

9 May 2022

Kia ora

Re: Official Information Act request – EECA Fortnightly Reports sent to the Minister of Energy and Resources

Thank you for your email on 5 April 2022, in which you requested all fortnightly reports sent from the Energy Efficiency and Conservation Authority (EECA) in March and April 2022.

Between 1 March 2022 and 5 April 2022, EECA sent the Minister one fortnightly report which was sent on 11 March 2022.

EECA did not provide fortnightly reports between 12 March 2022 and 5 April 2022.

You have the right, by way of complaint to the Ombudsman, to seek an investigation and review of the Energy Efficiency and Conservation Authority's response to your information request. You can do this by email to <u>info@ombudsman.parliament.nz</u> or by writing to the Office of the Ombudsman, PO Box 10152, Wellington 6143.

Yours sincerely



Andrew Caseley Chief Executive



EECA's Fortnightly Report to the

Minister of Energy and Resources

11 March 2022

EECA Contact: Andrew Caseley, Chief Executive Phone: (04) 470 2201 Mobile: 021 905 449

Impact of COVID-19 on EECA activity

EECA staff and offices

Since New Zealand entered the red light setting, EECA staff have had full flexibility to work either in the office or remotely. Many staff are opting to work from home for all or most of their time but equally quite a number are in the office periodically during the week. We have had a small number of staff test positive and anticipate this will lift over the next few weeks as Wellington hits its peak numbers.

To date, the staff related impact on our work programmes has been limited, but this is likely to increase as case numbers rise through March. EECA's leadership team will continue monitoring and actively managing the situation. We will advise you if there is a material change of circumstances, and/or where we need your direction on priorities if our capacity is temporarily reduced.

Specifically in respect to our key programmes:

Warmer Kiwi Homes

COVID-19 is now having a significant impact on delivery of the Warmer Kiwi Homes programme.

- Supply issues:
 - Imported products continue to see shortages and higher material costs due to shipping delays (for example, finished glass insulation and raw polyester costs have increased 12% and 26% respectively in the last six months).
 - Domestic manufacture in Auckland and Waikato has experienced disruption due to staff absences from COVID-19 (including household contacts).
 - We are also seeing insulation stock being prioritised toward new builds over retrofit, due to the follow-on impact for completion of new builds.
- Service providers:
 - Auckland, Waikato and the Bay of Plenty make up more than half of the programme's install activity and are also the areas with the highest numbers of current COVID-19 cases. Staff shortages, due to positive cases or selfisolation, are having a significant impact on providers' ability to conduct assessments, installations, and audits. By way of example, one service provider in South Auckland had 10 out of 17 staff self-isolating last week.
- Customers:
 - We haven't seen the same increase in demand for the programme we would expect at his time of year. Despite additional marketing activity, demand remains relatively flat. OIA - S9(2)(f)(iv)

OIA - S9(2)(f)(iv)

 We are seeing higher rates of cancellations of assessments and audit appointments as customers (many of whom are elderly) are becoming more cautious around having people in their homes.

Government Investment in Decarbonising Industry (GIDI)

To date we have not seen GIDI project delays directly attributable to COVID-19, but indirect impacts from supply chain disruptions have pushed back interim milestones and some completion dates. Shipping from the northern hemisphere is slower (and more expensive) than pre-pandemic and a European boiler supplier (Polytechnik Biomass) to a GIDI project (JS Ewers) has gone into administration citing impacts from COVID-19.

Low Emissions Transport Fund (LETF)

The LETF is likewise affected by COVID-19 related supply chain disruptions, in many cases adding at least 4-6 months to delivery dates. This compounds project builds and pushes out milestones. Below are some examples of delays to project milestones due this month alone:

- Counties Power Limited delay in getting the second life battery from Australia due to supply chain issues
- Dempsey Wood Civil Limited shortage of steel for the truck build
- solarZero Ltd shipping issues with getting the chargers into NZ
- Wellington City Council both its projects have had shipping delays with the chargers delayed by three months
- Z Energy delays in manufacturing EV chargers due to difficulty sourcing componentry for them, and COVID-19-related staff shortages at ports
- Mevo no issues with ordering the Tesla 3, but issues with getting them in to New Zealand.

GIDI Round Three contracting update

Following the assessment of Government Investment in Decarbonising Industry (GIDI) Round Three applications, 14 offers were made to applicants. Two applicants declined their offers. Contracts have been signed for the remaining 12 applicants.

A further three offers have been made to applicants on the Round Three reserve-list (enough funding was available to make a third offer due to Golden Bay Cement withdrawing from its Round Two funding agreement). Recipients of these three offers are required to sign contracts by 25 March 2022.

All six shovel-ready projects are signed and underway

Home Energy Retrofit Pilot projects

EECA has signed funding agreements with Nga Pai Kitea Tapui Limited and Aukaha Limited for two projects that will see a suite of home energy interventions delivered in Northland and Otago respectively over a 20-month period. The recipients will deliver basic home repairs that will secure the thermal envelopes of homes in the regions, followed by effective energy efficiency interventions to help the homes meet the Healthy Homes standard. The projects have commenced and are available for public announcement. Progress will steadily increase as systems and resources are put in place to undertake the work on each home.

Electric Ferries project

The funding agreement has been signed with Auckland Transport for the construction of two electric ferries (by EV Maritime) and related operational components for use in Auckland. There are still some conditions precedent so we would not recommend a public announcement just yet until the agreement becomes unconditional.

Demand response update

Open Automated Demand Response (OpenADR) project

A prerequisite for demand response/flexibility (DR/DF) is that the network operator and/or third-party demand flexibility provider and smart device communicate using the same computer language. This requires open communication protocols (OCPs) on both the supply and demand side of the exchange. OCPs ensure connectivity requirements are standardised and interoperability occurs (meaning that any network provider can communicate with any smart device, avoiding proprietary solutions that lock consumers out from switching providers). OpenADR is an OCP standard used globally to create the regulatory framework for DR/DF markets to develop. It includes specific requirements to ensure the security of the network.

EECA is planning to partially fund an Electricity Engineers Association (EEA) project to create a coding template for embedding OpenADR in New Zealand's electricity networks. Industry is supportive of this project.

OIA - S9(2)(j)

Electric vehicle (EV) charger testing project

There is no globally accepted method to test commercial and residential EV chargers for efficiency and connectivity. EECA has commissioned the EPE Centre in Canterbury University to develop a test method using ten chargers across five EV models. The test method developed will be suitable for use in regulation and/or a voluntary labelling programme if either is adopted in future.

The testing project links to the OpenADR project above. EV chargers will be tested for connectivity in real time using OpenADR installed on two New Zealand networks.

Smart and efficient EV chargers discussion document

EV chargers in New Zealand are not currently subject to Minimum Energy Performance Standards, nor any labelling scheme. EECA sees a significant opportunity to ensure that as EV uptake increases, the chargers are energy efficient and demand-response ready. Doing so will limit the peak demand impact of a growing EV fleet and maximise the interruptible load available to manage network stability (this was flagged as an opportunity in the *Investigation into electricity supply interruptions of August 9*).

OIA - S9(2)(f)(iv)

Drive Electric is launching an EV marketplace website

Drive Electric has the most trafficked electric vehicle website in the country and is developing the first independent marketplace for all new electric vehicles available in New Zealand. The update will mean those considering a new EV will be able to visit the site and search and compare all available brands and models. The update is a step-change in Drive Electric's operational model and will support its broader ambition to accelerate the consideration and uptake of EVs in New Zealand. EECA has been the major supporter for this new website alongside Drive Electric's members.

An online launch is being planned for Thursday 31 March 2022. Speakers will include Hon Michael Wood, Minister of Transport, Andrew Caseley, CE of EECA, and Mark Gilbert, Chair of Drive Electric.

EECA is withdrawing charges against hot water cylinder company

In our First Quarter Report 2021/22, EECA informed you that legal action had been taken against an electric hot water cylinder company, Atlantic Australasia, for making misleading claims about the energy efficiency of its cylinders.

Law firm Meredith Connell (MC) has informed EECA that, since the charges were brought, Atlantic Australasia has ceased New Zealand sales and removed themselves from the New Zealand Companies Register. The withdrawal of the company and product from New Zealand has effectively achieved the purpose of the original prosecution and presents a barrier to a continuation of the prosecution without first having Atlantic reinstated to the Register through the Court. MC advise that the Court may not consider such reinstatement to be sufficiently in the public interest and note there is no evidence this move was made to evade prosecution.

On the advice of MC, EECA is withdrawing the charges. MC considers this is unlikely to reflect negatively on EECA and in the circumstances of this case it advises that withdrawing is the responsible course of action.

EECA communications and events calendar

The following table shows the upcoming events and communications which EECA is involved in. **New items are highlighted in grey.**

Significant events					
Date	Activity/Event	Туре			
31 March 2022	Launch of Drive Electric's new EV marketplace website.	Online launch			
April 2022	Suggested Ministerial press release on Warmer Kiwi Homes reaching 90,000 homes	Press release (suggested)			

EECA upcoming standards and regulations consultations

The following table shows the upcoming consultations which EECA is involved in. **New items are highlighted in grey**.

Consultations				
Consultation details	Consultation status			
Televisions, computer monitors and display screens	Expected February 2022			
Motors	Expected February 2022			
Domestic ovens	Expected March 2022			
Commercial ice makers	Expected March 2022			
Commercial catering equipment	Expected April 2022			
Hot water products	Expected June 2022			
Distribution transformers	Expected July 2022			
EV chargers	TBC			

Upcoming items to the Minister						
Primary contact	Item description Black: In progress Blue: On Hold Red: Late Purple: Awaiting Minister's signature	Response required by	Notes			
Jesse Corlett Manager, Policy and Engagement	Briefing: State Sector Decarbonisation – drawdown of funding from tagged capital contingency (Tranche Nine projects)	14 March 2022	N/A			
Jesse Corlett Manager, Policy and Engagement	Briefing: State Sector Decarbonisation – replacing diesel boilers in primary/secondary schools	17 March 2022	Carbon Neutral Government Ministerial Group meeting is scheduled for 17 March 2022.			
Jesse Corlett Manager, Policy and Engagement	Briefing: State Sector Decarbonisation Fund - seeking direction on the approach to notional allocations and advice on the speed of spend	17 March 2022	Carbon Neutral Government Ministerial Group meeting is scheduled for 17 March 2022.			

Official Information Act requests							
Requestor	Request	Date received	Due date				
Kishan Naran (Researcher, National Party)	A list of all of the flights the CEO of EECA went on in 2020, 2021 and Jan-Feb 2022, including the departure city/town and arrival city/town; the cost of each flight; the specific reason for travelling (including how it relates to EECA's purpose).	22 February 2022	22 March 2022				
Kishan Naran (Researcher, National Party)	All EECA fortnightly reports sent to the Minister since November 2021.	22 February 2022	22 March 2022				
Kishan Naran (Researcher, National Party)	 A copy of the following reports: EECA First Quarter Report 21-22 EECA Second Quarter Report 21-22 	8 March 2022	29 March 2022				