



COVERSHEET

Minister	Hon Simeon Brown	Portfolio	Energy
Title of Briefing	Update on Budget 2024 Savings Options	Date to be published	15 August 2024

List of documents to be proactively released

Date	Title	Author
30 January 2024	Update on Budget 2024 Savings Options	Privacy of natural persons

Information redacted

YES /NO

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BRIEFING

Update on Budget 2024 savings options

Date:	30 January 2024	Priority:	High
Security classification:	Budget - Sensitive	Tracking number:	2324-1771

Action sought		
	Action sought	Deadline
Hon Simeon Brown Minister for Energy	Note the contents of this briefing. Agree the proposed savings options to be included in advice to the Associate Minister of Finance Hon David Seymour on Friday 2 February.	1 February 2024

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Justine Cannon	General Manager, Energy Markets	Privacy of natural persons	✓
Privacy of natural persons	Policy Director, Energy Markets	Privacy of natural persons	

The following departments/agencies have been consulted
The Energy Efficiency and Conservation Authority has inputted to this briefing

Minister's office to complete:

- | | |
|---|--|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Declined |
| <input type="checkbox"/> Noted | <input type="checkbox"/> Needs change |
| <input type="checkbox"/> Seen | <input type="checkbox"/> Overtaken by Events |
| <input type="checkbox"/> See Minister's Notes | <input type="checkbox"/> Withdrawn |

Comments



BRIEFING

Update on Budget 2024 savings options

Date:	30 January 2024	Priority:	High
Security classification:	Budget - Sensitive	Tracking number:	2324-1771

Purpose

This briefing provides you with an update on the Budget 2024 process and outlines the ways in which MBIE proposes to contribute to the government's request for a 7.5 per cent baseline savings in relation to the Energy portfolio.

Recommended action

The Ministry of Business, Innovation and Employment recommends that you:

- a **Note** that MBIE has been asked to identify 7.5 per cent savings and this briefing provides you with an update on advice to be provided in relation to your portfolio.

Noted

- b **Note** the information provided in this briefing on the increase in Energy portfolio FTE over the period 2017-2023.

Noted

- c **Agree** the proposed savings options to be included in advice to the Associate Minister of Finance Hon David Seymour on Friday 2 February.

Agree / Disagree / Discuss

- d **Agree** MBIE execute a contract for the Stewart Island renewable energy indicative business case.

Agree / Disagree / Discuss

Justine Cannon
General Manager, Energy Markets
Building, Resources Markets, MBIE

30/1/ 2024

Hon Simeon Brown
Minister for Energy

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Context

1. At the end of 2023 the Chief Executive for MBIE received a letter from the Minister of Finance regarding Budget 2024. The letter outlined her expectations for MBIE to achieve 7.5 per cent savings against our eligible base. MBIE has been asked to provide advice on how we might achieve these savings through the Budget 2024 process.
2. Hon David Seymour, Associate Minister of Finance, is the lead-Minister for the initial baseline exercise for MBIE. Hon Seymour has been asked to coordinate across portfolio Ministers on the allocation of savings to meet expectations set by Cabinet and decisions on prioritisation.
3. MBIE is engaging with Hon Seymour directly, and we understand he will seek a bilateral meeting with you to discuss savings from the Energy portfolio. We have also been asked to provide a briefing to Hon Seymour on Friday 2 February outlining savings proposals and detailing the expenditure and FTE growth in MBIE since 2017.
4. This briefing provides information on:
 - Increases in MBIE Energy portfolio resourcing over the period 2017-2023 and our high-level assessment of resource requirements to deliver Government priorities
 - Proposed savings for the Energy portfolio to contribute to Budget 2024, further to our initial discussion with you last week.
5. We would appreciate the opportunity to discuss the increases in MBIE FTE and the proposed savings in our upcoming weekly meeting with you on 1 February, ahead of briefing Hon Seymour on 2 February.

Increases in MBIE resourcing

Summary of FTE growth and changing functions and projects

6. Hon Seymour has asked for information on MBIE FTE growth from 2017 to 2023. The table below shows the FTE growth in Energy and Resources (noting these were delivered as one Portfolio) over this period.

Portfolio	FTEs 2016/17	FTEs 2023/24
Energy		75.4
Resources		76.5
Energy and Resources	97.4	
Total	97.4	151.9

7. The energy sector, and associated policy work, was largely in a steady-state in the two-decades to 2020. For example, there was no growth in energy demand over this period, the make-up of our electricity generation remained stable, and energy prices remained relatively steady.
8. New challenges, risks and opportunities, for the energy sector began to take increasing effect towards the end of the last decade. This has also been reflected in the work required of MBIE.
9. In summary, we expect the significant volume of policy work resulting from transitioning the energy system to continue. Changes underway in the energy and resources systems are unprecedented. In the coming years there will be fundamental changes in both the supply of, and demand for, energy. This means more active policy work is needed – certainly relative to

the two decades to 2020 when the energy sector was in a steady-state – to ensure market and regulatory settings are fit for purpose to keep the lights on through the transition, and to make the most of the opportunities that the transition presents.

10. The remainder of this section sets out where new functions or projects were undertaken by MBIE over the period 2017-2023 and indicates where these received specific funding. This is divided into work related to (1) managing challenges arising from the energy system transition, (2) promoting energy affordability, and (3) ensuring fuel security. This section also sets out our expectation of future demands in each area, including in light of the Government's priorities.
11. We note that this is on top of our business-as-usual policy advice role, which includes responding to unforeseen issues as they arise (e.g. responses to critical events or requests of the government from sector participants) and Ministerial servicing.

(1) Managing challenges arising from the energy system transition

12. The following new functions or projects were undertaken in relation to the energy system transition over the period 2017-2023:
 - From around 2020 the energy portfolio began providing advice on energy's role in meeting our Climate obligations and developed the energy components of the first Emissions Reduction Plan. This work was undertaken from within baselines.
 - In 2020, the New Zealand Battery Project was established to explore options to solve the dry-year problem. This project received specific funding, the remainder of which was returned through the December 2023 mini-Budget. The team has now been disestablished.
 - In 2021 MBIE and the Gas Industry Company began work on a Gas Transition Plan to outline transition pathways for the use of gas to 2035 and give certainty to the sector. This work was undertaken from within baselines.
 - In 2021, the energy portfolio began work on a sustainable biofuels obligation to decrease emissions from transport fuels. This work was undertaken from within baselines and was discontinued in February 2023.
 - In 2022, the energy portfolio commenced new projects to manage challenges and achieve opportunities for the energy system associated with the transition to a net-zero economy by 2050. These projects received new funding, most of which was time-limited. This included:
 - i. Investigating the need for additional electricity market measures that support affordable, reliable and resilient electricity supply while New Zealand transitions to a more renewable electricity system
 - ii. Developing a new regulatory regime for offshore renewable energy developments
 - iii. Developing an energy strategy to address strategic challenges through the transition
 - iv. Developing a Hydrogen Roadmap to set out the pathway for establishing a hydrogen industry in New Zealand
 - v. Work to reduce business energy emissions, including through partnerships with large emitters under the Government Investment in Decarbonising Industry programme (since discontinued) and developing an Energy Emissions Reporting Scheme to improve information and reporting on energy emissions by large emitters.

- In 2023, the portfolio commenced work to design a network innovation fund, to support demand response systems that help manage peak electricity demand and improve electricity network resilience. This programme received new funding.
13. We expect significant policy work will continue to be required over the coming years to manage challenges arising from the energy system transition. This includes work in the following areas to achieve the Government's priorities relating to the energy system transition:
- Delivering a broad suite of resource management changes to accelerate the consenting of electricity generation, transmission, and distribution infrastructure towards doubling our supply of renewable energy.
 - Ensuring fit for purpose funding and cost recovery rules for electricity network infrastructure.
 - Enabling a comprehensive, nationwide network of electric vehicle chargers to allow more New Zealanders to switch to an EV with the confidence they can recharge their car when and where they need to.
 - Developing an enabling regulatory regime for Carbon Capture and Storage.
 - Continuing work to ensure security of electricity and gas supply through the transition, which is facing growing security of supply challenges, including as the share of intermittent renewable generation increases and as production from our oil and gas permits is forecast to peak this year
 - Continuing to develop a new regulatory regime for offshore renewable energy developments (now required to be implemented faster than previously planned).
14. We propose to discontinue, or have discontinued, the following:
- The New Zealand Battery Project (funding returned and team disestablished).
 - Network Innovation Fund (proposed to disestablish and return funding, see Annex One).
 - Energy Emissions and Reporting Scheme (proposed to discontinue and return funding, see Annex One).
 - Work with large emitters under the GIDI programme (discontinued December 2023).

(2) Promoting energy affordability

15. The following new functions or projects were undertaken in relation to energy affordability over the period 2017-2023:
- Work to support the Electricity Price Review in 2018/2019 and respond to the Review's recommendations thereafter, including establishing and supporting an energy hardship expert panel, amendments to the Electricity Industry Act, and phasing out low fixed charge tariff regulations. This programme received specific funding and has been completed.
 - Following the Electricity Price Review, the Support for Energy Education in Communities programme was established in 2020, to fund community-level energy education to help households in need. This programme received specific funding.
 - In 2020, the Government established a new fund to trial renewable energy technologies on Māori and public housing. This programme received specific funding and has been completed.

- Following the Commerce Commission’s fuel market study, MBIE developed a new regulatory regime under the Fuel Industry Act 2020 to improve competition in the retail fuel market. This work was undertaken from within baselines.
 - From 2021 work commenced on legislative amendments to enable smart EV charging standards to be set, with a view to allowing consumers to take advantage of lower off-peak prices and minimising the amount of network build needed by shifting demand to off-peak times. This work was undertaken from within baselines.
 - In 2022, the Government established a new fund to deliver small-scale renewable energy developments to improve communities’ access to secure, renewable, and more affordable energy. This programme received specific funding.
16. We expect significant policy work will continue to be required in relation to energy affordability. There will be significant upward pressure on electricity prices over the coming decade as demand increases, the market power of some generators increases, and we build significantly more network infrastructure. Therefore, consistent with the Government’s priorities relating to the cost-of-living, we expect work will be required in the following areas:
- Work to ensure electricity sector regulatory settings are supporting investment, competition and innovation.
 - Work to enable a smarter electricity system, including so that power use can be shifted away from peak times, to reduce the amount of network build needed and facilitate a lower cost transition.
 - Continued delivery of the SEEC programme and community renewable energy fund (see Annex One).

(3) Ensuring fuel security

17. The following new functions or projects were undertaken relating to fuel security over the period 2017-2023 (all undertaken from within baselines):
- Advice related to fuel security implications of the closure of the Marsden Point oil refinery.
 - Development of new fuel resilience measures, including legislation requiring onshore fuel stockholding, diesel procurement, and improved information gathering and monitoring.
18. A significant and sustained supply disruption of our engine fuels would cripple industry and cause significant hardship to New Zealanders. In the context of rising geopolitical tensions and changing supply chains, work will continue to be required to respond to the evolving fuel security challenges, including through implementing the Government’s priorities, as follows:
- commencing a fuel security study in the first half of 2024, including investigation of reopening the Marsden Point oil refinery.
 - finalising the onshore stockholding regulations to require the fuel industry to hold more stocks onshore, which take effect on 1 January 2025.
 - undertaking ongoing fuel security monitoring and implementing further improvements as warranted.

Re-phasing policy funding to achieve a more sustainable funding level

19. As a result of receiving time limited funding to manage challenges arising from the energy system transition, policy funding decreases significantly from 2025/26. This means funding will be insufficient from 2025/26 to deliver your priorities and address emerging policy issues. We are therefore proposing to seek a fiscally neutral adjustment through the March Baseline

Update process (MBU) to rephase some funding from the current financial year. This is illustrated in the table below.

	2023/24 ‘\$000	2024/25 ‘\$000	2025/26 ‘\$000	2026/27 ‘\$000	2027/28 ‘\$000
Current Energy Policy	24,189	15,193	11,072	10,920	10,275
Proposed re-phasing of Energy Policy	14,240	14,240	14,240	14,240	14,240

Energy portfolio savings options

Summary of energy appropriations and savings proposals

20. Last week we met to discuss options to deliver savings from the Energy appropriations. Based on your initial feedback, the following table provides a summary of the savings we propose to include in the briefing to Hon Seymour on Friday 2 February. Annex One shows the proposed savings in more detail.

	Current appropriations					Savings	
	2024/25 \$m	2024/25 \$m	2024/25 \$m	2024/25 \$m	Total	Proposed savings \$m	Proposed savings %
EECA	258	262	220	80	819	159	19%
Electricity Authority	102	102	102	100	406	0	0%
Confidential advice to Government							
MBIE Non-Departmental	49	49	48	36	182	24	13%
MBIE Departmental	19*	18*	18*	18*	73*	6	8%
Total	433	437	395	242	1,508	195	13%

* Assumes policy funding rephased through a fiscally neutral adjustment

21. You also sought more information in relation to Energy Efficiency and Conservation Agency (EECA) programmes, MBIE grant funding, and Electricity Authority FTE levels which is provided below.

Energy Efficiency and Conservation Authority

22. EECA is a Crown agency with the role to encourage, promote, and support energy efficiency, energy conservation, and the use of renewable sources of energy. Its three main levers to fulfil this role are:
- delivering funding or co-investment to support the uptake of energy efficient technologies and renewable energy,
 - developing and communicating credible information to encourage clean energy choices,
 - regulation, including minimum energy efficiency standards for products and appliances.

23. The 19 per cent savings proposed from the EECA appropriations result from discontinuing and scaling-back specific funding programmes and finding efficiencies as set out in the table in Annex One. Before confirming these savings, you sought more information as follows.

Warmer Kiwi Homes: detail on its operation and options for changing funding levels

24. Warmer Kiwi Homes currently provides targeted co-funding insulation and heating grants to low-income homeowners. It provides:
- 80-90 per cent of the total cost of ceiling and underfloor insulation (in many cases the balance of the total cost is subsidised or covered completely by funding from community organisations). Deprivation Zones seven and eight are eligible for 80 per cent funding, whereas zones nine, ten and Community Service Card holders are eligible for 90 per cent funding.
 - Up to 80 per cent of the cost of an approved heating appliance. This could be a heat pump or an efficient wood/pellet burner for the main living area. Heating grants are capped at \$3,000.
25. Eligibility criteria are as follows:
- To receive a grant to install insulation, recipients must:
 - i. Own and live in a home built before 2008, and without ceiling and/or underfloor insulation.
 - ii. Have a Community Services Card, or live in an area identified as low-income (NZ Deprivation Zones 7-10).
 - To receive a grant to install heating, recipients must:
 - i. Own and live in a home built before 2008 with ceiling and underfloor insulation.
 - ii. Have a Community Services Card or live in an area identified as low-income (NZ Deprivation Zones 7-10).
 - iii. Not have one of the following fixed heaters that is operational in any living area of the house: heat pump, wood or pellet burner, flued gas heater or central heating system.
26. Grants are limited to owner occupied homes and rentals are excluded as they are covered by the Healthy home standard regulations.
27. The average cost of retrofits is estimated to be: \$3,600 for insulation and around \$3,500 for heating which translates to the following cost for homeowners:

Deprivation Index (DI)	Current insulation grant level	Average cost to homeowner insulation	Current heating grant level	Average cost to homeowner heating
DI areas 9 and 10 and CSC	90%	\$360	80%	\$350
DI area 8	80%	\$720	80%	\$700
DI area 7	80%	\$720	80%	\$700

28. The heating and insulation components of Warmer Kiwi homes are scalable, and could still be delivered at a smaller size with reduced funding, through a combination of reducing the

number of retrofit grants available, reducing the number of eligible deprivation zones, and/or reducing the government contribution to each retrofit. This will result in less homes being retrofitted, and/or households needing to contribute more to access support.

29. EECA could also provide advice on alternative targeting mechanisms. While the deprivation index is a relatively blunt tool (i.e. capturing a small number of households that could self-fund), it is an administratively simple and low-cost way of identifying targeted homes.

Transport related funds

30. You indicated an initial preference to discontinue the two heavy transport related funds. This is reflected in the savings presented in Annex One.
31. You also sought more detail on the operation and criteria for the Public EV Charging Hubs and Infrastructure programme. EECA has since provided you with a briefing (dated 24 January 2024, EECA 2024 BRF 001 refers) setting out more detail on its EV charging activities. In summary:
- EECA utilises contestable funding rounds with multiple applicants, to compare applications and negotiate with applicants to maximise value for money.
 - For the short to medium term, EECA plans to run regular funding rounds targeting the key public charging opportunities (charging hubs, urban infill/destination charging and rural community charging).
 - EECA notes EV chargers are increasingly being installed by the private sector without funding support, so is increasingly focussing support where the most significant market barriers exist and setting the level of contribution to match the commercial viability and public benefit of the project.

Operational costs and FTEs: understanding the overhead associated with running grant programmes

32. EECA currently administers around \$250 million worth of funding annually, in the form of grants and other support for businesses and consumers. Operating funding associated with managing funds varies.
33. In total EECA employs around 100 FTE in roles working directly on design, delivery and programmes (this includes information provision programmes, but excludes corporate activities).
34. Programme teams range in size – anywhere from 2 to 12 FTE – but programme design and delivery typically requires input and effort from teams across EECA, with staff working on a number of subject areas (rather than being dedicated to delivery of a single programme).
35. As an illustrative example, Warmer Kiwi Homes is the largest funding programme operated by EECA. It has around \$2.7 million allocated to employ 12 FTE, including overheads. Around \$1.7m in 'other OPEX' is assigned to marketing, auditing of delivered projects, operation of the Warmer Kiwi Homes call centre, and funding the programme's IT platform.
36. The Chief Executive of EECA has made an initial assessment that the programme reductions and efficiencies set out in this briefing would result in a reduction of approximately 25 FTEs.

MBIE Grant Programmes

37. MBIE administers the following three funding programmes relating to energy resilience, affordability and network innovation:
- Grant funding to support community-based renewable energy generation projects (“the **Community Renewable Energy Fund**”) to reduce energy costs, while building

community resilience to extreme weather events and other natural hazards. This funding was delivered through Budget 2022 and Budget 2023 and amounts to around \$10 million per year for four years.

- **Network innovation funding** to support demand response systems that help manage peak electricity demand and improve electricity network resilience. Funding for this programme was delivered through Budget 2023 and amounts to around \$5 million per year for four years. Ara Ake has agreed to administer this funding, but the programme has not yet commenced.
- Funding for community-based service providers to support people experiencing energy affordability issues to achieve warmer, more energy-efficient homes and lower their energy bills (“the **Supporting Energy Education in Communities (SEEC)** programme”). The SEEC Programme was established following the 2019 Electricity Price Review with funding delivered through Budget 2020, which amounts to almost \$3 million per annum.

38. You indicated an initial preference to continue the Community Renewable Energy Fund and the SEEC programme, given their contribution to the Government’s priorities relating to the cost of living and resilience, subject to further evidence of their benefits. This is provided below.
39. You indicated an initial preference to discontinue the network innovation funding noting that this programme has not yet commenced. This is reflected in the proposed savings in Annex One.
40. We also seek your decision on whether to proceed with the contract for the Stewart Island renewable energy business case.

Community Renewable Energy Fund – Evidence of value for money

41. The Community Renewable Energy Fund delivers small-scale renewable energy developments to improve communities’ access to secure, renewable, and more affordable energy. This includes projects to enhance energy resiliency in communities and to trial innovative ways to store and distribute locally generated electricity.
42. Allen & Clark and Motu are currently undertaking an evaluation of the funds’ precursor which delivered 40 small-scale projects (supporting 1270 homes) and seven large scale projects; however, the final cost-benefit analysis and overall evaluation report are not due until late 2026.
43. Self-reported benefits achieved to date include energy resiliency, energy affordability, innovation, capability building, emissions reductions, and improved health outcomes. For example, some projects resulted in power bills dropping by between 30 and 50 per cent and one solar project was crucial to maintaining a secure energy resource during Cyclone Gabrielle.
44. The Fund specifically includes \$6.5 million for solar and battery systems on community buildings in regions affected by Cyclone Gabrielle and other severe weather events. Community buildings are used in civil defence events to protect people during and immediately after emergency events. These projects will provide communities with renewable energy for emergency events and for day-to-day use. Locations are being identified and prioritised in collaboration with local authorities and Civil Defence Emergency Management.
45. In the savings proposals set out in Annex One, we have proposed scaling down this programme by 25 per cent, to strike a balance between delivering fiscal savings while retaining programmes that contribute positively to New Zealanders’ cost of living.

SEEC – Evidence of value for money

46. As at November 2023, MBIE had allocated \$4.96 million to SEEC providers, which has reached over 19,000 households. Up to \$100,000 of the SEEC 2023/24 funding round is earmarked to undertake an external evaluation and cost-benefit analysis of the fund by the end of 2024.
47. Based on outcomes reported by SEEC providers, projects funded to date have achieved average annual energy savings of \$180 to \$230 per household that received SEEC provider support (this is from simple interventions delivered such as more efficient heat pump use through cleaning filters, installing LED lighting, and switching electricity plans to a lower-cost option).
48. EnergyMate (a provider jointly funded by the Electricity Retailers Association and SEEC) ran an evaluation and found that overall EnergyMate has worked very effectively to identify specific household level changes to improve energy efficiency, to ensure the most appropriate electricity plan, and contribute to addressing barriers to warmer drier homes for some participants. 90 per cent of participants agreed EnergyMate was very helpful in providing new knowledge or reminders of what they should be doing for energy efficiency.
49. Wider benefits for New Zealand include reduced electricity demand at peak times, which reduces network infrastructure costs, and reduced carbon emissions at a 'negative abatement cost' (typical for energy efficiency initiatives).
50. The SEEC Programme is part of a suite of government initiatives aimed at reducing energy hardship, but it is the only initiative focused solely on energy education.
51. In the savings proposals set out in Annex One, we have proposed scaling down this programme by 25 per cent, to strike a balance between delivering fiscal savings while retaining programmes that contribute positively to New Zealanders' cost of living.

Stewart Island renewable energy business case

52. Budget 2023 allocated \$300,000 to fund a business case commissioned by Southland District Council to investigate further renewable electricity options for Stewart Island. As previously advised (2324-1128 refers) electricity on Stewart Island is currently delivered via five diesel generators and residents pay three times the cost of electricity compared to the mainland.
53. Execution of this contract was put on hold during the caretaker government period. Southland District Council has released an Expression of Interest for suitable suppliers but is unable to progress this project until MBIE releases the funding and is seeking a decision.
54. This briefing therefore seeks your decision on whether to proceed with the contract for the business case.

Electricity Authority

55. The Electricity Authority is an independent Crown entity, with responsibility for the governance and regulation of New Zealand's electricity industry. The Authority is funded by the Crown through appropriations and this funding is recovered through a levy on electricity industry participants. The Authority publicly consults on its levies each year in accordance with the Electricity Industry Act 2010.
56. As discussed, the Authority is currently consulting on an increase to its main operating appropriation of approximately 14 per cent (\$14 million). A recent strategic baseline review by Sapere confirms that the Authority's operating context is increasingly complex and that more is being asked of them, indicating that an increase in funding may be required. We do not recommend any reductions in funding for the Electricity Authority.

57. You indicated initial agreement regarding the increasing complexity the Authority is operating in but noted that, through the upcoming levy decision, you will be wanting to ensure the Authority has looked to make efficiency gains where possible. The Sapere Strategic Baseline Review identified areas where the Authority could operate more effectively and improve its overall efficiency. The Board has accepted the findings of the review and is putting in place an internal work program to address the key issues.
58. You also sought information on the Authority's FTE and funding levels in recent years, which is as follows:
- The Authority's operating expenses were largely static from 2011/12 to 2018/19 which meant cost pressures were absorbed over this 8-year period.
 - In recent years, funding increases addressed some of these cost pressures, and fund new and expanded policy programmes, including implementing recommendations of the August 9 electricity outage review, the future security and resilience work programme, implementing the Electricity Industry Act Amendment Bill, undertaking the wholesale market competition review, and implementing real time pricing.
 - The total Authority appropriation increased from around \$73 million in 2016/17 to around \$100 million currently. FTE increased from around 59 to around 117 currently. FTE growth reflects bringing more capacity in-house, and an increase in capacity to meet the above expansion in scope of work.

Next steps

59. We would appreciate the opportunity to discuss the increases in the Energy portfolio FTE and proposed savings.
60. Your feedback will inform the briefing on savings opportunities in the Energy portfolio to be provided Hon Seymour on Friday 2 February. As noted earlier in this briefing, we anticipate that you will have the opportunity for a bilateral conversation with Hon Seymour and we will provide support for that conversation as required.

Annexes

Annex One: Detailed savings proposals

Annex One: Detailed savings proposals

		Current appropriation					Savings		Comment on savings
		2024/25 \$m	2024/25 \$m	2024/25 \$m	2024/25 \$m	Total	Proposed savings \$	Proposed savings %	
EECA	EECA Operational	79	80	78	78	315	24	7.5%	Operational savings from finding efficiencies and from lower fund administration costs (given decrease in grant funding – see below)
	Warmer Kiwi Homes (WKH) – Implementation costs to deliver core WKH programme	9	9	9	0	28	3	10%	Operational savings resulting from the reduced WKH grant programme (see next row)
	Warmer Kiwi Homes – Grant Funding	97	111	126	0	334	85	25%	Refer options set out in this briefing to achieve a reduction in WKH grant spending
	Warmer Kiwi Homes – LED Lighting	5	5	5	0	15	15	100%	This new WKH programme received funding in Budget 2023 and has not commenced. Savings achieved by discontinuing it
	Confidential advice to Government								
	Low Emission Transport Fund Freight Decarbonisation	12	2	0	0	14	14	100%	This programme received funding in 2022 to demonstrate freight decarbonisation. Savings achieved by discontinuing it

Confidential advice to Government

MBIE Non-Departmental	Support for Energy Education in Communities (SEEC)	3	3	3	3	12	3	25%	Savings achieved through scaling down the SEEC programme
	Renewable Energy in Communities & Network Innovation Fund	16	16	16	3	50	21	42%	Savings achieved by discontinuing the network innovation fund (which has not yet commenced) and scaling down the renewable energy fund by 25%
MBIE Departmental	Information Services	3	3	3	3	12	2	15%	Savings achieved through achieving efficiencies and through discontinuing the Energy Emissions Reporting Scheme (see next row)
	Monitoring and Enforcement of an Energy Emissions Reporting Scheme	1	1	1	1	4	4	100%	Savings subject to agreement to discontinue work on this scheme