
Project title: ECO BULB SUBSIDY FOR HELP PROJECT
KAA: RESOURCES AND WASTE

1. Project summary

The Hutt Mana Charitable Trust is funding the Wellington Household Efficient Lighting Project (HELP) in 2005/06. The goal of the programme is to fit 50% of households in the Hutt Mana area with five energy efficient “eco bulbs” but all households will have the opportunity to participate. The HELP programme will be managed by Energy Mad and the programme is similar to those run in the South Island (e.g. South Canterbury), which were reported to be successful in community uptake (62% participation rate), energy savings, financial savings and marketing.

2. Submissions

The Hutt Mana Charitable Trust proposed that Council partner with the Trust to contribute \$300,000 to expand the scope of the project to include all households in the Wellington City area. The Trust wants Council to fund the project for the parts of Wellington City outside the Hutt Mana boundary. The Trust will go ahead with its project in the Hutt Mana Area in 2005/06 if Council declines the partnership opportunity.

3. Relationship to Existing Activities

Council is currently initiating the Wellington Healthy Homes Project in partnership with EECA and other government agencies. The project involves energy efficiency retrofits for Council housing stock and other low-income households in Wellington with insulation and energy efficient fixtures such as light bulbs. The project will cost \$2 million over the three years.

Council is developing an Environmental Strategy, which will prioritise Council’s focus and expenditure relating to energy efficiency and conservation for Council’s operations and the community.

Council is a member of the Communities for Climate Protection – New Zealand Programme. The main goal of the programme is to reduce Council’s and the community’s greenhouse emissions. Emissions reductions will primarily result from energy efficiency and conservation projects.

Council is an EnergyWise Council and it has agreed to reduce its corporate energy consumption 15% from 2001 levels by 2010.

4. Proposal Costs

<i>Outline project costs per year</i>									
Project Component	Operating expenses \$000								
	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14
<i>Project cost</i>	300								
Total	300								

5. Project Outline

The HELP project will take place in the 2005/06 financial year and each household participating in the project would receive a \$10 voucher that is redeemable for five bulbs at supermarkets such as New World and Pak 'n Save. The household would then replace their top five incandescent bulbs with the eco bulbs.

The company Energy Mad is managing the project, which includes eco bulb importation and distribution, advertising and voucher mail-out. Energy Mad will also claim ownership of any carbon credits created through the project. The role of Hutt Mana Trust and Council (if Council decides to participate) will be to provide funding and engage in promotion through local media outlets.

Benefits of Project

The primary benefit of the project is energy efficiency but the project is also expected to result in:

- environmental benefits through reduced electricity consumption, reduced greenhouse emissions and reduced bulbs going to landfills
- community and social benefits through household savings on power bills
- economic benefits through savings in power bills spent in other areas of the economy
- reduced demand on power grid
- permanent and sustainable behavioural change
- positive publicity in assisting Wellington residents save on their power bills

The submission states that households fitted with the energy efficient bulbs would expect to save around \$600 over the lifetime of the bulbs through power savings. The submission also states that the total savings for the households in the Wellington region is approximately \$24 million when multiplied across 50% of the 80,000 households in the proposed programme. The estimated electricity saved by the project is equivalent to the electricity used to power 8,700 homes. Hutt Mana Trust expects residents will continue to purchase the bulbs after the project because of the economic and environmental benefits from using the bulb (95% of participants in South Canterbury were satisfied with bulbs).

Using the same savings calculations from above, the total savings for Wellington City households outside the Hutt Mana area (i.e. the proposed target area for Council funding) is approximately \$15 million when multiplied across 50% of the 50,000

households in those areas. The total savings across Wellington City (including Hutt Mana areas in Wellington City) from the potential project area is estimated to be \$18.6 million.

Risks of Project

The potential risks include:

- Inadequate participation in project by residents – The project relies on residents to exchange a voucher at a supermarket to receive the bulbs. If advertising is not effective and interest is low, the potential benefits of the project will not be realised. Ad hoc nature of project – Council has yet to establish its priorities with regards to energy efficiency and conservation. These issues will be covered in the Environmental Strategy currently being developed by Council, which will be finalised in October. It could be premature to allocate \$300,000 to a community energy efficiency project given the timing of the Environmental Strategy.
- Faults with bulbs – The success of the project is dependent on the quality of the bulbs.
- Dissatisfaction with bulbs – Participants might prefer to use standard bulbs after even after trialling the eco bulbs.
- Issues with carbon credits – One of the conditions of Council participating in the project is that all carbon credits resulting in the programme will be owned by Energy Mad. It is advisable for Council to investigate this matter further to identify potential impacts from such an agreement.

Alternative Options

Energy Mad only approached Hutt Mana Energy Trust and Council for funding for the project. If Council chooses not to fund this particular project, it has the option of funding a similar project in the future. Council could also reconsider this proposal after the energy efficiency and conservation priorities are established through the Environmental Strategy.

Council can also investigate the possibility of using the eco bulbs as a component of the energy efficiency retrofits for the Wellington Healthy Homes Project mentioned above. If this is not suitable, Council can investigate ways it can incorporate the use of the eco bulb with its own operations.

6. Conclusion

The Hutt Mana Charitable Trust is funding the Wellington Household Efficient Lighting Project (HELP) in 2005/06 which will see 50% of households in the Hutt Mana area fitted with five energy efficient “eco bulbs”. The submission states that households fitted with the energy efficient bulbs would expect to save around \$600 over the lifetime of the bulbs through power savings. The project will be managed by the company Energy Mad.

The Hutt Mana Charitable Trust proposed that Council partner with the Trust to contribute \$300,000 to expand the scope of the project to include all households in the Wellington City area.

7. Recommendation

It is recommended that Council not allocate funding towards the 2005/06 Wellington Regional HELP project and that Council investigates the opportunities of installing eco bulbs as a component of the Wellington Healthy Homes Project.

Alternatively, Council can reconsider the proposal after the energy priorities are established through the Environmental Strategy and in the interim investigate the opportunities of using eco bulbs as a component of Council's lighting assets.