



## EMSOL UPDATE MARCH 2018

Please feel free to forward this newsletter to your financial controller or others who have an interest in energy savings.



Emsol's March 2018 Update includes four important topics:

1. Lines Fees on the move – April 2018
2. **75%** Energy Audit Grants Available for limited period
3. **\$250,000** Demonstration Grant
4. Where can large energy savings be found?

### 1. Lines Fees on the move – April 2018

March is a critical month to minimise Line Fees. Most electricity line fees are reset on 1 April each year in two ways: (1) prices change - usually go up and (2) how you use electricity.

Anything that pushes up your half hour peak load, even once in the year, can reset your lines fee for the next 12 months. This may be caused by failing power factor correction, winter heating or summer cooling, catching up production after a breakdown, or equipment control changes. In many areas of NZ, on 31 March all peak load events are “wiped clean” and the meter starts again on 1 April.

Ensure anything that will reduce peak loads is in place before 1 April or before the date you normally incur your annual peaks. In some areas of NZ peak load fees are reset monthly instead of annually.

Analysing Network Tariffs is as important for understanding how to reduce your electricity costs as tendering a new retail contract.



### 2. EECA offering 75% funding for energy audits until 1 June 2018

An energy audit is an investment opportunity, which provides a health check on energy services consumed by your business. EECA offer grants to help support energy saving initiatives and Emsol is an EECA Programme Partner.

**EECA is now offering 75% grants for energy audits of organisations consuming more than \$500,000 p.a. on energy (can be multiple sites). This offer is valid until 1 June 2018.** For companies with between \$200,000 and \$500,000 p.a. annual energy spend the grants available are 40% of energy audit cost.

Projects signed up prior to 1 June 2018 have 12 months from the date the application is approved to deliver the completed energy audit. The following table sets out the offer:

Project	Minimum Energy Spend	Client Contribution	EECA Grant	Criteria
Energy audit grants	\$500,000	75%		All other criteria remain unchanged
Energy audit grants	\$200,000	40%		<a href="#">Click here</a> for further info

### 3. \$250,000 EECA Demonstration Grant

A new technology demonstration funding round has been launched by EECA. It is available with a **\$250,000** grant for relevant projects applied for by 29 March 2018.

The capex on EECA funding has been lifted from \$100,000 to **\$250,000** for **Process Heat projects**. For all other projects funding will remain at up to 40% up to \$100,000.



What projects are eligible? “The programme is open to businesses who want to either:

- 1) Install energy efficient and/or renewable energy technologies that are provided by EECA registered technology suppliers. Businesses engage with a relevant registered supplier, develop a demonstration project and apply for funding. OR
- 2) Implement an innovative energy efficiency or renewable energy process improvement opportunity themselves. In this case, businesses develop a demonstration project and apply for funding.

To qualify for funding, the project must meet these conditions:

- Reduce energy intensity or greenhouse gas emissions
- Be applicable to multiple businesses in a sector
- Be financially viable, with a reasonable payback period
- Have your project independently monitored

For further information please contact us or refer to <https://www.eecabusiness.govt.nz/funding-and-support/technology-demonstration-projects/>



### 4. Where can large energy savings be found?

Over the years Emsol has noted common factors behind some of its largest energy saving projects.



Oversized or poorly controlled equipment are often reasons for excessive energy use. Energy savings between 40% and 80% have been achieved by downsizing equipment. Also, equipment and controls have been modified to ramp down energy use when production is low.

One site installed an auxiliary gas califont water heater for its shower block. During its annual shutdown it used 95% less gas than the previous year by not having to run the boiler.

Another site saved 45% by replacing an oversized air compressor. One 160 kW fixed speed air compressor was replaced with three 45 kW air compressors. A smart control regime meant one used a VSD. Note, VSD electronics consume 4% more energy and should be used sparingly.

When purchasing equipment find the energy efficient option. The cost of their energy during a 1 - 3 year period is often more than the capex.

#### Find Out More

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