MARCH 2026

Request for Proposals

By:	EECA (Energy Efficiency and Conservation Authority)
For:	Very high temperature heat pump activator initiative - energy efficiency demonstration projects utilising EECA co-funding support
Ref:	VHTHP 2026 for service providers
RFP released:	19 March 2026
Deadline for applications:	15 May 2026 - or until the available funding is committed

EECA ENERGY EFFICIENCY & CONSERVATION AUTHORITY
TE TARI TIAKI PŪNGAO

Contents

The opportunity

This RFP is issued by **Energy Efficiency and Conservation Authority (EECA)** referred to below as "the Buyer" or "we" or "us".

What we need

EECA's Very High Temperature Heat Pump (VHTHP) Activator demonstration initiative aims to support energy affordability for New Zealand industry through increased energy productivity. This initiative focuses on HTHPs, which supply process heat very efficiently, with conversion efficiencies in the 300% to 500% range. HTHP technology is advancing rapidly, and commercially available units can supply process heat at 200°C or higher, including steam supply.

EECA seeks proposals from Service Providers looking to work with Project Owners requiring heat above 85°C to deliver New Zealand-based VHTHP Projects. Supported VHTHP (including steam heat pump) projects must supply heat demands requiring a minimum of 85°C and are expected to deliver a minimum 150% increased energy efficiency (COP of 1.5). The value of developed projects will be at least $250,000.

EECA has approved a budget of up to $10 million for co-investment though this RFP to support Service Providers contracted by 30 June 2026 to develop and build projects.

We are looking to support VHTHP projects implemented across a range of project sizes and different business sectors. The RFP will be open to receiving applications from Service Providers requesting funding for project development and implementation until all funding is allocated or a close date of 15 May 2026. EECA may choose to commit more funding if warranted.

In order to attract early submission of Applications, EECA encourages questions through our Point of Contact, and we will accept Applications as they come in and process through regular moderation meetings, through to the final acceptance date or earlier if the funding is all allocated.

What we don't want

EECA will not provide co-investment for:

- Proposals from Service Providers that are not prepared to develop Eligible Projects through to completion and reporting.
- Proposals that do not meet the minimum requirements.
- Proposals that do not align with EECA's strategic objectives.

What's important to us?

EECA is looking for Service Providers to develop Projects that will not only deliver increased energy productivity but also demonstrate the efficacy of commercially available efficiency technology to supply heat in various scenarios. Service Providers must have a track record developing successful heat pump projects, ideally in New Zealand. The Projects that are developed must be successfully delivered within agreed timeframes, and the capacity and capability of Applicants to do this is critical. The owners of the Projects that are developed (i.e. the Service Provider's customer known as the Project Owner) must be willing to

share the outcomes of the project with other New Zealand businesses the technology may have relevance to.

Alongside energy productivity, EECA is interested in economic benefits of the developed Projects, where economic benefits are the positive impacts on New Zealand's economy generated through the procurement of goods, services, or works. Through this tendered opportunity EECA will consider the following Economic Benefits:

- Making better use of New Zealand resource, such as increasing workforce participation, providing training or apprenticeships and improving pay conditions of New Zealand workers.
- Using New Zealand businesses, including SMEs and regional businesses in delivering goods and services, either directly or through subcontracted arrangement in the supply chain.
- Any other valid economic benefit(s) to New Zealand that the Applicant proposes to contribute to.

Applicants will be asked to only include economic benefits that they are sufficiently resourced to monitor and report against.

Why should you bid?

This is an opportunity to develop VHTHP projects that demonstrate the use of VHTHP to deliver heat efficiently to industrial and commercial businesses to improve the affordability of their energy needs. EECA co-funding is designed to share the development costs and technology risks, thus supporting the business case. Successful implementation of these projects will require collaboration between EECA, the Service Provider, and the Project Owner – from early project selection through installation and reporting. By working together with EECA, Applicants will be involved in ensuring EECA delivers public value by showcasing this opportunity and contributing to increased energy resilience for New Zealand.

A bit about us

EECA is a Crown entity and our purpose is to mobilise New Zealanders to be world leaders in clean and clever energy use. Our desired outcome is a sustainable energy system that supports the prosperity and wellbeing of current and future generations.

Our objectives are:

- Energy efficiency first – efficient energy use is the first option users adopt; and proven energy efficient technologies are identified and widely available;
- Empower energy users – people and businesses actively manage their energy use; and
- Accelerate renewable energy – users plan for and adopt low-emission energy and technology.

Our key levers are regulation, information and motivation, and targeted investment and support. EECA has designed this offer to support energy efficiency initiatives through adoption of proven technologies. The purpose of this offer is to reduce the technology risks associated with specific use cases by New Zealand businesses.

EECA's general business funding principles include:

- *Funding is targeted at opportunities in alignment with EECA's strategic focus areas.*
- *Funding is directed to areas with demonstrable market barriers preventing uptake.*
- *Funding levels and approaches are right sized to the barriers and generate the greatest value for Government investment.*
- *Government co-investment is creating an enabling environment for innovation while promoting market led solutions.*

1. Key Information

1.1 Context

a. This Request for Proposals (RFP) is an invitation to submit an Application to develop VHTHP projects utilising proven energy efficient technologies.

b. This RFP is a single-step procurement process.

1.2 Our timeline

Here is our timeline for this RFP (all are New Zealand times and dates):

Step in the RFP process	
RFP open for Applications	From 19 March 2026
Deadline for questions	12pm, 8 May 2026
Briefing session (online)	11am, 31 March 2026
Deadline for Applications	5pm, 15 May 2026, or until available funding is allocated
Successful Applicant(s) notified (indicative)	As they are approved, from 1 April 2026
Expected start date of project Agreement	By 30 June 2026

1.3 How to contact us

a. Contact us through our Point of Contact via email or the Government Electronic Tenders System (GETS).

b. Our Point of Contact:

Name: Yasmine Davies
Title/role: Procurement Coordinator
Email address: applications@eeca.govt.nz

c. To register for our Applicant briefing session contact our Point of Contact via email.

1.4 Developing and submitting your Application

a. This is an open competitive tender process.

b. Take time to read and understand the RFP.

c. Take time to understand our Requirements. These are in SECTION 2 of this document.

d. Take time to understand how your Application will be evaluated. See SECTION 3 of this document.

e. For resources on tendering visit https://www.procurement.govt.nz/suppliers-2/

f. If you have questions, ask our Point of Contact before the Deadline for Questions (see SECTION 1.2 above).

g. Use the Application Form accompanying this RFP to submit your Application.

h. Complete and sign the declaration at the end of the Application Form.

i. Check you have provided all the necessary information in the correct format and order.

j. Submit your Application before the Deadline for Proposals.

1.5 Address for submitting your Application

You must submit your Application to the following email address: applications@eeca.govt.nz

Make sure you include all attachments and reference material.

We will not accept Applications sent by post or delivered to our office or received outside of applications@eeca.govt.nz.

1.6 Our RFP Terms

a. **Offer Validity Period**
By submitting an Application, the Applicant agrees that its Application validity will remain open for six calendar months from the Deadline for Applications.

b. **RFP Terms**
By submitting an Application, the Applicant agrees to the RFP-Terms described in SECTION 4 RFP Terms.

1.7 Later changes to the RFP or RFP process

a. After publishing the RFP, if we need to change anything or provide additional information, we will let all Applicants know by placing a notice on GETS.

b. If you downloaded the RFP from GETS you will automatically receive notifications of any changes through GETS.

c. If funding is allocated before 15 May 2026, EECA will publish a notice on GETS to close the RFP.

1.8 Defined terms

These are shown using capitals. You can find all definitions at the back of the RFP Terms linked to in SECTION 4, with some additional RFP-specific terms in SECTION 5 of this RFP.

2. Our Requirements

2.1 Background

Energy efficiency technologies such as very high temperature heat pumps (VHTHP) reduce energy costs, improve supply resilience, improve energy productivity, and strengthen operational continuity across businesses. To accelerate increased energy productivity in heat using businesses EECA is launching this offer to support such businesses to adopt new and efficient technologies.

This offer is to enter into a framework agreement to support the development of VHTHP projects with grant co-funding. The co-funding is to share the risk of new or underutilised technologies for industrial and commercial businesses and would contribute toward both the up-front Project development costs, and the implementation costs.

We are looking for Projects that will demonstrate the use case of very high temperature heat pumps including steam heat pumps.

Eligible Projects

To be eligible for co-funding, the Projects that are developed must be for implementation in New Zealand and:

- install a high temperature heat pump technology, which can also be a heat pump supplying steam or a mechanical vapour recompression (MVR) heat pump.
- supply end uses requiring 85°C or higher, or steam at a pressure of 0.5 bar (absolute) or higher.
- be able to supply at least 200 kW of heat at a high enough temperature so that the temperature required by the end use (of at least 85°C) can be met without any further heating.
- have a coefficient of performance (COP) of 1.5 or higher.
- Be for a minimum Project total cost of $250,000.

Eligible project costs

Eligible technologies include steam heat pumps, and technologies that are an integral part of the Project, including project related costs such as waste heat recovery and connectivity upgrades (if required).

These can include:

Project enablement costs

- Detailed feasibility study and technical design (for costs that EECA has not already co-funded)
- Business case development (for costs that EECA has not already co-funded).
- Project management (external resource).
- Measurement & Verification Plan (carried out by CMVP).
- Metering.

Capital costs

- High temperature heat pump technologies, including steam heat pumps, to supply end uses of 85°C or higher.
- Waste heat recovery technology e.g. heat exchangers, pumps and pipework.

- Pipework required for integrating high temperature heat pump to existing systems.
- Hot water tanks used for buffering the VHTHP's input (source) or output (sink).
- Electricity connectivity upgrades specifically due to the VHTHP project.

Mechanical vapour recompression (MVR) technologies are eligible.

The targeted technologies will deliver an input energy use reduction (efficiency gain) of at least 150%.

Minimum project value is $250,000.

Applying to EECA for co-funding support

Applicants must:

- Supply reference examples for preferably at least three industrial heat pump projects (preferably in New Zealand) that it was responsible for designing and implementing, including descriptions of the projects and their role(s). The projects must:
    - Have been commissioned after 1/1/2016 (preferably in New Zealand) and developed by staff that are still employed by the Applicant
    - Have been integrated with an industrial process.
        - Projects using air-source packaged units to supply hot water do not meet this criteria.
    - Supply more than 300 kW of heat hotter than 60^{o}C.
- Confirm it has sufficient New Zealand-based staff with the necessary skills and experience to design, develop and build heat pump projects.
    - The Applicant could potentially be the local office of an international firm, but if so, at least some of their heat pump engineering capability must be New Zealand-based.
- Confirm their intention to enter into a collaborative partnership with EECA to develop Projects that demonstrate VHTHP in New Zealand.
- Have a prepared plan for identifying and onboarding clients (potential Project Owners).
- Have a prepared a plan describing how they intend to develop and implement the demonstration heat pump projects.
- Have a list of a list of Projects (a pipeline) with any known high-level information (e.g. application, supply temperature, capacity etc) for:
    - Potential Projects that they have already partially developed with the Project Owner.
    - Potential Projects that they are aware of and have had some engagement with the potential Project Owner.
    - Potential Projects that they are aware of but have not been discussed with the potential Project Owner.
    - Promising applications and uses cases to use the technology in New Zealand.

- Describe their current ability to source the high heat pump equipment necessary to implement VHTHP projects. For example, they could:
    - Be a distributor of VHTHP equipment in New Zealand.
    - Have a relationship with overseas suppliers of VHTHP equipment that have agreed to supply and support their equipment for projects in New Zealand.
    - Be intending to design and construct a VHTHP system from utilising discrete parts i.e. compressors etc.
- Be willing to share the outcomes and learnings of the Projects that they develop.

What support Applicants can apply for

Applicants can apply for up to $10 million of EECA funding to support development of Eligible Projects. The funding can be used for:

- **Upfront development costs:** Up to 20% of the funding amount can be utilised to co-fund the development of Eligible Projects up until a customer's final investment decision (there will be limits by agreement with EECA on how much support is available for each Project's stage).
- **Project implementations costs:** The remainder of the funding can be utilised to co-fund up to 50% of an Eligible Project's eligible costs, up to a maximum amount per project of $5 million.

2.2 Key outcomes

EECA is committed to mobilising New Zealanders to be world leaders in clean and clever energy use. Our strategy is to encourage energy efficiency first, and to empower energy users to better understand and manage their energy costs. Successful deployment of efficient technologies will increase energy affordability and improve supply resilience.

The successful development of these projects will require collaboration and we are seeking proposals from Applicants that are willing to work with EECA and Project Owners to develop Eligible Projects and share the Projects' outcomes and learnings with other businesses for information and knowing sharing. This ensures that we are working together towards tangible outcomes that deliver real value to the industry and contribute to our broader energy efficiency and productivity goals. Proposals should present strong public value for money and meet our investment principles.

2.3 What we require from Applicants

a. Knowledge sharing requirements

As a condition of co-funding, EECA will be seeking data, information and lessons learned during the term of the Funding Agreement and the Applicant and their customer (the Project Owner) must be willing to share the outcomes and learnings of the project after the monitoring period with other businesses through site visits, a case study and/or presentations at webinars and workshops.

Applicants and their customers that implement projects must agree to knowledge, reporting and data deliverables, which will be set out in the Funding Agreement. The Funding Agreement will also set out what information and knowledge will be required, and how, when and with whom it will be shared.

These deliverables will include:

- Project-specific lessons and outcomes learned developing and implementing Eligible Projects.
- Project information, data, analysis and performance reporting to assess the overall effectiveness and performance of implemented Eligible Projects. EECA will collect data and may use it to share knowledge and learnings with the market (e.g. in publicly available case studies for replicable projects).

As required, EECA may specify additional reporting requirements to analyse an individual Project's performance, or to assess overall performance.

b. Track record

We are seeking Applicants that are experienced in successfully designing, developing and delivering successful industrial heat pumps projects.

c. Capability

We are seeking Applicants that can demonstrate they have suitably qualified and experienced personnel to successfully develop and integrate the VHTHP projects, including the technical detailed design work, and ultimately implement them.

d. Project pipeline

We are seeking Applicants who can work with potential Project Owners to identify and develop successful Eligible Projects.

e. Solutions

We are looking for the Applicant to develop solutions that substantially reduce energy usage and improve energy productivity on an ongoing basis and that are replicable to other New Zealand process heat applications.

f. Economic Benefits

Alongside increasing efficiency, EECA is interested in projects that represent good value for Government money and leverage of public funds to deliver public benefits such as employment opportunities, upskilling and workforce development.

2.4 Other information

Successful Applicants will be offered a Funding Agreement by EECA to develop and implement Eligible Projects.

EECA disbursements will be on successful delivery of milestones to develop and implement Eligible Projects.

2.5 Funding Agreement term

We expect that the Funding Agreement will commence by May 2026, noting that any agreement must be signed by 30 June 2026. The anticipated term is:

Description	Years
Project development up to final investment decision	Maximum two years
Project implementation and construction	Two years from the final investment decision
Monitoring and verification period	Two years after commissioning
Maximum term of the Contract	Six years

2.6 Funding Agreement value

With an approved budget of $10 million for co-funding and Monitoring & Verification costs, we expect to co-fund a number of Service Providers to develop Eligible Projects. If EECA receives compelling Applications totalling more than $10 million in co-funding requests, we may extend the total funding available.

2.7 Key deliverables

Develop and implement Eligible Projects that demonstrate of use Very High Temperature Heat Pump technologies.

2.8 Other tender documents

These documents have been uploaded on GETS and are available to Applicants – they form part of this RFP. These include:

a. RFP Application form.

b. Funding Agreement template.

3. Our Evaluation Approach

This section sets out the Evaluation Approach that will be used to assess Applications.

3.1 Pre-conditions

Each Application must meet the following pre-conditions. **EECA will not** consider Applications which fail to meet these conditions.

The requirements for businesses to participate in this RFP are that the Applicant must:

- Be a NZBN registered private sector business.
- Projects must be delivered in New Zealand.
- Supply reference examples of industrial heat pump projects (preferably in New Zealand) that it was responsible for designing and implementing. Include descriptions of the project and their role(s). The Projects must:
    - Have been commissioned after 01/01/2016 (preferably in New Zealand) and developed by staff that are still employed by the Applicant.
    - Have been integrated with an industrial process.
        - Projects using air-source packaged units to supply hot water do not meet this criterion.
    - Supply more than 300 kW of heat hotter than 60^{o}C.
- Confirm it has sufficient New Zealand-based staff with the necessary skills and experience to design, develop and build heat pump projects.
    - The Applicant could potentially be the local office of an international firm, but at least some of their heat pump engineering capability must be New Zealand-based.
- Confirm their intention to enter into a collaborative partnership with EECA to develop Eligible Projects.

3.2 Eligibility conditions

The support is to provide co-funding to Service Providers to develop Eligible Projects.

Only Applicants with sufficiently demonstrated experience designing and developing heat pump projects through to implementation will be accepted. For example, they may be equipment Service Providers or installers.

3.3 Evaluation model

The evaluation model is **weighted attribute**. Applicants must score at least 50% in every category and 65% overall. The recommendation will be by consensus of the evaluation panel, following moderation of individual scoring.

Review and Approval Process

- Initial Review – EECA will review the submitted documents to confirm all required forms are included and correctly completed.
- Application Review – the Application is evaluated by a Panel that will make a recommendation to the delegated authority.
- Final Decision – An EECA delegated authority will determine whether the Application is Conditionally Approved, pending final approval of the Funding Agreement.
- Due Diligence – Legal and reputational due diligence of Applicants will be completed before contract signing.

The full process is expected to take approximately 8 weeks from submission to signing of contract (noting that contracts must be signed by 30 June 2026).

3.4 Evaluation criteria

We will evaluate Applications which meet all pre-conditions according to the following criteria and weightings. A minimum score of 50% is required for each criterion, and an overall score of 65% is required for approval.

Criteria	Assessment criteria	Weighting

Track record of developing heat pump projects	The Applicant must describe their track record developing industrial heat pump projects.
	• Provide a list of all industrial heat pump projects they have developed since 01/01/2016.
	• For at least the three most recent projects include:
	  ○ A description of the project.
	  ○ A description of their role in developing and delivering the project.
	  ○ A description of how well the project met its objectives. And for any projects that did not achieve all of their objectives (capital cost, operating performance, operating cost benefits) provide explanations for why not.
	EECA will score this criterion based on the Applicant's role in delivering the projects, how complex these projects were and how successful they were.
		30%

Ability to deliver	To maximise funding value EECA requires Projects to be successfully delivered in a timely manner. EECA will score this criterion based on the Applicant's description of: • How they intend to develop and deliver Eligible Projects to demonstrate very high temperature heat pumps.	30%

	• The knowledge, skills and experience of the staff and subcontractors who will be developing and delivering the project.	

Project pipeline's demonstration potential	The demonstration potential of the Applicant's potential Project pipeline is a balance between the technical ambition, integration complexity, project risk, commercial attractiveness and replication potential.
	EECA will score this criterion based on:
	• **The Projects' technical ambition**: the trade-offs between the proposed VHTHP's output temperature, COP, capacity, and the equipment's commercial track record so far (as known).
	• **The Projects' integration complexity**
	  ○ All other things being equal, potential Projects that are more straightforward to integrate are more favourable.
	• **The Projects' non-heat pump factors**. The complexity, risk and cost of the Project's non-heat pump factors:
	  ○ All other things being equal, Projects with fewer complicating factors for the non-heat pump project aspects are more favourable. Examples of complicating factors might include requiring extensive building modifications or civil works, difficult access, requiring electricity network upgrades, tight installation timeframes (e.g. in short annual shuts).
	  ○ Examples of risky Projects might be those that would involve significant process changes or be critical to the ongoing viability of the project owner i.e. unplanned downtime of the equipment would severely impact them. All other things being equal, Projects that are less risky when considering the non-heat pump aspects are more favourable.
	  ○ All other things being equal, a Project with lower costs for the non-heat pump aspects is more favourable.
	• **The Projects' expected commercial outcomes**
	  ○ Projects with better expected commercial outcomes (after accounting for co-funding) are more desirable.
	  * Note: The EECA co-investment compensates for the Project Owners' risk in implementing new technology. Good expected commercial outcomes provide a buffer if the Project's final capital cost is higher than expected, or performance is lower than expected*.
	  ○ A Project might achieve better commercial outcomes due to factors such as the ease and cost of implementation, high utilisation, and expensive alternative options.
	• **The Projects' replication potential**
	  ○ Projects with high potential to be replicated are more desirable.
		30%

Economic Benefits	EECA is seeking Projects that represent good value for Government money and leverage of public funds.	10%

	Applicants should detail: • How the Projects they develop will lead to public benefits and how large those benefits are expected to be. • How the co-funding will support the delivery, scale or speed with which these public benefits will be realised. • Whether the Projects would be deferred or unable to proceed without co-funding support from EECA, and provide supporting details. • How they will use New Zealand businesses, including SMEs and regional businesses in delivering goods and services, either directly or through subcontracted arrangement in the supply chain. • Any other valid economic benefit(s) to New Zealand that the Applicant proposes to contribute to. Only include economic benefits you are sufficiently resourced to monitor and report against.	

3.5 Scoring

Description	Definition	Rating
Excellent	Exceeds the requirement. Exceptional demonstration by the Applicant of the relevant ability, understanding, experience, skills, resources and quality measures required to provide the goods / services. Application identifies factors that will offer potential added value, with supporting evidence.	9-10
Good	Satisfies the requirement with minor additional benefits. Above average demonstration by the Applicant of the relevant ability, understanding, experience, skills, resources and quality measures required to provide the goods / services. Application identifies factors that will offer potential added value, with supporting evidence.	7-8
Acceptable	Satisfies the requirement. Demonstration by the Applicant of the relevant ability, understanding, experience, skills, resources and quality measures required to provide the goods / services, with supporting evidence.	5-6
Minor reservations	Satisfies the requirement with minor reservations. Some minor reservations of the Applicant's relevant ability, understanding, experience, skills, resources and quality measures required to provide the goods / services, with little or no supporting evidence.	3-4
Serious reservations	Satisfies the requirement with major reservations. Considerable reservations of the Applicant's relevant ability, understanding, experience, skills, resources and quality measures required to provide the goods / services, with little or no supporting evidence.	1-2
Unacceptable	Does not meet the requirement. Does not comply and/or insufficient information provided to demonstrate that the Applicant has the	0

	ability, understanding, experience, skills, resources and quality measures required to provide the goods / services, with little or no supporting evidence.	

In forming its recommendation following the review process, the panel may exercise discretion to consider overall public value, including methodology, quality, capability, risk profile and alignment with EECA's specific requirements rather than relying solely on numerical ranking.

3.6 Due diligence

EECA will undertake legal and reputational due diligence on shortlisted Applicants. EECA may (in its sole discretion) also instruct third party financial due diligence as a condition precedent under the Funding Agreement.

In addition, EECA may conduct or request any or all of the following:

- a reference check on the Applicant, any other organisation and named personnel in the response
- interview the Applicant or any other organisation they propose to use
- perform other checks on the Applicant or other organisation they propose to use e.g., Companies Office
- request the Applicant make a presentation
- inspect audited accounts for the last three financial years.

3.7 Proposed Funding Agreement

The Proposed Funding Agreement that we intend to use for this procurement will be released via GETS soon after the RFP opens.

4. RFP Terms

View the RFP Terms that accompany this RFP. rfp-terms-conditions-government-model

5. Definitions

Project Owner - the intended owner and operator of the equipment.

Consultant – supplies knowledge to design and develop projects.

Service Provider – develops and implements projects, also known as a Supplier.

VHTHP – a heat pump supplying heat to uses requiring temperatures above 85^0C.

Pre-feasibility study - a high-level study investigating the technical feasibility, costs and benefits of a potential VHTHP project that informs the decision to initiate further work.

Feasibility study and draft business case – work that quantifies the technical and commercial feasibility of a potential VHTHP project option and informs the decision to initiate a FEED (or similar) and final business case.

Business case for final investment decision (FID)- informs the final investment decision to commit to implement the potential VHTHP project without requiring further work. May include a front-end engineering design (FEED), detailed design, or similar.

Project capital costs – the costs associated with purchasing and installing eligible equipment.

Stage-gate decisions – decisions to be made at set points of the journey and captured in the contract.

Final Investment Decision (FID) – decision point for project stakeholders, typically the board of directors or senior management, to formally commit to proceeding with implementing the project.

6. Project Journey

EECA anticipates Projects will be developed by four-stage "Project Journey" approach, as described below. This RFP details the support available at each stage, so Applicants wishing to propose a different model or terminology must demonstrate similar requirements and outputs.

Stage 1: Options and pre-feasibility assessment (EECA VHTHP co-funding not available for this stage)

- Informs the decision to initiate further work.
- Is a high-level study to determine if there are potentially viable VHTHP options to consider developing further that are better than non-VHTHP options, and that there is a Service Provider willing to supply and support the heat pump technology in New Zealand.
- For a positive decision to initiate further work, the pre-feasibility study should identify potential VHTHP Projects that the Project Owner confirms would present them a compelling case to implement instead of an alternative, if the technical viability and indicative costs (including co-investment) and benefits were confirmed.

A compelling case means the co-funded Project's potential return on investment is high enough above the hurdle rate (and any other criteria the Project Owner typically applies to this type of project) that they would want to do the Project if the costs and benefits were confirmed.

Stage 2: Feasibility study and draft business case

- Informs the decision to prepare a business case.
- A more detailed study to confirm the technical and commercial feasibility of a potential VHTHP Project which would be better than alternative non-VHTHP projects.
- All Project aspects are to be considered, including: the Project's rationale, process needs (daily and season load profiles, amount, timing, location and quality of heat requirements), equipment selection,

layout and integration, consenting, energy supply and costs, operational impacts, expected performance and returns.

- EECA and the Service Provider will agree the scope of work and amount that EECA will co-fund.
- For a positive decision to initiate further work, the feasibility study should identify a VHTHP Project that the Project Owner confirms would present them with a compelling case to implement instead of a non-VHTHP alternative if the study's costs (including co-investment) and benefits were confirmed.

Stage 3: Business case for final investment decision (FID)

- Informs the final investment decision to commit to implementing the project.
- It will include a sufficiently detailed front end engineering design (FEED), detailed design, or similar, and business case so that the decision to commit to implementing the potential VHTHP Project can be made without requiring further work.
- The design will be sufficiently detailed to allow accurate cost estimates. Contracts will have been agreed for equipment supply, installation works and services, energy supply and upgrades. The integration and operational costs and benefits of the project are well understood. Key processes have been metered if necessary.
- EECA and the Service Provider will agree the scope of work and amount that EECA will co-fund.
- The expectation is that if the business case confirms viability and shows project returns higher than the hurdle rate then the Project Owner will implement the Project.

Depending on Project complexity it may be appropriate for Stages 2 and 3 to be combined.

Stage 4: Project Implementation

For Projects with Project Owner approval to implement:

- The Service Provider agrees a contract with their client to deliver the project and EECA contracts with the Service Provider to provide an agreed co-funding amount toward the Project.
- The required work to install, commission and operate the Project is completed.
- Post-completion reporting of agreed data requirements.