processes, thermal storage, and smart controls reduce wasted energy and improve performance of systems that rely on both electricity and gas. Direct benefits to levy payers include improved access to efficient technologies that deliver savings without compromising service levels, reduced total energy consumption, lower operating costs, and improved productivity. Wider system and national benefits include lower peak loads, reduced reliance on gas-fired generation and improved emissions outcomes.

Link to the PEFM levy

The Distributed Flexibility programme has an element of supporting New Zealand to manage the transition away from petroleum fuels, particularly through distributed flexibility initiatives such as vehicle-to-everything and smart electric vehicle (EV) charging. As EVs become more integrated and cost-effective to operate, levy payers benefit directly through reduced spending on petrol and diesel, improved charging affordability, and access to new services that can offset vehicle operating costs. Benefits to the wider system and New Zealand include reduced national fuel demand, improved long-term fuel security, and lower transport emissions.

Practical Consumer and Business Information Programme

About the programme

A lack of awareness and evidence-based information is a common barrier to consumers making smart energy choices that save money, increase productivity, and benefit New Zealand's wider energy system.

The Practical Consumer and Business Information Programme gives New Zealanders and businesses access to energy-saving advice, research, and tools across all energy types to help them use energy more efficiently and save on their bills.

Our energy savings campaigns share practical tips to help Kiwis save money on their power bills and reduce pressure on New Zealand's energy systems. We also provide year-round resources, tools, and research on our websites that make it easy for New Zealanders and businesses to access the latest evidence and advice on how to use energy efficiently and make the most of smart, renewable technologies.

In 2026/27, the programme is expected to focus on the following areas:

- **Research, case studies, and data tools:** We are the government's expert voice on energy use. We deliver trusted evidence, real-life examples, and practical tools that help energy users make informed choices across types of energy. Our research covers emerging technology, economic and efficiency modelling and impacts, international trend scanning, and behavioural science across a range of fuel types. Our case studies help others understand and visualise the technologies and pathways available to them, proactively sharing real-world performance of new technologies, and the insights and lessons learnt. In partnership with industry, we also develop specific and system wide data on energy use to feed into policy and programme design (e.g. TIMES-NZ and the Energy End Use Database).
- **Winter 2026:** Residential energy demand and bills increase in winter to keep homes warm and dry. We will deliver an energy savings information campaign with practical household efficiency and affordability advice over Winter 2026. It will be based on the successful 2025 campaign that delivered over $10 million in household energy savings with a return on investment of $4.60 for every dollar of government investment.
- **Residential solar:** Residential solar is an opportunity for New Zealand households to cut energy costs and have greater control over their energy use. Our research shows 250,000 households are open to solar in next five years, but they are not currently acting on it. We will apply our expertise to remove information barriers and deliver trusted independent tools, resources, and evidence to households.
- **Supporting gas users:** Our research shows gas users want better access to practical information about efficiency opportunities and alternative fuels. We will deliver

practical advice to help businesses improve their energy performance and make informed fuel decisions. This includes case studies, research and information on potential technology options, resources to support business case development, and peer-to-peer learning events – making it easier to identify and implement opportunities.

- **Transport:** Through the delivery of practical information, digital tools, and industry engagement, we will continue to support New Zealanders to make informed, efficient transport choices and investments.
- **Trades workforce development:** We are partnering with the trades to build the capability needed for electrification and the adoption of new, innovative energy technology.

Link to the Electricity levy

The Practical Consumer and Business Information Programme equips households and businesses with trusted, practical information to reduce their electricity use and make informed decisions about efficient electric technologies. Year-round advice, tools, research, and case studies give consumers clearer insight into the practical opportunities to use electricity more efficiently, and the performance and affordability benefits of adopting efficient electric technologies such as efficient electric appliances and solar. The programme directly unlocks savings on electricity bills, reduces pressure on the electricity grid (including at peak times), and delays or defers costly electricity network investment.

Link to the GSMEE levy

The Practical Consumer and Business Information Programme equips households and businesses with trusted, evidence-based information on opportunities to use natural gas more efficiently and make informed decisions about alternative, renewable fuels and technologies. The programme has a specific focus on advice, tools, research, and case studies that give consumers clearer insight into the practical opportunities to use existing gas technologies more efficiently, and the costs, benefits, and practical steps for alterative options. The programme directly unlocks savings on gas bills, reduces overall demand for gas including at peak times, helps diversify New Zealand's energy mix, and lowers emissions.

Link to the PEFM levy

The Practical Consumer and Business Information Programme provides consumers and businesses with trusted, evidence-based information to help them use petroleum and engine fuels more efficiently and make informed decisions about cleaner transport and fuel technologies. Through tools, research, case studies, and advice the programme reduces the information barriers that prevent the uptake of more efficient vehicles and transport options, and smarter fuel management practices. Direct benefits include lower fuel costs, improved productivity, and more efficient investment and fleet decision-making. The programme also

delivers wider outcomes for New Zealand including a more efficient transport system and lower petroleum and engine fuel related emissions.

Standards and Regulations Programme

About the programme

Equipment Energy Efficiency

Energy efficiency is one of the lowest-cost ways to make significant energy savings across all types of energy while still achieving the same output. The E3 workstream collaborates with Australia to improve the energy efficiency of residential and business products and appliances available for sale in New Zealand. New Zealand's energy efficiency regulations are set out in the Energy Efficiency (Energy Using Products) Regulations 2002. Our role is to:

- Develop and optimise minimum energy performance standards (MEPS) to ensure that New Zealanders have access to the best performing products and poor-performing products are prevented from being sold here.
- Require regulated products for sale in stores to display the correct energy rating label as part of Mandatory Energy Performance Labelling (MEPL) to help consumers choose energy-efficient products.
- Ensure regulated products meet MEPS and MEPL requirements by testing their energy performance and undertaking compliance and enforcement action.

The programme in New Zealand reported energy savings of 1.53 PJ in 2024/25 – equivalent to the yearly energy use of 36,600 homes and $37.2 million in national benefit.

In August 2024, Cabinet approved legislative amendments to modernise New Zealand's energy efficiency regulatory regime. The amendments will allow us to require 'smartness' of products to enable them to be demand flexible, such as electric vehicle chargers. The updates will also enable swifter updates to technical requirements through EECA (rather than Cabinet-approved regulations) which will help New Zealand keep pace internationally.

Vehicle Emissions and Energy Economy Labelling

The Vehicle Emissions and Energy Economy Labelling workstream aims to improve vehicle efficiency in New Zealand through mandatory labelling at the point of sale. Under the Energy Efficiency (Vehicle Energy Economy Labelling) Regulations 2007, all light vehicles below 3.5 tonnes offered for sale in New Zealand are required to display a label with vehicle emissions and energy information. Information on the label includes vehicle make and model, vehicle type (e.g. petrol or electric), energy economy information, carbon emissions information, and

estimated yearly running costs. This allows consumers to compare vehicles and make informed, efficient purchasing decisions.

Best Practice Guidance and Resources

We work with industry to develop performance specifications, best practice guidance and other resources that fill information and regulatory gaps, helping households and businesses access efficient and reliable technologies. This includes developing Publicly Available Specifications (PAS) and other best-practice guidance with Standards New Zealand and industry. PAS support safe, consistent and high-quality installation and operation of emerging efficient and renewable technologies such as electric vehicle chargers and solar and battery storage systems. We also develop approved technology lists that help consumers and installers easily identify efficient, smart and high-quality technologies that deliver reliable performance and reduce energy costs.

National Australian Built Environment Rating System New Zealand (NABERSNZ)

NABERSNZ is a system for rating the energy efficiency of office buildings and hospitals and identifying opportunities for implementing building energy performance improvements. We provide access to and implement the scheme. Assessing the energy performance of buildings leads to energy and cost-saving opportunities and can improve the value and desirability for both investors and prospective tenants. Last year, over 170 New Zealand commercial buildings and hospitals received a rating under the scheme.

Link to the Electricity levy

Households and businesses are increasingly adopting electricity-using equipment and vehicles. Robust standards, informative labelling, and identification of efficiency opportunities helps users reduce inefficient electricity use, directly lowering electricity bills and increasing control over their energy use. The programme also unlocks wider system benefits including reduced peak demand and pressure on electricity infrastructure, increased ability to integrate renewable energy, and reduced overall system investment costs.

Link to the GSMEE levy

Inefficient or poorly performing gas appliances increase gas consumption, driving higher costs for users and unnecessary load on the gas system. Robust standards and labelling and building ratings help users select technologies and other opportunities that improve gas efficiency. Direct benefits to levy payers include clearer purchasing information, identification of building performance improvements that reduce gas demand while maintaining comfort or productivity, and overall lower gas bills. Wider benefits include efficient and reduced peak gas demand, increased energy security, and lower emissions.

Link to the PEFM levy

Vehicle emissions and energy economy labelling ensures consumers understand the running costs and emissions impacts of different vehicle types, enabling informed purchasing

decisions that improve engine fuel efficiency and promote consideration of renewable alternatives like electric vehicles. Direct benefits to levy payers include trusted information at the point of sale and ultimately reduced engine fuel use and costs. Wider system benefits include reduced dependence on petroleum fuels, lower transport emissions, and strengthened long-term energy security as more efficient and low-emission vehicles enter the fleet.

Email us your submission by 8 March 2026

You can give us feedback on our levy funding proposal by emailing a written submission to **levyconsultation@eeca.govt.nz** by the end of **Sunday 8 March 2026.**

Note we publish all submissions on our website after the consultation closes. Please indicate if there is any information in your submission that you wish to provide on a confidential basis and do not want published. EECA is subject to the Official Information Act (OIA) 1982, which means we may be required to release information unless there is a good reason to withhold it. We will consult with you if this is the case.

The EECA Board will consider all consultation submissions. It will then present EECA's energy levy funding request to the Minister for Energy in late March 2026.

Levy funding decisions will be announced in Budget 2026 (28 May 2026) and published in our Statement of Performance Expectations for 2026/27.

Appendices

Appendix 1: Legal context for this consultation

Electricity Industry Act 2010

Recovery of Electricity levy funding for activities related to EECA's statutory functions

Section 128 – Levies

3) The levy must be prescribed on the basis that the following costs should be met fully out of the levy:

    c. a portion of the costs of the Energy Efficiency and Conservation Authority in performing its functions and exercising its powers and duties under the Energy Efficiency and Conservation Act 2000 where the size of the portion to be met by levies under this Act is determined by the Minister;

Requirement for EECA to consult with levy payers and stakeholders

Section 129 – 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 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 EECA believes to be significantly affected by a levy.

2) The EECA 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

Recovery of PEFM and GSMEE levy funding for activities related to EECA's statutory functions

Section 14 – Purpose of levies

2A) Despite subsections (1) and (2), levies recovered under sections 23 and 24 may be applied for the purpose of meeting a portion of the costs of the EECA, in performing its functions and exercising its powers and duties under the Energy Efficiency and Conservation Act 2000, where the size of the portion to be met by each levy under this Act is determined by the Minister.

Requirement for EECA to consult with levy payers and stakeholders

Section 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 2: Who pays the energy levies

Electricity Industry Levy

Section 128 of the Electricity Industry Act 2010 provides for a levy on electricity industry participants. The funds recovered by this levy meet many of the costs of the Electricity Authority. The EECA portion of the levy is collected from electricity industry participants that purchase electricity from the wholesale market (i.e. typically electricity retailers).

The indicative EECA portion of the 2026/27 Electricity levy rate is 0.17 cents/kWh. The final levy rate will be published in the New Zealand Gazette in May 2026. The EECA portion of the Electricity levy rate for 2025/26 is 0.17 cents/kWh.

Petroleum or Engine Fuel Monitoring (PEFM) levy

Section 24 of the Energy (Fuels, Levies and References) Act 1989 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 to consumers. The levy is collected by the New Zealand Customs Service at the point of import.

The indicative PEFM levy rate for 2026/27 is 0.57 cents/litre, including 0.07 cents/litre for the variable EECA cost and 0.50 cents/litre for non-EECA activities. The final levy rate will be published in the New Zealand Gazette in May 2026. The PEFM levy rate for 2025/26 is 0.69 cents/litre, including 0.19 cents/litre for the variable EECA cost and 0.50 cents/litre for non-EECA activities.

While EECA's PEFM levy recovery is unchanged from 2025/26 to 2026/27, the estimated EECA portion of the PEFM levy rate for 2026/27 is notably lower than 2025/26. This is the result of an $8.55 million PEFM levy underspend by EECA in 2024/25 (outlined further on page 31), lowering the necessary PEFM collection for EECA in 2026/27.

Gas Safety, Monitoring and Energy Efficiency (GSMEE) levy

Section 23 of the Energy (Fuels, Levies and References) Act 1989 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 GSMEE levy is payable by sellers of piped gas to gas retailers and gas retailers who sell piped gas.

The indicative GSMEE levy rate for 2026/27 is 9.4 cents/GJ, including 7.4 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 2026. The GSMEE levy rate for 2025/26 is 5.8 cents/GJ, including 3.8 cents/GJ for the variable EECA cost and 2.0 cents/GJ for non-EECA activities.

While EECA's GSMEE levy recovery is unchanged from 2025/26 to 2026/27, the estimated EECA portion of the GSMEE levy rate for 2026/27 is notably higher than 2025/26. This is the result of an overall GSMEE under-collection in 2024/25 (due to lower-than-expected natural gas use) and lower estimated natural gas use for 2026/27 (so collection is spread over fewer GJ).

APPENDIX 3: REPORT ON EECA ENERGY LEVY FUNDING USE IN 2024/25

EECA
ENERGY EFFICIENCY &
CONSERVATION AUTHORITY
TE TARI TIAKI PŪNGAO

Overview of EECA energy levy funding use in 2024/25

In late 2023, we consulted on our proposal to recover $20.300 million from the three energy levies for our 2024/25 work programme in the following proportions:

- $13.500 million from the Petroleum or Engine Fuels Monitoring (PEFM) levy
- $5.100 million from the Electricity Industry (Electricity) levy
- $1.700 million from the Gas Safety, Monitoring and Energy Efficiency (GSMEE) levy.

During the consultation period we received 11 submissions from energy levy stakeholders, ten of which were fully or partially supportive of our proposed levy funding request. Following the consultation, the Minister for Energy approved the $20.300 million request in the proportions above.

We spent $11.750 million of levy funding in 2024/25, as outlined in the table below.

Energy levy	Expenditure in 2024/25 ($ million)		
	Forecast	Actual	Variance
PEFM levy	13.500	4.950	–8.550
Electricity levy	5.100	5.100	Nil
GSMEE levy	1.700	1.700	Nil
Total levy expenditure	**20.300**	**11.750**	**–8.550**

The decrease in overall levy expenditure was driven by lower than forecast PEFM levy activity (due to low market uptake of the Low Emission Transport Fund). EECA returned the resulting $8.550 million underspend, which will be reflected in future PEFM levy rates.

You can find more detail on our specific expenditure and programme achievements in the following sections and in our Annual Report 2024/25.

PEFM levy funding use in 2024/25

The Minister for Energy allocated $13.500 million from the PEFM levy for EECA to use on our 2024/25 work programme.

Our actual activity and expenditure related to the PEFM levy was significantly lower than forecast, resulting in an $8.550 million underspend of PEFM levy funding:

Programme	Cost of activities related to the PEFM levy in 2024/25 ($ million)		
	Forecast	Actual	Variance
Low Emission Transport Fund	25.890	3.760	–22.130
Low Emissions Transport Information Provision	1.730	1.190	–0.540
Total cost	**27.620**	**4.950**	**–22.670**
PEFM levy funding expenditure	**13.500**	**4.950**	**–8.550**

The underspend of PEFM levy funding was largely driven by low market uptake of the Low Emission Transport Fund. While economic conditions had an influence on the market's response to our programmes across the board, it was particularly notable for the Low Emission Transport Fund. Uptake was also impacted by the introduction of a separate electric vehicle charging programme where the Low Emission Transport Fund would have previously been the avenue for charging projects. We returned the $8.550 million of unutilised PEFM levy funding, which will be reflected in future PEFM levy rates.

Low Emission Transport Fund

Before widespread adoption of clean and clever technologies and processes can take place, the market needs evidence that they can perform and achieve the potential benefits. Targeted investment helps overcome barriers to the demonstration and diffusion of efficient, renewable technologies and processes that are yet to be widely deployed in New Zealand.

The Low Emission Transport Fund has supported the demonstration and adoption of innovative, efficient, and low-emissions vehicles and technologies in the transport sector since 2016. It has played a critical role in accelerating market uptake (e.g. the successful demonstration and widespread uptake of electric buses and postal vans).

In 2024/25, we ran funding rounds 14, 15 and 16 seeking projects in the categories of vehicles, technologies, off-road, marine, and ports. We approved 22 projects including an aquaculture boat, an electric oyster barge, an electric forklift attachment alternative, an excavator with trailer charging, a marine vessel conversion, and autonomous battery-electric container terminal tractors. A full list of funded projects is available on our website at www.eeca.govt.nz/co-funding/transport-emission-reduction/co-funded-transport-projects/.

Economic conditions had a significant influence on the market's response to the Low Emission Transport Fund in 2024/25, with record low numbers of applications received. Uptake was also impacted by a reduction in public charging projects (which were in scope of a new electric vehicle charging programme). Following declining market uptake and a refresh of our programmes to

focus on market needs, the Low Emission Transport Fund came to a natural close in June 2025. We are proud of the 320+ projects enabled by the programme, and we thank levy stakeholders for their support over the years.

Low Emissions Transport Information Provision Programme

A lack of awareness and evidence-based information is a common barrier to consumers making smart energy choices that save money, increase business productivity, and benefit New Zealand's wider energy system.

The Low Emissions Transport Information Provision Programme delivers objective and authoritative information about the benefits and costs of efficient, low-emissions transport options to help consumers make clean and clever choices. In 2024/25, the programme delivered:

- Consumer research on home and public charging to inform our work programme, wider government, and industry.
- A campaign promoting EECA-approved smart chargers to increase awareness and uptake of smart electric vehicle (EV) chargers.
- Promotion of information and digital tools that enable consumers to make informed purchase decisions on EVs.
- Production of a video showcasing three different business' use off-road electric heavy vehicles to demonstrate the new technologies – their performance, use cases, cost savings, impacts and learnings.
- A holiday public charging advertising campaign to address the barrier of range to EV purchase and promote there are more chargers on the way.
- Efficient, low-emission insight reports and authoritative information.
- Promotion of the Low Emissions Heavy Vehicle Fund to encourage awareness and uptake.

From 2025/26, our information provision programmes have been amalgamated into the Practical Consumer Information Programme. This programme will continue to have a transport element.

Electricity and GSMEE levy funding use in 2024/25

The Minister for Energy allocated $5.100 million from the Electricity levy and $1.700 million from the GSMEE levy for EECA to use on our 2024/25 work programme. Our activity related to these levies was significantly higher than forecast, resulting in full use of the allocated levy funding:

Programme	Cost of activities related to the Electricity and GSMEE levies in 2024/25 ($ million)		
	Forecast	Actual	Variance
Standards and Regulations	4.44	5.89	+1.45
Direct Engagement (Large Energy Users)	0.63	2.31	+1.68
Technology Demonstration	1.75	8.35	+6.60
Sector Decarbonisation	1.17	1.28	+0.11
Industry Development	0.26	0.50	+0.24
NABERSNZ	0.25	0.33	+0.08
Local Authorities	0.56	0.99	+0.43
Total cost	**9.06**	**19.66**	**+10.60**
Electricity levy funding expenditure	**5.10**	**5.10**	**Nil**
GSMEE levy funding expenditure	**1.70**	**1.70**	**Nil**

The notable growth in activity related to the Electricity and GSMEE levies was largely driven by increased activity in the Technology Demonstration Programme to meet a market opportunity to support the adoption steam heat pump technology.

Standards and Regulations Programme

Regulation is an important tool to shift the market towards a stronger focus on clean and clever energy. By developing guidance and introducing requirements for energy-using products and systems, the Standards and Regulations Programme keeps energy bills down and reduces demand on our wider energy systems. Collaborating with Australia means we share some of the costs of regulation, making it easier and cheaper for both countries.

The programme in New Zealand reported energy savings of 1.53 PJ in 2024/25 – equivalent to the yearly energy use of 36,600 homes and $37.2 million in national benefit. Other specific deliverables include:

- Administering energy efficiency standards and labelling requirements for 21 product types.
- Completing 105 inspections at retail and vehicle dealer locations across New Zealand to ensure compliance with mandatory labelling requirements.
- Testing three product classes (electric hot water storage heaters, gas water heaters, and external power supplies) for performance against regulatory requirements.

- Contributing to the governance of the trans-Tasman Equipment Energy Efficiency (E3) Programme, including developing future strategies and priorities.
- Securing government approval for legislative amendments that will boost the programme's impact in future.
- Contributing to wider government regulatory amendment processes to improve the energy efficiency requirements for several product classes.

Over 102 million regulated products have been sold since 2002. This has saved consumers and businesses over 108 PJ of energy (equivalent to the yearly energy use of around 2.5 million homes) with the total benefits equating to an estimated $2.6 billion of national benefit.

Direct Engagement (Large Energy Users) Programme

Information and coordination barriers slow the uptake of proven, energy-efficient and renewable solutions. We work with targeted organisations to provide evidence-based information and support to help them better understand their energy use and identify opportunities to implement energy efficiency and renewable energy use.

In 2024/25, we supported 93 new projects to enable large energy users to increase their energy efficiency and use of renewable energy. Projects include:

- 46 energy audits
- 25 feasibility studies
- 8 energy graduates
- 14 monitoring, targeting, and other energy projects.

The programme has closed for 2025/26 as we pivot our engagement approach to focus on more targeted market barriers and needs. We are proud of the hundreds of projects enabled by the programme, and we thank levy stakeholders for their support over the years.

Technology Demonstration Programme

Before widespread adoption of clean and clever technologies and processes can take place, the market needs evidence that they can perform and achieve the potential benefits. Targeted investment helps overcome barriers to the demonstration and diffusion of efficient, renewable technologies and processes that are yet to be widely deployed in New Zealand.

The Technology Demonstration Programme has helped New Zealand businesses lead the way in the early adoption of energy efficient and renewable technologies and solutions for many years.

In 2024/25, we supported 14 demonstration projects including steam heat pumps, on-farm sprayers, battery energy storage systems, and new milk chillers. More information about funded projects is available on our website at www.eeca.govt.nz/co-funding-and-support/products/technology-demonstration/.

Following declining market uptake and a refresh of our programmes to focus on market needs, the Technology Demonstration Fund came to a natural close in June 2025. We are proud of the 125 projects enabled by the programme (saving 60 million kWh of energy), and we thank levy stakeholders for their support over the years.

Sector Decarbonisation Programme

Information and coordination barriers slow the uptake of proven, energy-efficient and renewable solutions. We work with targeted sectors to provide evidence-based information and support to help them better understand their energy use and identify opportunities to implement energy efficiency and renewable energy use.

In 2024/25, the Sector Decarbonisation Programme delivered sector-specific tools and advice for thousands of New Zealand businesses across the following industries:

- Heavy freight
- Packhouses and cool stores
- Poultry
- Food and beverage service
- Orchards
- Wood processing.

Over 1,300 businesses signed up to receive information for their sector. At 30 June 2025, our sector decarbonisation pathways resources had been downloaded 3,200 times, and the sector specific webpages had been viewed over 31,000 times. All pathways are available on our website at www.eeca.govt.nz/co-funding-and-support/products/sector-decarbonisation-programme/.

With pathways delivered for 18 targeted sectors, the programme came to a natural close in June 2025.

Industry Development Programme

The Industry Development Programme builds capability and capacity within the energy sector to meet market demand for expertise. We develop relationships and support industry partners and associations that help deliver on New Zealand's energy efficiency, energy conservation and renewable energy goals. Specifically, we support the development of technical information, guidance, specifications; the delivery of training courses, webinars, seminars, conferences; and the maintenance of energy and carbon management accreditation framework.

In 2024/25, we continued our ongoing support for the Carbon and Energy Professionals (CEP) and the Bioenergy Association of New Zealand (BANZ). We also extended our support to six new partners by entering into Industry Collaboration Agreement with the Electricity Engineers Association (EEA), Engineering New Zealand, Economic Development New Zealand (EDNZ),

Institute of Heating, Refrigeration, Air Conditioning Engineers (IHRACE), Master Electricians, and Sustainable Business Network (SBN).

National Australian Built Environment Rating System New Zealand (NABERSNZ)

NABERSNZ helps businesses measure and optimise their energy use. It is a system for rating the energy efficiency of office buildings and hospitals and identifying opportunities for implementing building energy performance improvements. We provide access to and implement the scheme. Assessing and improving the energy performance of buildings can improve their value and desirability for both investors and prospective tenants and reduce energy costs and associated emissions.

In 2024/25, we saw significant growth in uptake of NABERSNZ, with a total of 174 certified ratings in New Zealand – this is a 14% increase on the previous year and makes up 19% of the total office space area in New Zealand.

Local Authorities Programme

In 2024/25, we maintained relationships with Local Authorities and delivered advice, energy audits, energy graduates, energy management plans, energy systems optimisation, feasibility studies and business cases, and monitoring and targeting to increase efficient and renewable energy use.