

[REDACTED]
[REDACTED]

23 October 2025

Dear [REDACTED]

Re: Official Information Act Request: Briefing on EECA support for gas users

Thank you for your email on 13 October 2025 in which you requested information under the Official Information Act 1982. You requested:

Please provide a copy of EECA 2025 BRF 024 "Further detail on EECA support for gas users" 14/08/2025

Please find the requested document attached.

Some information is being withheld pursuant to the following sections of the Act:

- 9(2)(a) - to protect the privacy of natural persons, including that of deceased natural persons.
- 9(2)(b)(ii) - to protect information where making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or is subject to the information.
- 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions.
- 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by Ministers and officials.

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

Please note that it is our policy to proactively release our responses to official information requests where possible. Our response to your request will be published shortly at <https://www.eeca.govt.nz/about/news-and-corporate/official-information/> with your personal information removed.

Yours sincerely



Murray Bell
Group Manager, Policy and Regulation

To: Hon Simon Watts
MINISTER FOR ENERGY

Title of briefing	Further detail on EECA support for gas users		
Date	14/08/2025		
EECA reference	EECA 2025 BRF 024	Response required by:	N/A
EECA priority	Non-urgent		
Security classification	Commercial in confidence		
Attachments	<ul style="list-style-type: none"> Appendix 1: Upcoming case study on projects by NZ Sugar and Goodman Fielder Appendix 2: Site-level data on the top 100 gas-using businesses EECA works with Withheld in full under Section 9(2)(b)(ii). Appendix 3: Regional snapshots Appendix 4: Upcoming EECA action for supporting gas users 		

EECA contacts

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Purpose

- We provided you with advice on 31 July setting out the actions EECA is taking over the next 6 months to maximise energy efficiency and reduce energy demand from gas-using businesses (EECA 2025 BRF 022 refers).

2. This paper provides further information on:
 - a. the outcomes being achieved by EECA's current and planned activity
 - b. promotional opportunities to enhance the visibility of this activity
 - c. the barriers and opportunities facing gas-using businesses.

3. 9(2)(f)(iv)

Key messages

- We have launched a number of activities to expand our support for gas using businesses, focussing on cost-effective actions that deliver tangible outcomes and address barriers.
 - **Direct engagement** – enabling businesses to procure the services they need to develop and implement the actions that will save them energy and money. **EECA has a Regional Manager assigned to 169 of the 189 sites operated by the top 100 gas users.**
The 79 energy audits EECA supported in 2024/25 identified **11 GWh (\$460k) of savings with less than a 12-month payback** (across all fuel types), with **6 GWh of savings currently being implemented** (across all fuel types).
 - **Workshops** – two-way communication with businesses to work through the challenges and opportunities in their regions. From our workshops so far, there is strong appetite for the products and services EECA is offering. **About half of attendees intend to progress with an EECA direct engagement product (such as energy assessments and audits) and more than half want to attend future EECA technical workshops.**
 - **Guidance, tools and case studies** – to address the message we're hearing that gas users don't know where to start when it comes to energy efficiency and demand reduction. We have refreshed our communications, digital and marketing plan to increase the visibility of our support for gas users, with new case studies to be published next week.
- 9(2)(f)(iv)
- Detailed data and insights on gas-using businesses is provided as appendices to this paper. This data is being used to better target our products.

Recommended actions

- a. **Discuss** at the scheduled meeting with EECA officials on 20 August.



Dr Marcos Pelenur
CHIEF EXECUTIVE
14 / 08 / 25

Hon Simon Watts
MINISTER FOR ENERGY
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The actions EECA has underway have been selected to best address barriers while delivering strong value for money

4. As described in the briefing on our activities over the next six months (EECA 2025 BRF 022 refers, table of actions reattached to this briefing as Appendix 4), we are currently delivering the following actions to support gas-using businesses:
 - a. **direct engagement** by supporting businesses with services to enable investment decisions related to demand reduction and fuel switching solutions (including walkthrough energy assessments, detailed energy audits, feasibility studies, optimisation studies etc)
 - b. **regional and technical workshops** on the barriers and opportunity areas for gas users
 - c. **guidance, tools and case studies** on businesses implementing energy efficiency and fuel switching solutions
5. We have chosen these actions because they most directly address the barriers facing gas-using businesses, with the funding EECA has budgeted. There are opportunities to scale up this activity, if additional funding was made available, with more comprehensive support for energy audits, business cases and switching to alternative fuels.
6. As demonstrated at the workshops EECA ran in Hamilton on 30 July, in the current environment many businesses don't know where to start when considering options for energy efficiency and reducing energy demand and they feel 'locked in' to natural gas and their legacy equipment. There is strong appetite for the resources and products EECA has available.
7. Our **workshops** offer two-way communication with businesses. This is important for addressing businesses' reservations to taking action in real-time. Understanding the journey others are on helps attendees to start mapping out what they could do themselves.

Following the workshops that we held in Hamilton on 30 July, of the 58 attendees we have had:

- 16 indicate they would like a walkthrough assessment
- 23 indicate they would like to undertake feasibility studies or energy audits
- 35 indicate they would like to attend a technical session (with most interest relating to high temperature heat pumps, biogas, biomass and energy efficiency).

8. As discussed in the previous briefing (EECA 2025 BRF 022 refers) EECA's **direct engagement** activity has traditionally focussed on large energy users, but has been adapted to provide support to medium-small gas users as well. EECA has a Regional Manager assigned to 169 of the 189 sites operated by the top 100 gas users.

EECA's direct engagement is a key opportunity to drive the 'energy efficiency first' message. As an example, EECA co-funded energy audits for **79 sites in 2024/25**. Of these, 32 sites have completed audits, which have identified **11 GWh (\$460k) of savings with less than a 12-month payback** (across all fuel types), with **6 GWh** of savings currently being implemented (across all fuel types).

9. To illustrate the value of this activity, below are summaries of two projects supported by EECA to help companies adopt new technologies to reduce their energy use. While the energy and cost savings are impressive, it is important to note that they came about due to ongoing direct engagement with these businesses over a long period to help them understand the opportunities available to them. The full draft case study for these projects is included in Appendix 1, and referred to in the next section.

NZ Sugar

- Utilising Mechanical Vapour Recompression technology to reuse waste heat
- **10%** reduction in gas use
- **~4-5 year** payback period

EECA direct engagement

- Relationship since 2012
- EECA supported with an energy management programme, Energy Graduate, Energy Systems Optimisation, feasibility studies (including heat recovery), Energy Transition Accelerator, Energy Audit, Business case development, GIDI

Goodman Fielder

- Heat pump technology to reuse waste heat
- **35%** reduction in gas needed for hot water
- **3.5 year** payback period

EECA direct engagement

- Relationship since 2013
- EECA supported with energy audits, business case development, Energy Transition Accelerator, feasibility studies, fuel switch enabler, Energy Graduate, electrical readiness check and GIDI

Promotional opportunities to enhance the visibility of this activity

10. Case studies on our website currently reflect previous activity, with a decarbonisation focus. We are adapting and refreshing these case studies to support efficiency and gas users, as well as creating new case studies featuring businesses who have moved off gas to high temperature heat pumps or biomass.
11. These case studies will start being published and promoted later in August. The next case study to be published is attached as Appendix 1 and is expected to be published in the week

beginning 18 August. This focuses on projects undertaken by New Zealand Sugar and Goodman Fielder to improve energy efficiency and fuel switching to electricity.

12. We also have a number of tools and resources including checklists and calculators that are being refocused for gas users. This is intended to be completed in September.
13. We will highlight this content on our website's homepage, and via our own newsletter and social media channels.
14. We have already been using our relationships with sector bodies to approach businesses to encourage them to attend our workshops. We will use those same sector bodies to promote EECA's content on an ongoing basis.
15. Additionally, we will seek out opportunities to speak to relevant audiences at conferences or via webinars, and will enable business-to-business learning via our workshops, published case studies and other formats.

9(2)(f)(iv)

Insights on barriers, opportunities and readiness to take action

17. We have compiled data on the top 100 gas users (covering 189 sites), with site-level data summarised in Appendix 2. EECA has direct engagement with businesses for 169 of these sites. This information has been sourced from EECA's Regional Energy Transition Accelerator programme and insights from EECA Regional Managers.
18. This data is being used to better target our products, such as focussing on businesses whose gas contracts are coming up for renewal in the next couple of years. However, the data already provides some useful insight.
 - a. Over 73% of the top 100 have completed an Energy Transition Accelerator assessment¹ with EECA at some point. More recently, 29% of sites have completed a feasibility study related to demand reduction or fuel switching with EECA support and 29% have completed a detailed Energy Audit with EECA support.

¹ A previous EECA programme where, through an ongoing relationship, EECA would facilitate expert support to help businesses onto a long-term pathway to reduced energy use and emissions reduction by identifying technically and economically viable decisions and investments.

- b. For these 189 sites, EECA's RETA data identified that as of 2022 (RETA base year) there were 36 confirmed projects (business has committed to proceed and confirmed funding) for demand reduction or fuel switching, which would account for a 31% reduction in the gas used by the top 100 organisations. Based on what was originally estimated, there are about 11 projects remaining, which would account for 16% reduction in gas used by the top 100. The RETA data suggests that these projects are estimated to all be completed by 2027.
19. Appendix 3 provides a one-pager for each region, setting out the number of sites and gas usage in the region, and confirmed fuel switching projects. They also show the scale of unconfirmed potential opportunities for demand reduction and fuel switching, and brief commentary on relevant considerations related to energy use in the regions.

The information shows clear common barriers facing businesses

20. The gas user data we have prepared, as well as EECA's recent workshops with gas users, have highlighted a number of common barriers to businesses taking action to reduce energy demand or consider fuel switching:
- a. The most common barrier relates to the high capital cost associated with transitioning and access to capital.
 - b. Businesses perceive risk on all energy options now as there is no long-term certainty on supply and price. Gas has been a convenient fuel on tap, whereas transition to biomass is expensive and requires a large footprint. There is a perception that electrification may be more expensive with lines upgrades and recent price volatility.
 - c. Lack of knowledge of energy options and what a transition could mean for business productivity and profitability.
 - d. Complexity with integrating non-gas technologies into their operations with some unable to transition off gas due to specific technical processes employed.
 - e. For new technologies or those new to New Zealand - limited specifier knowledge and market confidence.
 - f. Lack of independent performance validation and peer examples.
21. The barriers echo what has been heard through the BEC/Optima gas user forum on 8 August and what the Commerce Commission heard through its recent discussions with gas users as part of the reset of gas pipeline charges (Gas DPP4 2026).

Next steps

22. We will discuss this paper, **9(2)(f)(iv)**, at your meeting with EECA officials on 20 August.

Appendix 1 – Upcoming case studies on projects by NZ Sugar and Goodman Fielder

Heat recovery technology: driving industrial efficiency in food manufacturing

How New Zealand Sugar & Goodman Fielder are cutting costs using clean and clever equipment

Across New Zealand, food manufacturers are exploring new ways to reduce energy use and cut costs while staying competitive. New Zealand Sugar (Chelsea Sugar) and Goodman Fielder's Longburn Dairy Plant took on this challenge by turning wasted heat into a valuable energy source. Their journeys show how different heat recovery technologies can deliver significant financial and environmental benefits.

Overview

Both New Zealand Sugar and Goodman Fielder's dairy plant operate at industrial scale, producing staple foods for New Zealand households. Both companies face similar challenges: rising energy costs, ambitious sustainability targets, and aging infrastructure.

The numbers:

- New Zealand Sugar processes ~200,000 tonnes of sugar products per year.
- Goodman Fielder processes ~100 million litres of milk annually.

Both businesses identified waste heat as an untapped resource that could be recovered, reducing reliance and spend on natural gas, in addition to reducing carbon emissions.

New Zealand Sugar finds opportunity in waste heat

Impact Summary

- **Technology:** Mechanical Vapor Recompression (MVR) evaporator.
- **Efficiency gain:** 7x more energy efficient than the previous thermal vapour recompression (TVR) system.
- **Operational benefit:** Increased syrup concentration (79%), reducing downstream boiling times and debottlenecking production.
- **Gas reduction:** 10% reduction relative to 2022 baseline.

- **GHG savings:** ~2,000 tonnes of CO₂e annually.
- **ROI:** Comparable industry installations cost NZD \$3–5 million with ~4–5 year payback

Sugar refining is energy-intensive, particularly during the evaporation stage, which traditionally relied on gas-fired steam. Rising gas costs and New Zealand Sugar’s ambitious goal to reduce emissions by 42% by 2032 prompted the team to look for innovative solutions.

The refinery replaced its old thermal vapor recompression (TVR) evaporator which is steam driven with an electrically driven Mechanical Vapor Recompression (MVR) system.

The MVR captures vapour produced during evaporation, compresses it, and reuses it as a heat source. By recycling this energy more efficiently, the refinery significantly reduced its reliance on gas. New Zealand Sugar’s refinery process manager Lee-Andra Abrahams says the MVR has been a crucial project for the organisation.

“It has enabled us to reduce our gas consumption by about 10% while improving throughput and downstream efficiencies.”

The project required advanced automation, staff training, and careful planning to ensure a smooth transition.

New Zealand Sugar General Manager Matt Donn says the success of the MVR gave the organisation the confidence to step into new technologies.

“It’s enabled us to push what we are capable of,” says Donn.

How Mechanical Vapor Recompression works

- **Stage 1:** Capture low-pressure steam vapor generated during sugar syrup evaporation.
- **Stage 2:** Compress vapor to increase pressure and temperature.
- **Stage 3:** Reuse recompressed vapor as a heat source in a closed-loop system.
- **Result:** Reduces gas-fired steam input and achieves up to seven times higher efficiency than the old system.

Goodman Fielder harnesses refrigeration waste heat with heat pumps

Impact summary

- **Technology:** Two 450 kW packaged heat pumps capturing refrigeration waste heat.
- **Efficiency gain:** COP up to 4, displacing gas-fired water heating.
- **Gas reduction:** 35% in secondary hot water production.
- **GHG savings:** ~1,200 tonnes of CO₂e annually.
- **ROI:** ~NZD \$1.2–1.5 million with 3.5-year payback

Cleaning and pasteurisation required huge volumes of hot water, traditionally produced by gas boilers. This was costly, carbon-intensive, and under scrutiny as the company pursued efficiency and sustainability.

The solution: industrial heat pumps capturing heat from the ammonia refrigeration system – previously lost to the atmosphere – to produce all secondary hot water needed for cleaning and support services.

Goodman Fielder site manager Johnny Duff says the team has seen a 35% reduction in gas usage site wide and achieved a three-and-a-half-year payback period.

“It was a no-brainer for us,” says Duff.

This removed an entire category of gas demand, saving ~\$1,000 per day. Another benefit was cutting emissions by 1,200 tonnes annually.

Accurate data and strong collaboration ensured proper system sizing and seamless integration.

Goodman Fielder capital project manager Mike Christianson says any business with process heat demand needs to be focusing on this kind of technology.

“Don’t delay – be bold,” he says.

The success of the project relied on accurate data to size the system correctly and on strong collaboration between engineers and site teams to ensure seamless integration into daily operations.

How the heat pumps work

Goodman Fielder's dairy plant used piped natural gas to produce both primary (103°C) and secondary (55°C) hot water for pasteurisation and cleaning. The secondary hot water was produced inefficiently by the same boiler used for pasteurisation.

- **Heat source:** Waste heat from the ammonia refrigeration system, previously emitted to the atmosphere via cooling towers.
- **Heat pump integration:** A packaged 450 kW heat pump raises incoming water temperature from ~20°C to 55°C for cleaning in place (CIP) and other processes.
- **Impact:** 100% of secondary hot water needs are now met by recovered heat, freeing the main boiler to focus on primary pasteurisation tasks.

Looking ahead

The success of these projects has provided the confidence for both companies to go further. New Zealand Sugar is planning a second MVR installation by 2026 and exploring a hybrid of electrification and wood pellets. Goodman Fielder is investigating high-temperature heat pumps to eventually replace its gas boilers completely.

These two stories show that energy efficiency is no longer just a cost exercise – it's a pathway to future-proofing businesses. By rethinking how heat is used, both companies are cutting energy costs and demonstrating what a low-carbon future for food manufacturing looks like.

Intersecting learnings

Both businesses leveraged heat recovery technologies tailored to their industries:

- MVR at New Zealand Sugar focuses on reclaiming process steam vapor, enabling core process energy reduction in sugar refining.
- Heat pumps at Goodman Fielder capture and upgrade waste refrigeration heat, optimising hot water supply in dairy processing.

Common themes include:

1. **Solid data foundations:** Both teams highlighted the importance of upfront engineering analysis and energy audits.
2. **Skill & change management:** Success relied on in-house engineering knowledge, external expertise, and staff training.

3. Measurable impact: Both projects exceeded expectations – New Zealand Sugar cut gas use by 10% and Goodman Fielder by 35%.

Technical deep dive: why MVR is a step change

Unlike traditional evaporators that use direct steam, MVR technology:

- Reduces primary energy demand because it re-energises vapour from evaporation for ongoing reuse.
- Uses electric motors, which are 97% efficient and integrate well with renewable electricity sources.
- Offers scalable performance, enabling multiple-effect evaporator designs or integration with other heat recovery units, such as heat pumps for auxiliary processes.

This approach complements technologies like Goodman Fielder’s heat pumps, showing that industrial energy efficiency is not one-size-fits-all but a toolbox of solutions matched to each process.

Appendix 2 – Site-level data on top 100 gas-using businesses EECA works with

See attachment

Appendix Two withheld in full under section 9(2)(b)(ii).

Appendix 3 – Regional snapshots

See attachment

Appendix 3 – Regional snapshots

AUCKLAND

Number of top 100 gas-using orgs that have a site in this region	58		
Number of sites belonging to those orgs	71		% of total gas use of top 100
Total gas usage of those sites	8,860	TJ/Year	25%
Of these sites EECA has direct engagement with	57		

Confirmed projects	Number of projects	Total gas use reduction (TJ/year)	Percent of regional gas use of NZ top 100 users in that region
Demand Reduction	6	650	7%
Fuel Switch Electric	2	905	10%
Fuel Switch Heat Pump	2	118	1%
	10	1,673	19%

Site shutdown	2	879	10%
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Potential projects	Number of projects	Total gas use reduction (TJ/year)	Percent of regional gas use of NZ top 100 users in that region
Fuel Switch Biomass	42	2,388	27%
Demand Reduction	59	481	5%
Fuel Switch Electric	13	2,151	24%
Fuel Switch Heat Pump	28	1,230	14%
Renewable gas Fuel Switch	1	46	1%
	143	6,296	71%

Regional narrative

Aside from the largest users, Auckland has many smaller industrial sites using medium volumes of natural gas. This includes food manufacturers, breweries, commercial buildings.

Auckland has to date been slower to transition than other regions. Barriers include significant costs to upgrade electricity lines, capacity issues and physical space to deploy new assets in built up areas.

Technologies like biomass have mostly been dismissed due to supply/space/assumed barrier of not being able to get consents.

Demand spread across lots of industrial sites from a variety of sectors.

Metals and glass manufacturing high usage and need high-temp solutions, and these sectors aren't as present in other regions. We're working closely with NZ Steel.

North and South of the city there is lots of covered cropping with unique options (low temps so heat pumps / geoheat possible, but CO₂ enrichment may be required).

Appendix 3 – Regional snapshots

NORTHLAND

Number of top 100 gas-using orgs that have a site in this region	1
Number of sites belonging to those orgs	2
Total gas usage of those sites	950
Of these sites EECA has direct engagement with	2

TJ/Year

% of total gas use of top 100
3%

No Confirmed projects

Potential projects	Number of projects	Total gas use reduction (TJ/year)	Percent of regional gas use of NZ top 100 users in that region
Fuel Switch Biomass	5	737	78%
Demand Reduction	2	109	11%
Fuel Switch Heat Pump	2	105	11%
	9	950	100%

Regional narrative

Demand is dominated by two Fonterra dairy factories **9(2)(b)(ii)**

Potential risk to remaining users on the network if the Fonterra sites were to switch off gas. **9(2)(b)(ii)**

Next largest is Hospital.

Significant wood energy supply opportunity, **9(2)(b)(ii)**

Appendix 3 – Regional snapshots

WAIKATO

Number of top 100 gas-using orgs that have a site in this region	23		
Number of sites belonging to those orgs	33		% of total gas use of top 100
Total gas usage of those sites	11,277	TJ/Year	32%
Of these sites EECA has direct engagement with	31		

Confirmed projects	Number of projects	Total gas use reduction (TJ/year)	Percent of regional gas use of NZ top 100 users in that region
Fuel Switch Biomass	3	277	2%
Demand Reduction	4	2,527	22%
	7	2,804	25%
Site shutdown	1	6	0%

Potential projects	Number of projects	Total gas use reduction (TJ/year)	Percent of regional gas use of NZ top 100 users in that region
Fuel Switch Biomass	28	7,343	65%
Demand Reduction	24	535	5%
Fuel Switch Electric	1	3	0%
Fuel Switch Heat Pump	23	668	6%
	76	8,550	76%

Regional narrative

Transition to biomass seems obvious solution, followed by electrification and geothermal heat. Overall, there are opportunities across this region and EECA can help provide co-ordination.

Heat demand in the Waikato dominated by dairy factories and Oji Pulp Mill at Kinleith. **9(2)(f)(iv)**. Wood energy a good solution for dairy (proven technology and have space on sites), but biomass supply may need to be included from out of region. There is a lack of biomass demonstration sites for small-medium sized industrials.

9(2)(g)(i)

There is uncertainty about medium-long term energy prices - including both biomass and electricity. **9(2)(g)(i)** Electricity is still expensive when compared to future gas for industrials who need high temperatures.

Appendix 3 – Regional snapshots

BAY OF PLENTY

Number of top 100 gas-using orgs that have a site in this region	11		
Number of sites belonging to those orgs	12		% of total gas use of top 100
Total gas usage of those sites	4,224	TJ/Year	12%
Of these sites EECA has direct engagement with	12		

Confirmed projects	Number of projects	Total gas use reduction (TJ/year)	Percent of regional gas use of NZ top 100 users in that region
Demand Reduction	2	479	11%
Fuel Switch Electric	1	914	22%
	3	1,393	33%

Potential projects	Number of projects	Total gas use reduction (TJ/year)	Percent of regional gas use of NZ top 100 users in that region
Fuel Switch Biomass	10	1,562	37%
Demand Reduction	9	377	9%
Fuel Switch Electric	3	218	5%
Fuel Switch Heat Pump	6	196	5%
Fuel Switch Geothermal Heat Pump	2	338	8%
By-Products fuel switch	1	54	1%
	31	2,745	65%

Regional narrative

Demand a mix of dairy, wood and other. Geothermal options utilised in Kawerau.

9(2)(f)(iv)

Fonterra Edgecumbe proceeding with switching from gas to electric steam, removing co-gen and installing e-boiler.

High energy usage around the Tauranga port, where air consents may not be permitted for wood energy (and several large users have just signed up for 5 years gas contracts).

Foresta looking at black pellet facility in Kawerau.

9(2)(g)(i)

Electricity is still expensive when compared to future gas for industrials who need steam/high temperatures. Op-ex is at best break even plus high transition costs requiring multi-million dollar investments.

Appendix 3 – Regional snapshots

TAIRĀWHITI

Number of top 100 gas-using orgs that have a site in this region	2
Number of sites belonging to those orgs	2
Total gas usage of those sites	166
Of these sites EECA has direct engagement with	2

TJ/Year

% of total gas use of top 100
0.5%

No Confirmed projects

Potential projects	Number of projects	Total gas use reduction (TJ/year)	Percent of regional gas use of NZ top 100 users in that region
Demand Reduction	4	18	11%
Fuel Switch Electric	1	139	83%
Fuel Switch Heat Pump	1	10	6%
	6	166	100%

Regional narrative

Small demand region, but at the end of gas transmission network (~160km pipeline from Opotiki is a risk).

Biomass has emerged as a cost-effective alternative for industrial applications requiring high-temperature boilers. The region's abundant forestry could contribute to biomass viability within New Zealand.

9(2)(b)(ii)

Appendix 3 – Regional snapshots

HAWKE'S BAY

Number of top 100 gas-using orgs that have a site in this region	15		
Number of sites belonging to those orgs	19		% of total gas use of top 100
Total gas usage of those sites	1,786	TJ/Year	5%
Of these sites EECA has direct engagement with	19		

Confirmed projects	Number of projects	Total gas use reduction (TJ/year)	Percent of regional gas use of NZ top 100 users in that region
Fuel Switch Biomass	1	90	5%
Demand Reduction	1	8	0%
Fuel Switch Heat Pump	3	127	7%
	5	224	13%

Potential projects	Number of projects	Total gas use reduction (TJ/year)	Percent of regional gas use of NZ top 100 users in that region
Fuel Switch Biomass	16	1,018	57%
Demand Reduction	15	296	17%
Fuel Switch Heat Pump	9	248	14%
	40	1,562	87%

9(2)(b)(ii)

Regional narrative

Region does not have a single dominant gas user (no dairy factories in region).

Several large users producing primary products with slim margins and (mostly) overseas corporate ownership meaning capital is short 9(2)(b)(ii)

Region still recovering from Cyclone Gabrielle impacts. The manufacturing sites are hugely economically important for export earnings and employment (directly and indirectly - e.g. farmers). Opportunity for wood energy supplied from within the region from a group of forest owners.

Electrification is still out of reach for most steam applications in industrial sites.

Appendix 3 – Regional snapshots

TARANAKI

Number of top 100 gas-using orgs that have a site in this region	8		
Number of sites belonging to those orgs	14		% of total gas use of top 100
Total gas usage of those sites	5,869	TJ/Year	17%
Of these sites EECA has direct engagement with	14		

Confirmed projects	Number of projects	Total gas use reduction (TJ/year)	Percent of regional gas use of NZ top 100 users in that region
Fuel Switch Electric	2	3,619	62%
Fuel Switch Heat Pump	1	169	3%
	3	3,789	65%

Potential projects	Number of projects	Total gas use reduction (TJ/year)	Percent of regional gas use of NZ top 100 users in that region
Fuel Switch Biomass	11	942	16%
Demand Reduction	11	404	7%
Fuel Switch Electric	3	162	3%
Fuel Switch Heat Pump	12	454	8%
Direct heating electric	1	74	1%
Induction furnace	1	44	1%
	39	2,080	35%

Regional narrative

Largest gas using region, due to proximity of supply.

Methanex and Ballance use gas as feedstock and need large volumes at cheap prices to make product at internationally competitive pricing (note recent announcement of Ballance pausing as Contact bought their 7 PJ p.a. contract from Greymouth).

Next largest site is Fonterra Whareroa who have a big project removing co-gen and installing e-boilers **9(2)(b)(ii)** Also recently commissioned NZs largest heat pumps (7 MW).

Risk in metal sites, who are investigating options.

Remaining users in Taranaki are medium sized. They consist of food processors/manufacturers. None of these have committed to any projects. Feasibility studies have been completed by some end users. Potential for transition projects to occur but could be a few years away.

Appendix 3 – Regional snapshots

MANAWATŪ - WHANGANUI

Number of top 100 gas-using orgs that have a site in this region	16		
Number of sites belonging to those orgs	23		% of total gas use of top 100
Total gas usage of those sites	1,799	TJ/Year	5%
Of these sites EECA has direct engagement with	22		

Confirmed projects	Number of projects	Total gas use reduction (TJ/year)	Percent of regional gas use of NZ top 100 users in that region
Fuel Switch Biomass	1	53	3%
Demand Reduction	1	9	1%
Fuel Switch Heat Pump	3	40	2%
	5	103	6%

Potential projects	Number of projects	Total gas use reduction (TJ/year)	Percent of regional gas use of NZ top 100 users in that region
Fuel Switch Biomass	19	1,334	74%
Demand Reduction	30	172	10%
Fuel Switch Heat Pump	12	179	10%
	61	1,685	94%

Regional narrative

Spread out region, with some dairy factories. Carbona looking at torrefied pellet facility in the old WPI site.

Biomass is an option, some businesses are looking at it. Also wood energy supply potential. There is a role for EECA in getting together suppliers and users of biomass. Potential for biomass hub for this region.

A big barrier is electrical infrastructure.

All gas users in this region are concerned about the price of gas but mid-tier users do not have any plans. Most are at the study phase. Every main user is doing or about to complete a study.

Majority of sites are at least implementing demand reduction. Most mid-tier sites are either doing energy audits or working through the implementation of demand reduction identified in those audits.

Appendix 3 – Regional snapshots

WELLINGTON

Number of top 100 gas-using orgs that have a site in this region	8		
Number of sites belonging to those orgs	13		% of total gas use of top 100
Total gas usage of those sites	283	TJ/Year	1%
Of these sites EECA has direct engagement with	10		

No Confirmed projects

Potential projects	Number of projects	Total gas use reduction (TJ/year)	Percent of regional gas use of NZ top 100 users in that region
Fuel Switch Biomass	2	9	3%
Demand Reduction	13	55	19%
Fuel Switch Electric	4	103	36%
Fuel Switch Heat Pump	10	117	41%
	29	283	100%

Regional narrative

Very few industrial users, commercial building focus.

A big barrier is electrical infrastructure (RETA report provides more detail).

Machine learning is a big opportunity for commercial buildings. This sits on top of Building Management Systems (BMS) and provide big demand reduction gains.

Many sites need to demonstrate that they have a transition plan to get a gas contract. EECA can help them with this.

Commercial buildings are an easy play as their main use of gas is hot water and space heating, which is easy to switch to heat pump.

There are some meat processing plants, whose main barrier is access to capital, and these companies are struggling financially at the moment.

Appendix 4 – Upcoming EECA action for supporting gas users

Work area	July-September 2025	October-December 2025	January-March 2026
<p>Support for small-medium gas users</p> <p>Indirect and low-cost information and support to enable businesses to consider opportunities for energy efficiency and demand reduction.</p>	<ul style="list-style-type: none"> • July: Regional workshops begin (Waikato reaching over 50 attendees and 40 businesses/organisations) • July: Walk-through energy assessments begin (9(2)(ba)(i)) • August: Auckland Regional workshop • September: 3rd Regional workshop (location TBC) • September: Technical workshops begin – heat pump technology • Market research on design of best forms of support 	<ul style="list-style-type: none"> • Technical workshops continue (topics TBC) • Walk-through assessments continue • Market research on design of best forms of support 	<ul style="list-style-type: none"> • Refine/review support products
<p>Large gas users</p> <p>Providing targeted direct engagement with businesses to identify energy efficiency and demand reduction opportunities.</p>	<ul style="list-style-type: none"> • Regional Managers engaging with businesses to promote EECA support products (energy audits, feasibility studies etc) • Use detailed business data to target highest-opportunity businesses 	<ul style="list-style-type: none"> • Regional Managers engaging with businesses to promote EECA support products (energy audits, feasibility studies etc) • Explore potential new products/support channels, reflecting updated understanding of barriers etc 	<ul style="list-style-type: none"> • Regional Managers engaging with businesses to promote EECA support products (energy audits, feasibility studies etc) • Potential to roll out new support channels
<p>Biomass</p> <p>Accelerate the development of supply and demand markets for biomass, to provide a feasible option for businesses.</p>	<ul style="list-style-type: none"> • Planning and development of funding support activities • Work on a range of research, analysis and tools to support the biomass market • Support investment cases for wood energy production plants (e.g. torrefied and white pellets) 	<p>9(2)(f)(iv)</p> <ul style="list-style-type: none"> • Support investment cases for wood energy production plants (e.g. torrefied and white pellets) 	<p>9(2)(f)(iv)</p> <ul style="list-style-type: none"> • Support investment cases for wood energy production plants (e.g. torrefied and white pellets)

9(2)(f)(iv)