EECA's Fortnightly Report to the Minister for Energy

07 March 2025

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TE TARI TIAKI PŪNGAO
ENERGY EFFICIENCY & CONSERVATION AUTHORITY

1. Energy Security and Affordability

1.1 Warmer Kiwi Homes

The Warmer Kiwi Homes (WKH) programme covers up to 90% of the cost to supply and install insulation and up to 80% with a cap of $3000, for an efficient heater to help low-income homeowners save money on their power bills and benefit from a warmer, healthier home.

EECA has provided grants to support more than 164,000 retrofits to date under the WKH programme since its inception in 2018. We are on track to meet our March target of just over 12,600 insulation installations since the start of the financial year.

Year to date we have completed 4,401 heating installations. This is currently tracking below our target of 7,643 for the period to March. There are various factors contributing to this trend, namely the economic environment resulting in less disposable income in the low-income homes we are targeting and higher electricity prices. We are currently preparing advice for you on options for the heating component of WKH.

EECA has recently launched 'Enabling Warmer Kiwi Homes'

We have recently extended the measures in the WKH programme to help remove some of the common barriers to homes receiving the full benefits offered by having insulation or a heater installed. The following six interventions were selected because they are common reasons for installations not being able to be undertaken or only being partially completed and are considered low-cost minor repairs. The 'enabling measures' include:

- Provision of roof/attic space access
- Provision of underfloor access
- Repair of minor roof leaks
- Repair of minor underfloor leaks
- Downlight replacement
- Main earthing system repairs/upgrades

Key points:	• EECA has launched 'Enabling Warmer Kiwi Homes', an extension to the WKH programme that funds six new measures to enable installations by removing common barriers.
Next steps:	• EECA is monitoring progress of the new 'Enabling Warmer Kiwi Homes' measures over the next few months to determine if they are

	fit for purpose, priced fairly with a view to include other low-cost interventions if required. • 9(2)(f)(iv) [redacted]

1.2 Demand Flexibility Scaled Pilots

Increasing demand-side flexibility is a key element in making New Zealand's electricity system more affordable, secure, and resilient as our reliance on electricity and renewable energy grows. By using smart technology[1], flexible energy use can reduce the need for expensive infrastructure upgrades, improve grid efficiency, and lower electricity costs for both households and businesses.

A more flexible electricity system could save New Zealand around $10 billion by 2050, mainly by delaying or avoiding network investments and enabling consumers to cut electricity costs by up to 50%[2]. However, some key stakeholders, including Electricity Distribution Businesses (EDBs), a indecisive in pursuing demand flexibility due to perceived risk and uncertainty in comparison to investing in the traditional well-known poles/wires approach. This is, in part, due to a lack of referrable evidence of network demand flexibility utilisation in New Zealand.

To help address this, EECA has been looking to promote and coordinate the development of large-scale demand flexibility pilot projects alongside various delivery partners such as electricity distributors, industry, and other stakeholders. The aim of these projects will be to showcase the real benefits of demand-side flexibility and pave the way for more cost-effective solutions.

We have already signed one agreement with Counties Energy that aims to demonstrate the benefits of scaled demand flexibility at a residential level by deferring costly network investment in the Counties Manukau region.

By April 2025, EECA expects to have secured collaboration agreements with a range of delivery partners to pursue several projects over the next 3 years. These will demonstrate scaled demand flexibility at the subdivision level and industrial sites to manage electricity loads at substations or grid exit point level. Once these collaboration agreements are in place, the participants will proceed with detailed project design over the following months.

Key points:	• EECA has been looking to promote and coordinate the development of large-scale demand flexibility pilot projects alongside various

[1] Capable of two-way communication with the electricity grid.
[2] Boston Consulting Group, 2022

	delivery partners such as electricity distributors, industry, and other stakeholders. • The aim of these projects will be to showcase the real benefits of demand-side flexibility and pave the way for more cost-effective solutions. • We have already signed one agreement with Counties Energy that aims to demonstrate the benefits of scaled demand flexibility at a residential level • By April 2025, EECA expects to have secured collaboration agreements with a range of delivery partners to pursue several projects over the next 3 years.
Next steps:	• We will keep you informed as these scaled demand flexibility pilot projects progress.

2. Accelerating Renewable Energy

2.1 Public EV charging

As noted in our previous report to you, you are taking a joint paper to Cabinet alongside the Minister of Transport, seeking approval of the government co-investment approach for public EV charging infrastructure. 9(2)(f)(iv) [redacted]

[redacted]

Total public EV chargers as at 04 March 2025:

	Charge points[3]:	Charging units[4]:	Sites[5]:
New in past year:	220	219	84
Total:	**1,340** [6]	**1,264**	**558**

EECA-supported public charge points as at 17 January 2025:

Live:	**664**
In progress[7]:	**714**
Total:	**1,378**

[3] Charge points refer to how many vehicles can be charged simultaneously by a charging unit. A charging unit may have multiple charge points.
[4] Charging unit refers to the stationary electrical supply unit that provides DC or AC electrical output to charge an electric vehicle.
[5] Charging site refers to a location where one or more charging units are located (e.g. a service station).
[6] These figures are expected to slightly underestimate the total number of charge points, as it is voluntary for charge point operators to register their chargers in EVRoam (the government-run charger database). This also means there may be a delay in when a charger goes live and when it is reflected in our data.
[7] In progress refers to charge points that have been contracted but not yet installed.

Key points:	• You are submitting a joint paper with the Minister of Transport for Cabinet committee consideration of the government's public EV charging co-investment approach on 9(2)(f)(iv)
Next steps:	• 9(2)(f)(iv) [redacted]

3. Ministerial servicing updates

3.1 Current and upcoming advice to the Minister

Title	Purpose	Action and timing
Briefing: External power supplies and electric motor consultation approval (EECA 2025 BRF 002)	Seeking your approval for two joint NZ-Australian public consultations on trans-Tasman product energy efficiency policy proposals (E3 programme), relating to external power supplies and electric motors.	Sent 12 February (awaiting your approval)
9(2)(f)(iv) [redacted]	[redacted]	[redacted]
9(2)(f)(iv) [redacted]	[redacted]	[redacted]
Seeking approval to consult on energy efficiency regulatory updates	Seeking your approval to public consultation on further energy efficiency regulatory update proposals.	Upcoming (TBC)

3.2 Communications and events calendar

The following table shows upcoming events and communications which EECA is involved in.

Date	Type	Activity/Event	Opportunities for engagement

12 March 2025	Event	Essity is holding an event to celebrate their geothermal upgrade at their Kawerau site. This project involved replacing a paper machine's natural gas component with a new drum dryer that uses geothermal steam for heat and drying.	We understand you will be attending this event, as will EECA officials. We are available to provide advice prior to the event.
27 March 2025	Event	TR Group are holding an event at Hampton Downs to unveil the first of their converted hydrogen trucks. They received 'shovel ready' funding to complement Hiringa's project to build a hydrogen refuelling network.	TR group has extended an invitation to your office as well as the PMO. We recommend it will be of high value for you to attend. We are available to provide advice prior to the event.
9(2)(f)(iv) [redacted]	[redacted]	[redacted]	[redacted]
March 2025	Publication	We will publish the Waikato Regional Energy Transition Accelerator (RETA) report.	We will be in touch with your office to discuss opportunities for engagement following this publication and will send you a copy of the report.
9(2)(f)(iv) [redacted]	[redacted]	[redacted]	[redacted]

		9(2)(f)(iv) [redacted]	[redacted]
9(2)(f)(iv) [redacted]	[redacted]	[redacted]	[redacted]

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21 March 2025

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TE TARI TIAKI PŪNGAO
ENERGY EFFICIENCY & CONSERVATION AUTHORITY

1. Energy Security and Affordability

9(2)(f)(iv) [redacted]

1.2 Demand Flexibility Scaled Pilot

The Boston Consulting Group report estimates New Zealand needs an estimated $42 billion in transmission and distribution infrastructure investment to electrify the economy and meet decarbonisation goals[1]. Demand flexibility (DF) offers a way to reduce this investment while creating a more affordable and resilient electricity system.

To demonstrate DF as a viable alternative to traditional infrastructure investment (costs of which are passed to consumers), EECA is advancing a scaled DF pilot programme. The programme will provide practical, NZ based evidence to electricity distribution businesses (EDBs) and be fully transparent across the industry through an MoU with FlexForum and dissemination via Electricity Networks Aotearoa.

EECA is currently collaborating with major EDBs to identify areas where network upgrades will likely be needed in the next five years and assess where DF pilots can be effectively deployed. As part of this effort, EECA has partnered with Counties Energy Limited, which has invested ~$2 million in the 550-home Karaka Harbourside subdivision. EECA will co-fund smart technology installations to enhance network efficiency and create flexible demand. This pilot will quantify and demonstrate the size of the DF opportunity from the 550

[1] https://www.bcg.com/publications/2022/climate-change-in-new-zealand

households and the level of avoidable infrastructure costs. EECA and Counties Energy Limited will be officially announcing the project at the Downstream Energy Conference which you are attending, followed by a PR announcement on Monday 24 March.

EECA has had positive initial engagements with the Electricity Authority and Commerce Commission as we discuss how EDBs participating in these scaled DF pilot projects can leverage their respective Power Innovation Pathway[2] and Innovation & Non-traditional Solutions Allowance (DPP4 INTSA)[3]. We will continue to work with these agencies to ensure collaborating EDBs can navigate their requirements.

Key points:	• EECA is advancing the scaled demand flexibility pilot programme • We are collaborating with major EDBs to identify areas where network upgrades will likely be needed and assess where demand flexibility pilots can be effectively deployed • EECA has partnered with Counties Energy Limited to demonstrate the opportunity of demand flexibility at the Karaka Harbourside subdivision as a pilot.
Next steps:	• EECA and Counties Energy Limited will officially announce the project at the Downstream Energy Conference • Continue to collaborate with other large EDBs to land further partnership projects under the scaled DF pilot programme. • Continue to work with the EA and ComCom to ensure collaborating EDBs can navigate their respective DDP4 INSTA and Power Innovation Pathway requirements.

[2] Power Innovation Pathway | Electricity Authority
[3] Commerce Commission - 2025 reset of the electricity default price-quality path

1.3 Warmer Kiwi Homes in the Chatham Islands

WKH funding is available for eligible homes in every area of NZ, however the programme is not marketed, nor are service providers contracted, to work on the satellite islands like Great Barrier, Stewart and Chatham as the isolation makes these homes difficult to access, administer and the costs to install are higher. We are currently running limited WKH projects on both Great Barrier and Stewart islands as part of our community outreach approach.

EECA is now researching and scoping the opportunity to target eligible homes on the Chatham Islands.

We have a service level agreement with Chatham Islands Council to promote and market the WKH offer with a view to assessing the homes of interested parties. Homeowners on the islands will be directly marketed to create enough interest that would warrant sending teams to the islands to assess WKH eligible households. Due to the high cost to deliver the programme on the islands, EECA is canvasing for financial support from the philanthropic industry and other agencies to make the project viable.

There are already 24 households interested in receiving WKH assessments.

Key points:	• EECA is now researching and scoping the opportunity to target eligible homes on the Chatham Islands. • There are already 24 households interested.
Next steps:	• Phase 2 is to build a project, should a project be viable and funding is available, and then send teams to the islands to insulate.

2. Accelerating Renewable Energy

2.1 Public EV charging

We are awaiting further direction from the Minister of Transport on next steps for the public EV charging Cabinet Paper. The latest statistics for total public charge points is provided below.

Total public EV chargers as at 19 March 2025:

	Charge points[4]:	Charging units[5]:	Sites[6]:
New in past year:	202	201	75
Total:	**1,340** [7]	**1,264**	**558**

EECA-supported public charge points as at 19 March 2025:

Live:	691
In progress[8]:	688
Total:	1,379

2.2 Hiringa Project

In July 2020, as part of the 'shovel-ready programme', Hiringa received Cabinet approval to build a minimum viable hydrogen refuelling network. Since then, EECA has provided delivery oversight of the project.

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[7] These figures are expected to slightly underestimate the total number of charge points, as it is voluntary for charge point operators to register their chargers in EVRoam (the government-run charger database). This also means there may be a delay in when a charger goes live and when it is reflected in our data.
[8] In progress refers to charge points that have been contracted but not yet installed.

While there have been some delays and challenges with the project, the fourth and final site will soon become operational. 9(2)(g)(i) [redacted]

In the meantime, a further hydrogen truck (KRW Hydron Quantum H53) has recently been registered on the Low Emission Heavy Vehicle Fund (LEHVF) approved list.

3. Ministerial servicing updates

3.1 Current and upcoming advice to the Minister

Title	Purpose	Action and timing
9(2)(f)(iv) [redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
Low Emissions Heavy Vehicle Fund six-month review, recommendations and findings (EECA 2025 BRF 004)	Outlines the findings from the LEHVF's six-monthly review. Seeks approval to make changes to the programme based on these findings.	Upcoming (TBC)
Seeking approval to consult on energy efficiency regulatory updates	Seeking your approval to public consultation on further energy efficiency regulatory update proposals.	Upcoming (TBC)

3.2 Communications and events calendar

The following table shows upcoming events and communications which EECA is involved in.

Date	Type	Activity/Event	Opportunities for engagement
[redacted]	[redacted]	[redacted]	[redacted]
9(2)(f)(iv) [redacted]	[redacted]	[redacted]	[redacted]

			9(2)(f)(iv) [redacted]