

5. CLEAN HEAT PROJECT – THE POLICY DOCUMENT

Officer responsible Director of Policy	Author Terence Moody, DDI 941-8834
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The purpose of this report is to advise of the changes made to the incentives and assistance programme developed by Environment Canterbury following the hearing of submissions.

CONTEXT

The Council made submissions on the discussion document of the Draft Clean Air Project in June 2002 and the Mayor, with officer support, presented the submissions at a hearing.

The submissions were based on this Council's experience in undertaking similar incentives schemes, such the *Helping Hand for Heating* and *Warmer Homes* clean air and energy efficiency programmes. There was also the experience of undertaking energy efficiency improvements to Council housing stock.

The submissions covered four main issues, which were extended in both the written submissions and in oral presentations at the hearing.

- That the incentives and assistance proposal was heavily referenced to the proposed rules in the Air Chapter of the NRRP but submissions on the latter closed significantly after those on the Clean Heat Project. This was relevant to the proposal not to support incentives going to low-emission wood burners and it was considered this latter may have effects on the uptake of the programme as well as greenhouse gas emissions from domestic sources.
- The second matter was related to the limitation of incentives and assistance to a small range of heating methods, again with the exclusion of solid fuel burners such as wood, which were seen to have both economic and environmental advantages.
- The third matter was the lack of clarity and designs on the methods of implementation of at least four of the five proposed programmes, in particular those relating to landlords and low-income households.
- The fourth issue was the perceived potential for distortion of the local market and the restriction of competition through some of the implementation methods.

DESCRIPTION OF THE PROPOSAL

Environment Canterbury adopted the final policy document on 9 October 2002. A copy has been separately circulated to Councillors. The following are changes of significance that have been made from the draft many of which relate to matters raised in this Council's submission.

1. Solid fuel burners that meet a 40 milligrams emitted per mega joule of usable room heating output will be eligible for incentives similar to those provided by this Council previously. This Council's submission on this matter was accepted.
2. The provision of grants for ongoing heating cost increases, provided originally to compensate for the loss of free firewood when wood burners were not to be provided for through the incentives programme, have been removed. This Council's submission pointed to the problems of such grants and to this extent the submission was accepted.
3. Subsidies for wall insulation have been removed, as have subsidies for curtains in the incentives programme but these remain for second hand curtains in the assistance for low incomes programme. The subsidies for low flow showerheads and energy efficient lighting have also been removed. These were all part of the submissions of this Council.
4. The maximum limit of \$4,000 for the low incomes programme has been replaced with a requirement that assistance will be in accord with the home energy rating and guidelines set by the project manager.
5. The statements that implementation of the Assistance to Low Incomes Programme was to be contracted to programme implementation organisations have been removed. This Council submitted on this matter and the submission was accepted.
6. The programme will be reviewed annually as a discrete part of the Annual Plan process of Environment Canterbury.

CONCLUSIONS

The Council, in adopting the submissions, resolved to request Environment Canterbury not to implement the programme until after clarification of the rules contained in the Air Chapter of the NRRP, particularly in relation to the acceptance of wood burners. The changes made to the Clean Heat Project following the submissions allow some low emission wood burners to be installed under the incentives scheme and to that extent satisfy some of the concerns that had been raised at the exclusion of wood burning as an option for home heating in Christchurch.

The acceptance of submissions of this Council has led to changes, which could assist in the programme meeting its stated aims.

Chair's

Recommendation: That the information be received.