Warm Up New Zealand: Heat Smart

Lessons in large scale implementation of a residential energy efficiency grant programme

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What is EECA?

- A Crown Entity
- Aims: to encourage, promote and support energy efficiency, energy conservation, and the use of renewable sources of energy
- Undertakes research and monitoring activities
- Provides policy advice
- Allocates government funding
- Provides information
- Our stakeholders are all NZ homes, businesses and local and central Government
The Issue: New Zealand’s sub-standard housing
The opportunity: Create warm, healthy, comfortable homes and help economic recovery

Programme Lifecycle Impacts from Actions in 2009/10 based on 27,500 retrofits

• $NZ148m in energy savings ($16b pa total use)
• 1.9PJ energy demand reduced (500PJ total use)
• 800 FTE jobs in construction and related industries (incl flow-on effects) – unemployment doubled to 7.3% since recession
• 0.1Mt of CO₂e avoided
• $NZ70m health benefits ($825m pa cost of asthma incl 500,000 lost school days pa)
The Solution: Warm Up New Zealand: Heat Smart

• A government programme providing house owners and tenants with grants for insulation and clean heat

• Funding is available for approx 180,000 houses over 4 years, worth > €150m

• All homeowners can get 33% off the cost of installing ceiling and underfloor insulation, and other insulating measures up to NZ$1,300

• A low income household can get 60% off the total cost of insulation, not incl third party funding

• In some regions local organisations, incl district health boards, contribute additional third party funding for low income groups
Delivery of retrofits

Red line indicates predicted future values
Barriers to insulation

- Cultural
- Priority
- Financial
- Implementation
- Knowledge
- Regulation
- Compliance
Policy Changes – generating social benefits from energy efficiency

• The Government led this change by making the programme its flagship social programme in the 2009 Budget
• It sealed the Government’s pre-election promises in the energy and environmental sphere
• The programme’s KPIs showed that the Government understood the wider benefits of retrofitting:

KPI 1. Uptake by the public
KPI 2. Effectiveness of delivery
KPI 3. Level of support from Third Party Funding
KPI 4. Change in Energy Use
KPI 5. Health Benefits
KPI 6. Stimulating Demand and Supply Side of the Market
Policy Changes – addressing the financial barrier

• Expansion of the programme to include landlords
• Expansion of the grants to cover all pre-2000 houses – regardless of income of the owner
• Medium to high-income uptake is lower than for low income households, but growing
• Creates fewer health benefits than in low income households but research suggests it’s paying off by increasing awareness of household energy efficiency.
Overall, people’s attitudes to using energy wisely are driven primarily by day to day activities.

Driving wise energy use by starting with insulation sets up a stream of causality relating to housing infrastructure.

Overall insulation

Using energy wisely

Overall day to day actions

- Overall water heating
- Overall work activities
- Overall transport solutions

Overall lighting

Overall home heating

Overall appliances

Graphical model based on partial correlations

Persuading people to act at the store, at work and on the road are inter-linked (out of home activities), but still need to push towards day to day activities to cause actual change.
Addressing the Barriers: Getting private sector support

• EECA designed this programme to be based on partnerships with the private sector

• By making the programme about businesses in the private sector helping NZ households, more money is available to address the financial barriers and makes the programme – and energy efficiency - higher profile
Policy Changes – Addressing the implementation barrier

• Adding heating and other energy efficiency measures to the general insulation measures to increase efficiency of delivery

• Having contracted service providers means that EECA is also better able to ensure that the installations are done to the required Standards
Policy Changes – addressing the awareness and knowledge gap

• The programme has been extensively promoted through advertising and PR.
• Because the programme is available to many more NZers, it has received a much higher profile.
• In addition, service providers are encouraged to tell house owners about other energy efficiency measures that might suit their lifestyles – Energy Star ® appliances, solar water heating, double glazing…
• Market research suggests the programme has increased the profile of energy efficiency overall.
Marketing and Communications

The launch campaign utilised PR, web and advertising strategies that lead to a successful launch.

Campaign Objectives:
- Lead generation
- Awareness
- Programme retrofit targets achieved
Addressing the knowledge gap

Is your home one of the 900,000 houses with sub-standard insulation?
You could get \( \frac{1}{3} \) off the cost to upgrade.

Ever said "Cripes it's chilly in here."? Well, if you live in one of the many homes in our country that isn't insulated properly, you probably have. So act now and take advantage of a great ENERGYWISE\textsuperscript{w} offer.

You could receive an ENERGYWISE\textsuperscript{w} grant of a third of the cost to install insulation – up to \$1125\textsuperscript{–} or an interest subsidy up to \$1400. If your house was built before 2000 and your household income is less than \$100,000 for one and two earners, or less than \$140,000 for three or more earners, you’ll qualify.

It’ll save you money and you’ll enjoy a warmer, healthier home that could cost less to heat. We’ll even save you the trouble of finding the right person to install the insulation for you.

0800 749 782 or visit www.energywise.govt.nz to apply.
Profile of a mass market programme

Over the next four years, we're going to make New Zealand's winters a lot warmer.

With ENERGYWISE\textsuperscript{TM} funding, from July 1 you can get up to $1800 to insulate and heat your home.
Over the next four years we’re going to warm up 100,000 homes that were built before the year 2000. The most effective way to do that is with better insulation, better insulation means: you heat less homes, that are warmer, that have lower energy bills, that use less fuel oil, and that also contributes to a cleaner environment.

Here are the answers to questions you might have about how Warm Up New Zealand works.

The answer to a warmer home, starts with a few questions.

A. What is eligible for funding?
   - Funding is available to all New Zealand homeowners whose houses were built before 2000 and are in a remote location. Landlords of homes built before 2000 are also eligible.

B. How much funding can I receive?
   - A third of the cost of installing ceiling and underfloor insulation, and other efficiency measures, up to $5000 (incl. GST).

C. Once your home has ceiling and underfloor insulation to a level approved by EECA, you will receive 1/3rd of the cost of installation. The funding is available for $5000 (incl. GST) and landlords $8000 (incl. GST) for an approved ceiling heating system, 1/3rd of the total cost of installation for landlords only.

D. What are the rules and how do I apply?
   - You can apply for this grant through the Energy Efficiency and Conservation Authority (EECA) or through your local council.

E. Can I install it myself and sell the savings?
   - Yes. You can install the insulation yourself if it is approved by EECA. You can also sell the savings to the person who installed the insulation for a fee.

F. Are there any restrictions on the type of insulation?
   - There are no restrictions on the type of insulation. You can choose any type that is approved by EECA.

G. How do I find a provider that is right for me?
   - You can find providers through the Energy Efficiency and Conservation Authority (EECA) or through the local council.

H. How do I contact EECA for more information?
   - You can contact EECA by phone or email for more information. There is also a website where you can find more information.

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The answer to a warmer home, starts with a few questions.
Make it easy

Looking for someone to insulate your home?

Then contact these registered ENERGYWISE™ providers who are operating in your area right now. We’ll be adding more over the coming months.

**Waikato, Bay of Plenty, Thames & King Country**

- Air Gen NZ 0800 161 162
- Air Lana 0800 247 526
- Be Snug 0800 462 300
- CozyCool 0800 269 926
- Eco Insulation 0800 400 326
- Happy Home 0608 427 794
- Huntly Energy Efficiency Trust 07 828 8004
- Homesafe Insulation 0800 762 696
- Premier Insulation 0800 467 666
- Pro Installation Ltd 0800 354 848
- Right House 0800 744 484
- Switch 0800 765 431

**Bay of Plenty only**

- Energy Options 0800 151 556
- Intra Warmth 0800 439 765

**Waikato only**

- Alternative Energy Solutions 0608 467 858
- Energy Mtd 0800 432 675
- WEL Energy Trust 07 800 3135
- JH Brewster* 09 238 8037

**Taupō only**

- Bay Insulation 06 835 7411

Look out for insulation and heating providers that carry the ENERGYWISE™ mark.

Visit [www.energywise.govt.nz](http://www.energywise.govt.nz) to find out more about Warm Up New Zealand: Heat Smart
Mass market and make it fun

http://www.energywise.govt.nz/how-to-be-energy-efficient/energyspot/10808

Energy Spot.mpg
Results (Evaluation of marketing campaign May – August 2009)

• 20,000+ calls to call centre
• 244,000+ visits to ENERGYWISE website.
• Awareness of funding 48%
• Leads provided via website 6,600+
• 8,260 retrofits within first two months

⇒ 37,000 retrofits by March 2010
Addressing regulation and compliance issues

- Strict requirements for insulation products
- Championed Insulation Installation Standards and assisted on strengthening Building Code
- EECA stimulated formation of the industry body (IAoNZ) that is now leading the development of the installer training scheme
- Contractual obligations, audits and 3-strikes policy
- Continual research
- Monitoring and Evaluation of the Programme KPIs and co-benefits
Issues around safety
Are there mechanisms more appropriate for particular sectors or technologies?

- This Government intervention covers the whole of the market – from consumers to manufacturers
- It has been highly successful in increasing demand, creating a market and improving service provider quality and choice
- It fits with the Government’s social, environmental and economic policy agendas
- Insulation has enough inherent barriers (financial, implementation, regulation, knowledge etc) that Government intervention is warranted
- Once NZers know what a warm, healthy house feels like, it will become part of their culture
- The Building Code will catch up to increase the minimum insulation standard
Are there lessons to be learned from programmes that were not successful?

- Previous programmes were running for >10 years and less successful. This programme was designed to address past inadequacies.
Let’s discuss!

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www.eeca.govt.nz

www.energywise.org.nz

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