

5. DRAFT CLEAN HEAT PROJECT – DISCUSSION DOCUMENT

Officer responsible Director of Policy	Authors Terence Moody, DDI 941-8834, Dr Leonid Itskovich, DDI 941-8793
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The purpose of this report is to put forward some suggested comments on the above document from Environment Canterbury, which are requested by the 28 June 2002.

CONTEXT

The Clean Heat Project is an incentives and assistance project developed by Environment Canterbury to operate in conjunction with the rules in the recently released Air Chapter of the Proposed Canterbury Natural Resources Regional Plan. The purpose of the project is to assist residents using solid fuels for home heating to change to cleaner forms of heating. As such it is closely based on the provisions contained in the proposed air chapter which contains limitations on installing or using certain forms of home heating at various dates, from the date of notification of the air chapter [1 June 2002] out to 2008. It should be noted that submissions on the air chapter have a closing date of 30 August 2002. It is expected that the Clean Heat Project will commence late in 2002.

DESCRIPTION OF THE PROPOSAL

A copy of the discussion document has been separately circulated to Councillors. It is stated that Environment Canterbury has developed the draft Clean Heat Project to address the changes that would be required in means of heating for domestic premises through the rules under the Proposed Air Chapter of the Natural Resources Regional Plan.

The objectives for the programme are stated to be the following:

- *Help those on low incomes cope with the changes.*
- *Encourage households to replace open fires and solid fuel burners with clean heating appliances such as heat pumps, nightstore heaters, flued gas heaters, flued diesel heaters and flued oil heaters.*
- *Encourage households to replace open fires and high-emission solid fuel burners sooner rather than later.*
- *Encourage households to choose energy efficient heating systems.*
- *Encourage households to install insulation to reduce the need for heating and reduce on-going heating costs of clean heating appliances.*

The discussion document states that arising from the objectives above the following key principles for the programme are proposed by Environment Canterbury:

- *Rental situations will be addressed.*
- *Those on low incomes will receive proportionally higher assistance.*
- *Ongoing heating costs will be met to address emergency cases of hardship.*
- *Only homes that currently use solid fuel as their main source of heating on a typical winter night will be eligible.*
- *No incentives or assistance will be provided for the installation of solid fuel burners.*
- *Households which have installed a solid fuel burner after the air chapter of the NRRP was notified (1 June 2002), are not eligible for incentives or assistance when they want to replace that solid fuel burner.*
- *Only those who have registered with the Clean Heat Project before 2008 (2006 for homes with open fires) may qualify for incentives or assistance.*
- *Incentives and assistance will target the most polluting sources of heating first.*
- *Heating devices purchased under the Clean Heat Project should be energy efficient.*
- *Energy efficiency measures, including insulation, may be required depending on the compulsory home energy rating.*

ISSUES FOR CONSIDERATION

The first matter that should be raised in comments on the proposal relates to the timing of this programme in relation to the proposed rules in the air chapter. Submissions on the latter do not close until 30 August but the incentives and assistance programme proposals, although heavily referenced to the air plan rules, are required to be commented on by 28 June. This is significant in those proposals not to support incentives going to low-emission wood burners and pellet fires may have effects on both the uptake of the programme but also effects on greenhouse gas emissions from domestic sources.

The second matter that raises concerns is the limitation to only a small range of heating methods, all of which have greenhouse gas emission implications. While agreeing that unflued gas heaters should not be supported, on both health and building maintenance grounds, the complete exclusion of solid fuel burners is not considered to be sensible from either a home heating or air pollution point of view. There are some households in which such heating methods are the best economic means of providing heating.

The third matter of concern is an apparent lack of design and clarity on how at least four of the five proposed programmes would be implemented; in particular the most important programmes for landlords and low income households.

The fourth matter of concern is that some of the proposed implementation methods have a potential for distorting the local market and restricting competition between service providers and industries.

Other matters relate to the inclusion of ineffective and/or unnecessary items in the list of subsidised energy efficiency technologies, and possible disadvantages for people who already participated in the City Council's clean air programmes between 1998 and 2002.

All the above matters have a potential to cause a number of problems at the Clean Heat project implementation stage and thus reduce the likelihood of its success in achieving the planned uptake rates, public support and, ultimately, the clean air goal.

The extended comments on the Draft Clean Heat Project discussion document will be available at the Committee meeting.

Staff

- Recommendation:**
1. That a submission be made to Environment Canterbury along the lines of the matters contained in the report
 2. That Environment Canterbury be requested not to implement the incentives and assistance programme until after clarification of the rules contained in the air plan has been made and the matters raised in these comments have been addressed.

Chair's

- Recommendation:** That the above recommendation be adopted.