

Appendix 1 - Amendment the 2006-16 LTCCP



This appendix explains the amendment to the 2006-16 Long Term Council Community Plan (LTCCP) to enable the Clean Heat Project to be introduced in Kaiapoi, Rangiora, Ashburton and Timaru.

See also the Air Quality Group of Activities, page 12.

Clean Heat Projects for Canterbury Towns

Following consideration of submissions, the council has agreed to introduce Clean Heat Projects in Kaiapoi, Rangiora, Ashburton and Timaru.

Background

The Clean Heat Project is a voluntary assistance programme that provides subsidies to help homeowners convert from older wood burners and open fires to modern and cleaner forms of home heating, in communities where there are air pollution issues from the use of home burners. The Clean Heat Project is funded from a targeted rate across the community that will benefit from the improved air quality.

The Clean Heat Project

The Clean Heat Project is now available in Christchurch, Kaiapoi and Rangiora, Ashburton, and Timaru. These communities all have significant air quality issues, and all currently fail to meet the National Environmental Standard for air quality, and will not reach the 2013 target without intervention. The Clean Heat Project is a voluntary method to assist homeowners to make a change that will benefit the wider community, while also improving home heating and energy efficiency for the homeowner. It is noted that the Clean Heat Projects are not designed to achieve the National Environmental Standard on their own, but will contribute towards this end. See Table 2 Estimated conversions for Timaru, Ashburton, Kaiapoi and Rangiora required to meet National Environmental Standards.

The proposed Clean Heat Projects have been developed following working parties with the relevant district councils. In Kaiapoi, Rangiora, Ashburton and Timaru they are all significantly smaller, and provide incentives to a narrower range of households, than in Christchurch. They are set at levels that are believed to be affordable for the ratepayers of the affected communities. A full scheme modelled on the Christchurch Clean Heat Project would be too expensive.

Description of Clean Heat Project programmes

Clean Heat Projects for Kaiapoi, Rangiora, Ashburton, and Timaru use elements of the following assistance schemes run in Christchurch.

Full Assistance – provides for the full cost of the installation of a new Clean Heat approved appliance, for insulation in the ceiling and underfloor as required, and the cost of sealing the open fire or removing the woodburner.

Subsidy – provides a subsidy towards the cost of the installation of a Clean Heat approved appliance (\$500 including GST), for insulation in the ceiling and underfloor (\$3.50 per square metre), and towards the cost of sealing the open fire or removing the woodburner (\$100). The appliances and other products are provided at prices obtained through Environment Canterbury tendering, and the installation is project managed by Environment Canterbury.

Loan – provides for an interest free loan for the capital cost of the installation of appliances, insulation, and sealing or removal of existing fires, with the repayments being over 10 years, and paid back through rates payments. If the property is sold during the 10 years, the balance of the capital is repaid.

Home Assessment – provides for an independent assessment of home heating and insulation needs, and offers project management of appliances and insulation at prices obtained through Environment Canterbury tendering.

Description of Clean Heat Projects in Kaiapoi, Rangiora, Ashburton and Timaru

As a result of increased Central Government funding, a more extensive programme than originally proposed is now possible. However, should this funding no longer be available, the programme will revert to that able to be provided with targeted rate funding alone (the original proposal).

Details of programmes with and without the new Central Government funding provided by the Energy Efficiency and Conservation Authority (EECA) follow.

1. Programmes with EECA funding.

The programme offers interest free loans, to be paid back through rates payments over 10 years, in all four towns. Note, there is no subsidy option offered as exists in Christchurch.

Table 1: Interest free loan		
Eligibility	Income limits	Loan amount
Householder or tenant in a rental property has a Community Services Card.	na	Total installation cost ¹ up to: <ul style="list-style-type: none"> \$5,200 for houses built before 1 April 1978. \$4,200 after 1 April 1978.
Householder or tenant does not have a Community Services Card.	Maximum combined household annual income is less than \$100,000 (1 or 2 householders/tenants), or \$140,000 (3 or more householders/tenants)	Total installation cost ¹ plus an additional \$300 administration cost up to \$5,200 for houses built before 1 April 1978 only.

¹ The total installation cost already includes \$150 administration fee.

In addition, Environment Canterbury is seeking funding to fully fund installation of Clean Heat approved appliances in a limited number of low income homes that have already been insulated through exiting EECA EnergyWise programmes.

For the 2008/09 financial year (and beyond if EECA funding remains available), there is no limit to the number of conversions that can be undertaken through the Clean Heat Project, other than the amount of funding available nationwide (\$23 million).

If, as a result of the EECA funding, the number of conversions can be completed earlier than estimated in Table 2, then future conversion requirements and targeted rating needs would be reassessed accordingly.

2. Programme if funded by targeted rates alone.

Should the EECA funding no longer be available, the following programmes will be available.

Kaiapoi and Rangiora

- Full Assistance for a maximum of 200 properties. Eligibility for full assistance is determined by Waimakariri District Council, based on a combination of current rates rebate hardship and WINZ advice.
- A choice of subsidy or loan for up to 1,000 properties, with eligibility being the primary householder or householders having a Community Services Card, or in the case of a rental property, the tenant having a Community Services Card.

Ashburton

- A choice of subsidy or loan for up to 840 properties, with eligibility being the primary householder or householders having a Community Services Card, or in the case of a rental property, the tenant having a Community Services Card.
- Free home assessments and project management for up to 1,500 properties to install approved appliances and insulation, and remove wood burners. Appliance and insulation installation and wood burner removal is provided at Environment Canterbury tendered prices, at the homeowner's expense.

Timaru

- A choice of subsidy or loan for up to 1,400 properties, with eligibility being the primary householder or householders having a Community Services Card, or in the case of a rental property, the tenant having a Community Services Card.
- The existing wood burner may be retained, principally for use in emergencies, if power is not available for other clean heating options.

¹ Achieving the 2013 National Environmental Standard will, however, require considerably more conversions than are being proposed in this initiative. Regulatory interventions will need to be considered for each of the towns. For Kaiapoi and Rangiora, a proposed variation to Chapter 3 - Air quality of the Proposed Canterbury Natural Resources Regional Plan has already been notified. For Ashburton, a draft variation has been developed with the Ashburton District Council. For Timaru, no discussions have been held with the Timaru District Council working party on the need for regulatory interventions.

² Includes up to 1,500 conversions undertaken as a result of a free home assessment.

Table 2: Estimated conversions for Timaru, Ashburton, Kaiapoi and Rangiora required to meet National Environmental Standards						
	Estimated 2008/09	Estimated 2009/10	Estimated 2010/11	Estimated 2011/12	Estimated 2012/13	Total
Timaru						
Clean Heat Project	280	280	280	280	280	1,400
Shortfall ¹	750	750	750	750	750	3,750
Total	1,030	1,030	1,030	1,030	1,030	5,150
Ashburton						
Clean Heat Project	168	168	168	168	168	840
Shortfall ¹	432	432	432	432	432	2,160 ²
Total	600	600	600	600	600	3,000
Kaiapoi and Rangiora						
Clean Heat Project	240	240	240	240	240	1,200
Shortfall ¹	480	480	480	480	480	2,400
Total	720	720	720	720	720	3,600

Targeted rate(s)

The targeted rate will be collected over a period of 10 years, while each project will be delivered over a five year period commencing 2008/09. Spreading the rate collection over 10 years makes the project more affordable.

The rating information set out below is a forecast based on assumptions which the council reasonably expects to occur. Actual results achieved are likely to vary from the information presented and these variations may be material, and may require changes to the rating profile.

Table 3: Estimated annual Targeted Rates Revenue until 2017/18 Clean Heat Project										\$000s	
										(provisional estimates only – inflation adjusted, excludes GST)	
Targeted Rate	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	Total
Timaru	\$198	\$198	\$198	\$198	\$198	\$198	\$198	\$198	\$198	\$198	\$1,980
Ashburton	\$179	\$179	\$179	\$179	\$179	\$179	\$179	\$179	\$179	\$179	\$1,790
Kaiapoi and Rangiora	\$226	\$226	\$226	\$226	\$226	\$226	\$226	\$226	\$226	\$226	\$2,260

Amendments to 2006/16 LTCCP

1. Page 17 LTCCP Uncertainty: Replace Uncertainty b) with:

b) in Timaru, Ashburton and Kaiapoi and Rangiora: the rate at which homeowners with open fires and non-complying woodburners will convert to cleaner forms of home heating and the scale and scope of any subsidised Clean Heat Project likely to be accepted by those communities.

The details and form of each of these projects may change. For example, the extent of programmes may be able to increase with additional funding, or the level of ratepayer funding may be able to be reduced in future LTCCPs or Annual Plans.

c) in Geraldine and Waimate: the rate at which homeowners with open fires and non-complying woodburners will convert to cleaner forms of home heating.

2. Page 18 LTCCP Assumptions: Replace Assumptions b) and c) with:

b) in Timaru, Ashburton and Kaiapoi and Rangiora: the number of conversions funded from assistance from Environment Canterbury's Clean Heat Project shown in the following table will be achieved (forecast cost over 10 years for Timaru - \$1.98 million; Ashburton - \$1.79 million; and Kaiapoi and Rangiora - \$2.26 million). There will be a substantial shortfall of conversions to meet the National Environmental Standard. How that shortfall will be addressed will be detailed in the 2009-19 LTCCP.

Estimated conversions for Timaru, Ashburton and Kaiapoi and Rangiora required to meet National Environmental Standards						
	Estimated 2008/09	Estimated 2009/10	Estimated 2010/11	Estimated 2011/12	Estimated 2012/13	Total
Timaru						
Clean Heat Project	280	280	280	280	280	1,400
Shortfall ¹	750	750	750	750	750	3,750
Total	1,030	1,030	1,030	1,030	1,030	5,150
Ashburton						
Clean Heat Project	168	168	168	168	168	840
Shortfall ¹	432	432	432	432	432	2,160 ²
Total	600	600	600	600	600	3,000
Kaipoi and Rangiora						
Clean Heat Project	240	240	240	240	240	1,200
Shortfall ¹	480	480	480	480	480	2,400
Total	720	720	720	720	720	3,600

c) in Geraldine and Waimate: the current measures in Chapter 3 - Air quality of the Proposed Canterbury Natural Resources Regional Plan should result in compliance with the National Environmental Standard.

3. Page 18 LTCCP Level of Service 2:

- Amend the measure to read: The total number of homes in the Christchurch, Timaru and Ashburton and Kaiapoi and Rangiora airsheds converting to cleaner forms of home heating through the Clean Heat Project (excluding voluntary conversions and conversions funded by additional rating revenue or alternative sources).

- Replace the table with the following table.

Conversions undertaken by Environment Canterbury's Clean Heat Project													
		2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	Total
Christchurch	Estimated				2,058	3,322	3,924	3,639	3,447	2,162	2,018	1,976	26,464 ³
	Actual	703	1,741	1,474	3,055	3,639							
Timaru	Estimated	-	-	-	-	-	-	280	280	280	280	280	1,400
Ashburton	Estimated	-	-	-	-	-	-	168	168	168	168	168	840
Kaipoi and Rangiora	Estimated	-	-	-	-	-	-	240	240	240	240	240	1,200

¹ Achieving the 2013 National Environmental Standard will, however, require considerably more conversions than are being proposed in this initiative. Regulatory interventions will need to be considered for each of the towns. For Kaiapoi and Rangiora, a proposed variation to Chapter 3 - Air quality of the Proposed Canterbury Natural Resources Regional Plan has already been notified. For Ashburton, a draft variation has been developed with the Ashburton District Council. For Timaru, no discussions have been held with the Timaru District Council working party on the need for regulatory interventions.

² Includes up to 1500 conversions undertaken as a result of a free home assessment.

³ Total includes actuals from 2002/03 to 2004/05.