

1. What is the fund for?

The purpose of the Government Investment in Decarbonising Industry (GIDI) Fund is a partnership between Government and business to accelerate emission reductions from process heat used in industry by supporting energy efficiency, and fuel switching projects (e.g. from fossil fuels like coal to biomass or electricity). As part of the Government's COVID-19 response and recovery, investment in decarbonisation projects also aims to stimulate the domestic economy, and support employment.

2. How much money can I apply for?

The co-funding is in the form of capital grants. You should only apply for the amount of government co-investment necessary to get your sustainable decarbonisation project across the line or brought forward significantly, up to a maximum of 50% of the incremental project costs. The assessment of possible co-funding will be applied to the incremental cost of the project when compared to a 'business as usual' case.

There are limits though. Your project will need to have a total capital cost of greater than \$500k, and applications to the GIDI Fund for individual projects should normally not exceed \$5m for an individual project. Cumulative group projects (including the applicant's group of companies) must not exceed 25% of the total Fund (\$17.25m). Applications may be considered that exceed these levels, at the discretion of the EECA Chief Executive, EECA Board or the Minister.

3. What do you mean by incremental cost in the RFP Response Form?

We are interested to know the difference between the business as usual cost of undertaking your project (e.g. the current operational case, or the fossil fuelled base case alternative) and the cost to purchase, create or implement the low emission solution.

Applicants are required to provide suitable financial data on the project implementation and lifetime operational metrics to enable financial assessment of the proposal and base case. Calculation of the incremental cost is a requirement of the Response Form and is a key factor in determining the level of EECA funding support for a Project. To see examples, please refer to the RFP Document.

4. What do I have to do?

You will need to submit a proposal for funding on the [RFP Response Form](#). Instructions and guidance on completing the form are in the [RFP Document](#) on [EECA's Gen Less website](#).

5. What can I use the funding for?

Projects considered for co-investment will be those that decarbonise industrial process heat through energy efficiency, technology innovation, and fuel switching where they directly reduce the use of fossil fuels. This can include support for electricity network infrastructure upgrades where they directly enable an electrification project.

The RFP document outlines types of projects that would be outside the scope of the fund, notably residential and commercial buildings, transport initiatives including off road vehicles and marine vessels, displacing one fossil fuel for another (e.g. coal to gas), and Research and Development (technologies must be commercially available).

6. How soon can I access the funding if I am successful?

Once a proposal has been approved for funding the successful applicant will negotiate a funding agreement that commits the recipient to implement the project. The funding agreement will detail the

obligations on the recipient for the duration of the project, which must be met in order to receive funding from the GIDI Fund.

7. Who decides what proposals will be funded?

An assessment panel will assess the proposals against the set of criteria outlined in the RFP Document and then make recommendations to inform the decision-making process. The EECA Chief Executive, EECA Board and Minister of Energy and Resources are the decision-makers for GIDI Fund in accordance to the approval delegation hierarchy, and respectively have the sole discretion to determine which Projects (if any) will receive co-funding and the value of any co-funding in accordance to their delegation.

8. Who is eligible to apply for funding from the GIDI Fund?

The GIDI Fund is open to all New Zealand-based and NZBN registered private sector business. Public Sector organisations, Local Authorities, and Council controlled organisations are not eligible to access the GIDI Fund. A full set of applicant and project eligibility conditions are outlined in the RFP Document.

9. Where can I find out what projects have been funded?

Details of successful Round 1 Projects are available on [EECA's Gen Less website](#).

10. Can I combine multiple sites into one application?

We prefer one site/one counterparty for each application. It becomes problematic if multiple sites/applicants are grouped, as some projects may be eligible for funding and others might not, depending on individual project parameters. If this poses an issue, such as size of projects being under \$500k each, then please discuss further with EECA.

11. Can I combine multiple projects at one site into one application?

Multiple projects combined at one site and one applicant will be acceptable provided the projects are combined with one total capital cost and one \$/tonne abatement cost figure – hence they either all get approved or none.

12. Would conversions to geothermal also be eligible for the fund?

New Zealand regards geothermal energy as renewable, therefore, associated projects will qualify within the scope of the GIDI Fund. However, geothermal energy still has some (comparatively high) CO₂ emissions associated with it so the net emissions reduction and consequently the \$/tonne cost of carbon savings will be higher compared to biomass or electrification projects

13. Would a space heating and water heating project be in the scope of the fund?

The GIDI Fund is to support industrial process heat decarbonisation. Domestic hot water and space heating of commercial building projects are out of scope for the GIDI Fund. The only space heating that is within scope of the fund is that of hot houses used for horticulture.