EECA ENERGY EFFICIENCY & CONSERVATION AUTHORITY
TE TARI TIAKI PŪNGAO

9(2)(a) [redacted]

27/07/2026

Dear [redacted]

## Re: Official Information Act Request: Gas Transition Loan Guarantee Scheme

Thank you for your email on 29 June 2026 in which you requested information under the Official Information Act 1982. In summary, you requested:

1. *all advice provided by EECA to the Treasury, the Ministry of Business, Innovation and Employment and the Minister of Energy, on the Government initiative "Loans to help businesses transition away from gas," announced on 28 May 2026; and*
2. *all advice and instructions received by EECA from the Treasury, the Ministry of Business, Innovation and Employment and the Minister of Energy, on the Government initiative "Loans to help businesses transition away from gas," announced on 28 May 2026.*

Following a rescoping of the request this was narrowed down to:

- *Substantive briefing materials, including the climate impact assessment;*
- *Substantive advice EECA provided to MBIE/TSY to help understand the scheme; and*
- *Instructions from your Minister and Treasury to EECA, including as you note the rationale for EECA's role in the scheme.*
- *Any substantive advice received from TSY or MBIE in relation to the scheme.*

In response to your request:

Please see **Appendix One** for EECA's response to your request.

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

- 18(d) – that the information requested is or will soon be publicly available.

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.

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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

M.L.Bell

Murray Bell
**Group Manager, Policy and Regulation**

## Appendix One: Gas Transition Loan Guarantee Scheme

Please see email attachment for relevant material.

## Follow up for EECA/MBIE/Treasury call on 22 January

### Summary of EECA feedback on scheme design

| Key criteria | EECA proposal | EECA comments |
|---|---|---|
| **Eligibility criteria – Businesses** | | |
| Business size | • Minimum annual gas usage of 6,000 GJ (decreased from original 10,000 GJ proposal)<br>• Maximum annual gas usage of 300,000 GJ<br>• Exclusion for businesses with annual revenue of $[x]m. | • We would suggest reducing the bottom range of eligibility from 10,000 GJ to 6,000 GJ, as a large proportion of businesses (approx. 70%) with annual gas consumption of 6,000-10,000 GJ are industrial, agriculture, and food & beverage related. Therefore, they are key target firms as part of the scheme. Increasing the range opens the scheme up to another 32 businesses whose aggregate annual gas demand is ~260,000 GJ. Reference data is included on page 7.<br>• A cap of 300,000 GJ excludes very large gas users, but does not exclude other very large corporates who are only medium gas users.<br>• We would suggest adding a revenue (or similar) based exclusion if the intent of the scheme is to exclude very large corporates. We would recommend discussing the $ limit with banks in your engagements with them, as they will have a good view on the size above which the scheme is less beneficial (given those corporates will already have good credit ratings, and therefore do not require a government guarantee to secure additional debt at competitive interest rates). You may also want |

| Key criteria | EECA proposal | EECA comments |
|---|---|---|
| | | to ask banks whether a revenue cap is the right metric, or whether another metric would be easier to implement, e.g. excluding listed businesses or excluding "institutional" businesses, but note that each bank may have slightly different definitions of what they consider "institutional". |
| Type of gas users included within the scheme | • Industrial<br>• Commercial<br>• Agriculture<br>• Forestry and fishing | • We would recommend making the scheme available beyond simply industrial customers to all industrial, commercial, agriculture and forestry and fishing businesses who fall within the gas usage (and revenue) criteria.<br>• Gas reduction from any part of the market helps users who are less able to transition.<br>• RETA data suggests that there are some commercial, agriculture and forestry and fishing businesses who would fall within the eligible range of gas use. |
| Eligibility criteria – Projects | | |
| Project type | • Gas efficiency projects<br>• Gas switching projects e.g. (non-exhaustive)<br>  ○ Heat pump<br>  ○ High temperature fuel switching (electricity)<br>  ○ High temperature fuel switching (biomass) | • Both efficiency and fuel switching projects should be included as both reduce demand for gas. Efficiency projects are also sometimes a stepping stone to the completion of a switching project.<br>• We suggest that the eligibility criteria remain agnostic as to the type of switching project and the fuel being switched to, provided that gas demand is reduced. |

| Key criteria | EECA proposal | EECA comments |
|---|---|---|
| | ◦ Distributed renewables (if directly required to enable the fuel switching project)<br>• In each case, projects must meet the minimum gas reduction criteria and payback period criteria below<br>• Exclude fuel switching projects that switch from gas to a more emissions intensive fuel source, e.g. coal | • However, we would recommend excluding fuel switching projects from gas to a more emissions-intensive fuel source as this delays, rather than solves the issue of fuel security for the business. |
| Related costs and expenses | Consider including pre-agreed costs and expenses which are directly related to the project | • The APLMA Green Loan Principles permit the inclusion of eligible costs and expenses relating to green loan projects.<br>• The definition of eligible costs and expenses should be agreed between Treasury and the banks. EECA can provide input on the types of costs and expenses that we expect to be directly related to eligible projects. |
| Minimum gas reduction criteria | Gas efficiency and switching projects must be expected to achieve a minimum reduction of [40-50]%, with that reduction not being the result of decreased production or output. | • It may be sensible to consider a de minimis reduction in output or production that is acceptable, e.g. if production or output is reduced <10% for a 40-50% reduction in gas usage, TBC whether that should still qualify. |
| Project payback period criteria | Exclude projects that have a payback period of less than or equal to [18-24] months | • Efficiency projects with short payback periods should be attractive enough for businesses to fund directly |

| Key criteria | EECA proposal | EECA comments |
|---|---|---|
| | | (without bank finance), so we would suggest excluding them. |
| **Loan criteria** | | |
| Loan type | New lending only, no refinancing. Lending provided by registered banks and key non-bank lenders | • Certain non-bank lenders are particularly focused on the gas switching market, e.g. Sustainable Finance, so we would recommend including non-bank lenders within the scheme |
| Loan size | • Minimum loan size of $[x]m<br>• Maximum loan size of $15m | • We don’t have any comments on the minimum loan size – this should be agreed between Treasury and the banks from an administration perspective.<br>• We suggest a potential maximum loan size of $15m, based on the capital investment required from a project perspective. The average fuel switch project cost for a business with annual gas consumption of 100,000-300,000 GJ (largest usage range) is c.$18m. Assuming the project is 70% debt funded (=$12.6m loan), this would allow for the largest projects for eligible businesses to covered by the scheme (noting fuel switching projects are more expensive than gas efficiency projects), while providing a buffer for increased project costs. |
| Loan tenor | Encourage lenders to offer longer than 5-year loan tenor | • While we would recommend Treasury encouraging lenders to offer greater than 5-year lending terms (and longer than 5-year amortisation profiles) for eligible projects, we would not necessarily recommend making |

| Key criteria | EECA proposal | EECA comments |
| --- | --- | --- |
| | | this an eligibility requirement of the scheme, as doing so may decrease the effectiveness of the scheme.<br>• We understand that capital treatment and RBNZ requirements are the main prohibitions on longer than 5-year debt. |
| Risk sharing arrangement | To be agreed between Treasury and banks | • We don't have any comments on risk sharing arrangements or % of loan amounts that the guarantee should cover – this should be agreed between Treasury and the banks. Previous guarantee schemes will be the most useful guide as to what is most likely to increase bank lending. |
| Availability period | Availability period of [3-4] years | • We would recommend increasing the availability period to at least 3 years, given there is typically a 1–2-year lead time to complete feasibility, technical assessments and internal investment case approval prior to engaging with lenders. |
| Maximum lender limit | To be agreed between Treasury and banks | • While Treasury could seek to impose lender limits roughly in line with banks' market share, this could have the unintended consequence of limiting the effectiveness of the scheme if one bank in particular promotes the scheme to their customers and/or uses it as a customer acquisition tool.<br>• In terms of scheme effectiveness and risks to Treasury, it should not matter which bank undertakes the lending |

| Key criteria | EECA proposal | EECA comments |
|---|---|---|
| | | (except, perhaps, in the case of non-bank lenders for which a maximum limit might be appropriate).<br>• If a limit is set for mainstream banks, we would suggest setting this higher rather than lower. |
| Maximum scheme limit | $2bn of eligible lending | • We are supportive of proposed $2bn upper limit based on estimated 213 businesses in scope of the scheme and multiplying this by the average project cost per gas consumption tier, which results in estimated total project costs of $1.4bn. The $2bn upper limit provides a buffer for an increase in project costs and businesses who may also want to undertake gas efficiency projects as part of the scheme (estimated additional project costs of $241m). Reference data is included on page 7.<br>• Extending the bottom range of eligibility from 10,000 GJ to 6,000 GJ enables a meaningful additional total gas demand reduction of c. 260,000 GJ for total project costs of c. $88m, so should not have a material fiscal impact. |

Business data breakdown (EECA internal analysis) – based on RETA data

| Annual Gas consumption | Number of sites | Number of businesses | Total Gas consumption (GJ) | Average demand reduction project cost ($) | Average demand reduction project Gas reduction per project (GJ) | Average fuel switch project cost ($) | Average fuel switch project Gas reduction per project (GJ) |
|---|---|---|---|---|---|---|---|
| 6,000-10,000 | 33 | 32 | 263,051 | [illegible] | 1,220 | [illegible] | 6,676 |
| 10,000–25,000 | 84 | 68 | 1,397,716 | [illegible] | 2,080 | [illegible] | 13,936 |
| 25,000–50,000 | 46 | 39 | 1,654,050 | [illegible] | 4,915 | [illegible] | 30,639 |
| 50,000–100,000 | 36 | 29 | 2,408,713 | [illegible] | 12,152 | [illegible] | 49,020 |
| 100,000–300,000 | 32 | 31 | 5,470,759 | [illegible] | 25,295 | [illegible] | 119,740 |
| >300,000 | 27 | 14 | 45,510,736 | [illegible] | 291,139 | [illegible] | 469,745 |
| Total | 258 | 213 | 56,705,025 | | | | |

Follow up on discussion questions from slides

<u>Case for intervention</u>

4. What potential risks or unintended consequences should be considered?

- Market distortion – seems low with a guarantee scheme – banks continue to originate loans based on their credit criteria (albeit may broaden projects eligible for lending).
- Market chilling effect – if there is a lag between announcement and scheme operation. Important to ensure that timeframe is short (weeks, not months).
- Delay in uptake – as mentioned during the call, there may not be that many shovel-ready projects. The scheme would need to take that account in the availability period as there would be a period of time to get projects from zero to finance ready (potentially a 18–24-month lead time).

- Deadweight loss – scheme could support flows to borrowers who would have obtained finance anyway (i.e. low additionality). Risk would be mitigated by financing new lending which is project-specific, no refinancing permitted.
- Moral hazard – govt sharing in downside risk could result in higher leverage or riskier projects. Risk could be mitigated through project type eligibility criteria, exclusion criteria based on technical feasibility, and use of proceeds criteria on project costs and expenses that are covered by the scheme.

# Scaled options for EECA wraparound support

## Option 1: Existing EECA support

- This option would leverage existing EECA support, funded from baseline. See the ‘Existing support’ column in the table beginning page 2.

**Comment:** This option repurposes existing EECA support for gas users, towards promoting the guarantee scheme. Existing supports are highly limited in their reach and are unlikely to be sufficient to build market interest in the guarantee scheme, or overcome barriers to entry for borrowers.

## Option 2: Core recommended package

- **Trusted information to businesses**: providing a ‘customer journey’ for eligible gas users for gas efficiency and switching projects focused on the four stages of: optioneering, feasibility, developing a business case, and project delivery.
- **Co-funding options for feasibility studies and business cases**: to support early-stage project development and build the case for proceeding with financing.

**Comment:** This option builds on Option 1. It includes existing EECA supports for gas users, but adds what EECA considers to be the minimum additional support required to ensure uptake of the scheme. The actions are explicitly focused on the ongoing non-financial barriers to investment which cannot be mitigated through the guarantee scheme itself, particularly in relation to a lack of internal capital prioritisation.

Activity under Option 2 includes actions to promote the scheme and related information, reduce upfront costs for borrowers, and provide confidence for borrowers to proceed to the financing stage.

## Option 3: Core package, plus additional support

- The support components in Option 2, plus:
- **Additional on-the-ground technical support** to enable **increased 1-1 business engagement, additional workshops, guidance, tools and case studies.** This could include (for example):

    - Energy and process assessments to identify viable fuel switching and efficiency options i.e. energy walk through assessments and/or energy transition assessments
    - Technology-neutral advice on options such as electrification, biomass, process heat optimisation, and load shifting and demand flexibility
    - Support through the delivery phase, including: procurement and contractor selection guidance, support navigating grid connections and electricity contracts, and monitoring and troubleshooting during commissioning and early operation
- This will increase the flow of businesses into the scheme, and support the success of the scheme by reducing other non-financial barriers.
- **Guidance for lenders** on acceptable technologies, performance assumptions, and risk factors, e.g. guidance for bank Credit teams on transition pathways and technologies. This will support banks to extend funds where there are residual concerns about technology risk, over and above the guarantee.
- **Formal verification** of project eligibility for lenders. This could include technical review or validation of projects seeking guarantee backed lending. This will decrease costs to businesses of participating in the scheme, and ease administrative burdens for businesses and banks.
- **Ongoing forecasting and monitoring** to:
    - Estimate aggregate gas reduction impacts under different uptake scenarios
    - Support calculation of emissions reductions
    - Monitor realised gas reductions over time and providing feedback loops to refine scheme settings and eligibility criteria.

    This support will be vital to enable Treasury and/or MBIE to demonstrate value for public spend and to ensure that scheme objectives are realised (ie gas reductions).

**Comment:** This option builds on Option 2. There are a range of other supports EECA considers would be valuable, beyond the information and support for early-stage project development outlined in Option 2. This includes additional regional outreach to build momentum and interest, direct support for lenders to verify projects, and ongoing analysis/reporting on value for money and scheme delivery.

## Proposed EECA wraparound services: support components

| Support component | Existing support | Recommended additional support |
|---|---|---|
| **Trusted information to businesses:** providing a 'customer journey' for eligible gas users for gas efficiency and switching projects focused on the four stages of: optioneering, feasibility, developing a business case, and project delivery. | EECA already provides some information and advice for gas users, but this would need to be expanded under this option. Current support includes case studies and tools and resources to help businesses measure, manage, and reduce their energy use.<br><br>EECA's broader consumer information programme is geared towards other government priorities – electrification, advice on solar, household energy savings and efficiency. | It is recommended that additional supports are funded to support effective visibility and uptake of the guarantee scheme. New online material reflecting the 'customer journey' and impact of the new scheme would be required, as well as associated promotional activity to maximise uptake.<br><br>**Expected costs:**<br>- Solution design: $0.060m (one-off)<br>- Marketing: $0.600m (one-off)<br>- 1 FTE: $0.250m per year |
| **Co-funding options for feasibility studies and business case development** | EECA already provides limited comparable supports, but additional budget would be needed to match the rate of uptake of the guarantee scheme.<br><br>Current EECA support for feasibility studies is limited at $0.500m pa, with $0.250m of that dedicated towards light-touch 'walk through energy assessments'. | It is recommended that specific support for early-stage project development is provided, to build the case for proceeding with financing. This would support activity such as feasibility studies and business case development.<br><br>**Expected costs:**<br>- $1.5m per year (15 feasibility studies pa at $100k) |

| Support component | Existing support | Recommended additional support |
| --- | --- | --- |
| **Additional on-the-ground technical support** to enable **increased 1-1 business engagement, additional workshops, guidance, tools and case studies.** This could include (for example):<br><br>• Energy and process assessments to identify viable fuel switching and efficiency options i.e. energy walk through assessments and/or energy transition assessments<br>• Technology-neutral advice on options such as electrification, biomass, process heat optimisation, and load shifting and demand flexibility<br>• Support through the delivery phase, including: procurement and contractor selection guidance, support navigating grid connections and electricity contracts, and monitoring and | EECA has existing staff focused on related activity. A significant proportion of large energy-using businesses have received support from EECA previously to prepare 'Energy Transition Accelerators', identifying pathways to achieve operational efficiency and fuel switching opportunities.<br><br>It is likely that more relevant businesses would benefit from this kind of intervention, but EECA no longer retains budget for this activity. | It is recommended that one additional FTE is funded to absorb the expected increase in demand for this service.<br><br>**Expected costs:**<br>- $0.250m per year |

| Support component | Existing support | Recommended additional support |
|---|---|---|
| troubleshooting during commissioning and early operation | | |
| **Guidance for lenders** on acceptable technologies, performance assumptions, and risk factors, e.g. guidance for bank Credit teams on transition pathways and technologies. | No current activity | No additional cost |
| **Formal verification** of **project eligibility** for lenders | No current activity | Provide formal verification of project eligibility for lenders, as banks will need external verification of eligibility in accordance with the Green Loan Principles and to support reporting to Treasury (and banks pass on all costs relating to lending to borrowers, so otherwise borrowers will have to pay external consultants for these costs). It is recommended that one additional FTE is funded to absorb this activity.<br><br>**Expected costs:**<br>- $0.250m per year |

| Support component | Existing support | Recommended additional support |
|---|---|---|
| **Ongoing forecasting and monitoring** to:<br>• Estimate aggregate gas reduction impacts under different uptake scenarios.<br>• Support calculation of emissions reductions.<br>• Monitor realised gas reductions over time and providing feedback loops to refine scheme settings and eligibility criteria. | No current activity | It is recommended that 0.5 additional FTE is funded to absorb this activity.<br><br>**Expected costs:**<br>- $0.125m per year |

## Costs summary

### Option 1: Existing EECA support

Funded from EECA baseline.

### Option 2: Core recommended package

| Support component | 2026/27 ($m) | 2027/28 ($m) | 2028/29 ($m) | 2029/30 ($m) |
|---|---|---|---|---|
| **Trusted information to businesses**: providing a 'customer journey' for eligible gas users for gas efficiency and switching projects focused on the four stages of: optioneering, feasibility, developing a business case, and project delivery. | 0.910 | 0.250 | 0.250 | 0.000 |
| **Co-funding options for feasibility studies and business cases**: to support early-stage project development and build the case for proceeding with financing. | 1.500 | 1.500 | 1.500 | 0.000 |
| **Total** | 2.410 | 1.750 | 1.750 | 0.000 |

Key assumptions:

- 1 additional EECA FTE relating to operational cost to lead and manage the 'customer journey' initiative
- 15 feasibility studies per year at $100k (co-funding amount provided by EECA) – assumes ~20% uptake by businesses

## Option 3: Core package, plus additional support

| Support component | 2026/27 ($m) | 2027/28 ($m) | 2028/29 ($m) | 2029/30 ($m) |
|---|---|---|---|---|
| **Trusted information to businesses**: providing a ‘customer journey’ for eligible gas users for gas efficiency and switching projects focused on the four stages of: optioneering, feasibility, developing a business case, and project delivery. | 0.910 | 0.250 | 0.250 | 0.000 |
| **Co-funding options for feasibility studies and business cases**: to support early-stage project development and build the case for proceeding with financing. | 1.500 | 1.500 | 1.500 | 0.000 |
| **Additional on-the-ground technical support** to enable increased 1-1 business engagement, additional workshops, guidance, tools and case studies | 0.250 | 0.250 | 0.250 | 0.000 |
| **Guidance for lenders** on acceptable technologies, performance assumptions, and risk factors | 0.000 | 0.000 | 0.000 | 0.000 |
| **Formal verification** of scheme eligibility for lenders | 0.250 | 0.250 | 0.250 | 0.000 |
| **Ongoing forecasting and monitoring** | 0.125 | 0.125 | 0.125 | 0.000 |
| **Total** | 3.035 | 2.375 | 2.375 | 0.000 |

Key assumptions:

- 1 additional EECA FTE relating to operational cost to lead and manage the ‘customer journey’ initiative
- 15 feasibility studies per year at $100k (co-funding amount provided by EECA) – assumes ~20% uptake by businesses

- 1 additional EECA FTE to provide additional technical support
- 1 additional EECA FTE to provide formal verification of scheme eligibility for lenders. Note: providing guidance for lenders could be delivered by existing EECA FTE (hence no additional cost included)
- 0.5 additional FTE for ongoing forecasting and monitoring, including gas reduction impact measurement

TE TAI ŌHANGA
THE TREASURY

# Exploring a potential loan guarantee scheme to support gas transition

## Engagement with EECA

JANUARY 2026

# Overview

- Background
- The case for intervention
- Loan guarantee scheme
- Indicative scope and design features
- Discussion questions
- Next steps

# Background

- The Minister of Finance asked Treasury to provide advice on a possible loan guarantee scheme in the context of current gas market challenges. We are in the early stages of developing advice on the case for intervention, the potential scope and design features.
- We are engaging with selected industry stakeholders and banks to test appetite for a potential loan guarantee scheme, the likely impact and possible design options.
- **All information is <u>budget sensitive</u> and should not be shared without approval.**
- There is a broader cross-government programme of work around the gas transition, primarily focused on supply-side interventions. Key elements of this include:
  - Improving gas market transparency and de-risking investment in thermal fuel and capacity. Government has removed the ban on offshore oil and gas exploration and set aside $200m over four years to invest in increasing our gas supply
  - Addressing regulatory barriers, e.g. streamlining consenting and electricity grid connections

# The case for intervention

- Ensuring reliable and affordable energy is a priority for the Government.
- Declining gas supply and rising prices create significant challenges for  businesses. This issue is likely to persist as New Zealand’s high-volume, low-price gas market is unlikely to return.
- Some firms may be able to switch to alternative energy sources or pursue energy efficiency projects to reduce gas consumption, but high upfront capital costs are a significant barrier for many firms.
- A loan guarantee scheme may help ease gas supply pressures, improve affordability and free up gas for critical industries and those unable to switch.
- Compared to other options like direct funding, guarantee schemes promote commercial discipline and minimise market distortions.
- Recent reports from BCG, the Gas Working Group, the Centre for Sustainable Finance, and Optima all emphasise the need for government intervention (but recommended options vary).

# Loan guarantee scheme

**What it is:** A loan guarantee scheme is a financial mechanism where government provides a guarantee to lenders (e.g. banks) that it will cover a portion of the losses if a borrower defaults on their loan.

**How it can support businesses:**

- transfers risk from borrowers to the Crown, allowing lenders to apply the Crown's risk rating to loans
- reduced risk weighting lowers capital requirements, enabling lenders to offer lower interest rates and ease borrowers' debt servicing
- encourages lending in uncertain cashflow situations and can support longer-term loans for businesses.

**Potential benefits**

- leverages bank's commercial discipline and avoids the Government 'picking winners'
- can be tightly defined in its scope regarding eligibility criteria and can be reasonably quick to implement
- lower fiscal cost compared to alternative options like direct funding

**Risks and limitations** include market distortions and moral hazard. In addition, limited credit demand and low lender risk appetite may constrain lending volumes. Businesses may be unable to service additional debt, even at favourable rates.

# Discussion questions

**Case for intervention**

1. How significant are access to lending and current terms of lending as barriers for small and medium-sized industrial firms?
2. What is the likely demand, uptake, and impact of the proposed scheme?
4. What types of projects are most likely to benefit from the scheme?
5. What potential risks or unintended consequences should be considered?

# Indicative scope and design features

**Purpose**: to facilitate investments in gas transition

**Targeted firms**: industrial firms with annual gas consumption between 10,000-300,000 GJ that have a clear path to restored cashflow and capacity for transition-related debt

**Financing**: lending for new investments only, this could include fuel switching or energy efficiency projects

**Exclusion criteria**: scheme would likely exclude large firms that can manage on their own. There may also be a criteria for a minimum gas usage reduction per investment.

**Total size of the scheme:** Estimated upper limit of $2bn

**Numbers of firms:** Estimated that there may be around 100 businesses with annual gas use between 10,000 and 300,000 GJ

**Duration**: 5-10 years lending terms, and availability period of 1-2 years (temporary nature would be intended to encourage firms to bring forward investments)

**Other design parameters:** e.g. risk sharing, limits on each loan, maximum lender limits, risk-based fee, and monitoring and reporting

# Discussion Questions

**Scope and Design**

- Is it appropriate to target firms with annual gas consumption between 10,000–300,000 GJ if the goal is to focus on industrial SMEs materially exposed to gas?
- How many and what types of SMEs are likely to qualify and have viable transition pathways?
- Should there be a minimum gas usage reduction requirement per investment?
- Is a $2bn scheme reasonable for supporting capex investments in gas transition? Would EECA be able to help provide an estimate for the potential reduction in gas usage based on different uptake scenarios?
- Do you have views on other design parameters, e.g. limits on each loan, loan availability, tenor?

# Next steps

- Engagement with selected industry stakeholders and banks
- Policy advice and Ministerial consideration prior to Budget 2026 decisions

Thank you.

TE TAI ŌHANGA
THE TREASURY

# EECA wraparound supports

EECA has been funded $5.9 million over three years to provide wraparound supports that address non-financial barriers to reducing gas use and accelerate the pipeline of 'bankable' projects.

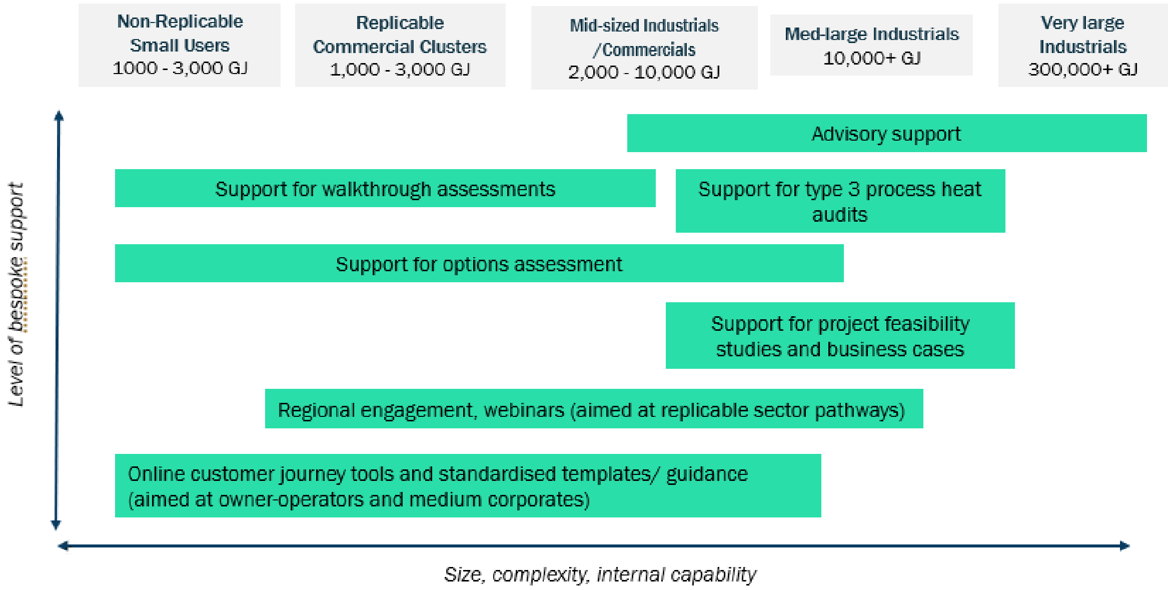
EECA has developed a package of supports that helps to guide firms through the customer journey, with products targeted to the barriers faced by different customer segments. The support package has been informed by customer research and market segmentation analysis. See **Appendix.**

Key features of the support package include:

1. **Only limited advisory and co-funding support for the largest users.** We will apply a high bar to requests for EECA's co-funding options from the largest users. These firms generally have the capability and balance sheet to self-fund external advice, project development and implementation, but may benefit from EECA's technical expertise, market knowledge, and strategic advice. Co-funding may still be considered for large firms with tight margins where EECA considers it necessary or in the public interest.
2. **New options for medium-sized gas users**: We focus on a 'sweet spot' of mid—sized industrials & commercial users who are motivated to act and benefit from the scheme, but may not have internal capability to manage an energy project, and will introduce a new options assessment for these businesses. This is a new product to support small and medium gas users who don't need to undertake a full feasibility study to assess options for reducing energy bills.
3. **Support targeted to customer segments based on needs:** Co-funding products are available where cost is a barrier but targeted according to customer capability and project maturity. Smaller users can access light-touch walk-through assessments, medium-sized users can access a new options assessment product, and larger users can access support for detailed feasibility studies and business cases. These overlap and some customers may benefit from accessing multiple supports (ie, a walkthrough may identify options requiring detailed assessment).
4. **Digital self-service pathways and sector engagement:** An interactive online tool will provide customers with tailored guidance, templates, support recommendations, and links to relevant EECA products based on their sector, ownership structure and project characteristics. This improves decision confidence and quality and reduces transaction costs, particularly for stakeholders with common replicable transition opportunities. We will supplement these tools with regional engagement and webinars.

Our one-to-one supports will be ready to launch on 31 July. The digital self-service pathway will launch iteratively over the next 3-6 months across different sectors as we develop the web tool and relevant guidance and tools.

## Gas Loan Guarantee Scheme – EECA Wraparound Supports

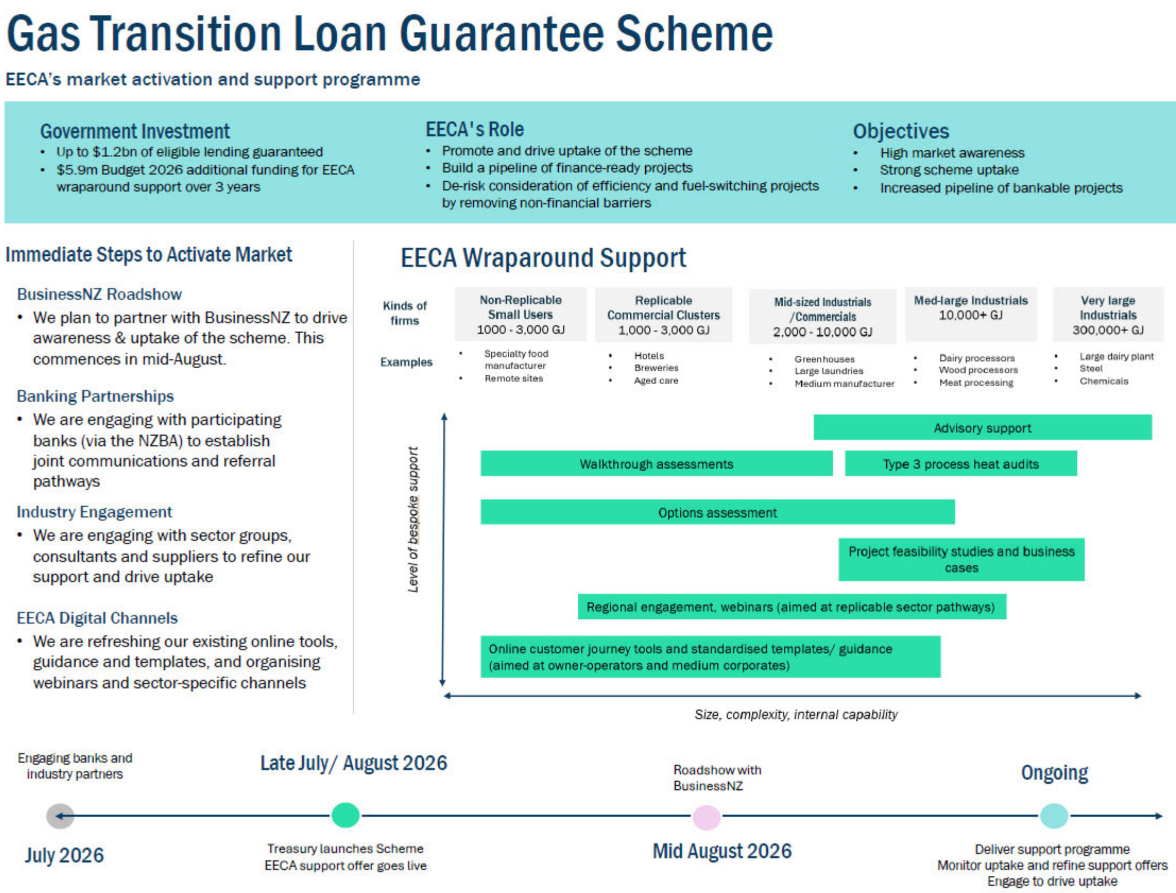


## Appendix: EECA's wraparound supports

| Support | Status | EECA offer | Eligibility | Indicative budget & volumes | Ready |
|---|---|---|---|---|---|
| **Advisory support** | Existing, but we expect greater uptake | Technical advisory support, including contractor and procurement selection advice, support navigating grid connections, and monitoring and troubleshooting during commissioning. Strategic coordination leveraging EECA's connections with market participants and government agencies. | Level of support triaged after contact is made in relation to size of impact. More bespoke support expected for firms using more gas. | Reprioritisation of existing Regional Managers and **$750k** over three years ($250k p.a.) for additional 1 FTE[1]. | 31 July |
| **Walk-through assessments** | Existing, with changes to eligibility criteria | EECA will fund to a maximum of **$3,000** excluding GST reimbursing the **full cost** to the customer. Immediate opportunities are communicated on the day, looking at quick wins like process setting changes, leaks, and insulation. Follow-up report within 10 working days, describing these opportunities in more detail as well as outlining future optimisation or asset replacement options which warrant further investigation. | New Zealand registered businesses spending **$30k-$250k p.a.** on piped natural gas. *(change from $10k-$1m to focus on small users above 1,000GJ)* | **$450k** over three years for maximum of 150 assessments at $3,000. | 31 July |
| **Type 3 process heat audits** | Existing | EECA will reimburse **40%** of the costs of the audit and related report for eligible businesses up to a cap of **$20,000** excluding GST. Detailed on site analysis (1 – 3 days) of the customer's system by an accredited energy auditor. Immediate opportunities communicated on the day, and summary of immediate opportunities providing within 10 working days covering longer-term opportunities. | New Zealand registered businesses spending over **$250k p.a.** on piped natural gas. | **$800k** over three years to fund 40 audits at $20k. | 31 July |
| **Options assessment** | New | Co-funding of **50%** to a maximum of **$5,000** excluding GST to fund a consultant to conduct options analysis on options for reducing energy bills. This is a new product to support small and medium gas users who don't need to undertake a full feasibility study to assess options for reducing energy bills. | New Zealand registered businesses spending **$30k-$400k p.a.** on piped natural gas. Aimed at users with simpler needs. | **$500k** over three years ($167k p.a.) to fund a total of 100 options assessments at $5,000. | 31 July |
| **Feasibility studies and business cases** | Existing | Co-funding is capped at **40%** of the cost of a feasibility study or business case, up to a maximum of **$50,000** excluding GST. Aim is to support organisations using gas boilers to create a business case for fuel switching. These studies are grounded in rigorous assessment, investigation, and analysis - providing confidence in the success and return on investment | New Zealand registered businesses spending over **$250k p.a.** on piped natural gas. The business or organisation must own or manage the plant or building that the project relates to and be committed to implementing the project. The scope of the study must have reasonably explored viable solutions and be competitively priced. | **$3 million** over three years ($1m p.a.) to indicatively fund 20 studies at $50k and 100 studies at $20k. | 31 July |
| **Online customer journey tools and standardised templates/ guidance** | New (in development) | EECA will provide online tools on its website. For owner-operators, this will include payback calculators for different technologies. For corporates it will also include facilitated guidance on the four stages of optioneering, feasibility, business cases, and seeking finance. EECA will work with consultants and banking sector to develop guidance, standardised templates, and/or modelling inputs for gas users to support procurement processes, business cases, lending processes, and feasibility studies. | Available online to all. Aimed at owner-operators and low-capability corporates, particularly in sectors with replicable technology solutions. | **$400k** in year 1 to develop resources and update website, and to develop guidance materials. | Phased over 3-6 months |
| **Regional & sector engagement and webinars** | Additional | EECA will host regional and sector engagement workshops and webinars, working in partnership with BusinessNZ, sector organisations and other delivery partners. | Available via invitation. | Baseline resourcing. | From 31 July |

[1] This is EECA's standard FTE assumption for new roles and includes overheads. EECA is beginning with a 6-month term Delivery Lead to oversee rollout of supports and will assess where FTE need is greatest following this.

| Title | Comment |
|---|---|
| **Gas Transition Loan Guarantee Scheme** | At the 7 July EECA officials meeting, we will discuss our wraparound support for the Gas Transition Loan Guarantee Scheme with you.<br><br>We have developed a package of wraparound support to help businesses overcome non-financial barriers and accelerate project development. This support is tailored to the needs of different customer groups and include expert advice, help to identify and assess options, and shared resources for customers facing similar challenges and pursuing similar solutions.<br><br>We are also undertaking engagement to drive uptake of the scheme, including a roadshow with BusinessNZ from mid-August. We will be engaging with participating banks on 13 July to agree joint communications, referral pathways and how we can work together to make the scheme a success.<br><br>The scheme will launch in late July or early August, pending Treasury finalising deeds of indemnity with participating banks.<br><br>An A3 providing an overview of current thinking is attached as Appendix 1. |




Fortnightly report 3 July 26

| Title | Comment |
|---|---|
| **Gas users loan guarantee scheme** | EECA is continuing to prepare for the scheme's launch in July/August once Treasury has finalised deeds of indemnity with participating banks.<br><br>We are developing a package of wrap-around supports to help businesses overcome non-financial barriers and accelerate project development. These supports are tailored to the needs of different customer groups and include expert advice, help to identify and assess options, and shared resources for customers facing similar challenges and pursuing similar solutions.<br><br>We are also in the early stages of planning engagement to drive uptake of the scheme, including a roadshow with BusinessNZ in alignment with the launch of the wrap around package. We will be engaging with participating banks in July to agree joint communications, referral pathways and how we can work together to make the Scheme a success.<br><br>We will brief you on our wrap-around support package and plans for implementation in July. |

Fortnightly report 19 June 26

| Title | Comment |
| --- | --- |
| **Gas transition loan guarantee scheme** | EECA has received interest in the Government's Gas Transition Loan Guarantee Scheme. We are supporting firms to understand the scheme's parameters.<br>The scheme is intended to be available to gas users from late July, once Treasury has finalised deeds of indemnities with participating banks.<br>We are developing EECA's package of wrap-around supports, including tailoring supports to specific market segments, based on their gas consumption and likely needs. We will discuss early thinking with you at the EECA officials meeting on 9 June. |

Fortnightly report 5 June 26

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| **Budget 26: Gas Users Loan Guarantee Scheme programme design** | [BUDGET SENSITIVE] EECA is working with Treasury to prepare for the announcement of the Gas Users Loan Guarantee Scheme on Budget Day.<br><br>The scheme is expected to be available to gas users in August, once Treasury has finalised deeds of indemnity with participating banks. EECA is preparing holding messages for its website and stakeholder engagements after Budget 26.<br><br>The scheme will guarantee 80% of eligible lending for businesses using above 1000 GJ pa of natural gas. This will enable banks to offer discounts on their interest rate pricing and increase their risk appetite.<br><br>EECA will provide wraparound supports for gas users to increase the pipeline of 'bankable' projects. This will scale up the volume of EECA's existing gas user supports, including gas boiler walkthrough assessments, energy audits, and feasibility studies and business case development. Banks have noted that EECA's support to address non-financial barriers will be critical to scheme uptake. |

Fortnightly report 22 May 26

| Title | Comment |
|---|---|
| **Gas users loan guarantee scheme** | As previously advised, EECA is working with MBIE and Treasury on a gas transition loan guarantee scheme, via Budget 2026. The scheme will:<br>• enable banks to offer discounts on their interest rate pricing on eligible lending;<br>• encourage banks to increase their risk appetite in terms of lending to these projects, e.g. technology risk.<br>However, for the scheme to be effective, businesses need to have 'bankable' projects. EECA wraparound support is intended to build and accelerate the pipeline of bankable or investment-ready projects and address other non-financial barriers that Businesses may face.<br>We are working with MBIE and Treasury to shape up the package of supports, which would support eligible businesses to investigate project feasibility and build strong investment cases ahead of seeking private lending.<br>We will look to discuss this with you at the 12 May EECA officials meeting. |



[redacted]

Fortnightly report 8 May 26

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| **Gas affordability** | Our fuel response actions are building on similar successful actions we have delivered to support industrial gas users with gas affordability pressures.<br>This month we are facilitating regional information sharing sessions with commercial and industrial gas users in the Hawke's Bay and Waikato.<br>To date we have also funded around 50 light-touch 'walkthroughs' to identify quick efficiency gains and fuel switching options for businesses, identifying savings of between 10-30%.<br>[BUDGET SENSITIVE] Separately, we are working with MBIE and Treasury on a possible Budget 2026 initiative to develop a gas transition loan guarantee scheme. We are developing a package of wraparound supports for this scheme, in anticipation of Budget decisions. |

Fortnightly report 24 April 26