



Hon Dr Megan Woods
Minister of Energy and Resources

PRESS RELEASE
18 May 2023

Reducing power bills: 100,000 more insulation and heating retrofits

- 100,000 additional heating & insulation retrofits that reduce electricity use by 16 percent on average
- Five million LED lights to help reduce energy costs
- Halving power bills on Chatham Island with a renewable energy system
- Kick-starting hydrogen use for just transition to displace fossil fuels

Budget 2023 will help reduce power bills and help drive down climate emissions.

“Power bills are a big cost to households under the pump. We’re helping to ease that pressure by investing in more clean energy and improving the energy efficiency of homes,” Megan Woods said.

“We’re already helping over one million New Zealanders a year with the cost of their power bills with the Winter Energy Payment, which provides \$450 for an eligible single person and \$700 for a couple.

“In this Budget we’re building on our work to date by making more homes warmer, healthier and cheaper to heat, building energy resilience into communities and opening up green hydrogen opportunities in regions as they transition away from fossil fuels.”

Expanding Warmer Kiwi Homes

“We’re nearly doubling our Warmer Kiwi Homes programme to an extra tens of thousands of homes, delivering 26,500 insulation and heating retrofits per year for the next four years.

“We’re also adding energy efficient hot water heaters and LED lights into the mix to provide more help in reducing power bills.

“We will reduce the upfront costs of LED light bulbs and enable the purchase and installation of around five million LED bulbs over four years. This will include adding LEDs as an additional product through Warmer Kiwi Homes, and also a subsidy scheme for mass market uptake of LEDs. Switching to energy efficient LEDs can save a household over \$100 per year, and it reduces peak electricity demand.

“A Motu study found the Warmer Kiwi Homes programme is making homes cheaper to heat; reducing electricity use by 16 percent on average over the winter months. It’s also cutting the risk of respiratory illness, making homes dryer and more comfortable.

“By the time this additional funding has been implemented, the Government will have funded over 200,000 retrofits.

“This is going to make a real difference to people’s wallets and the health of their homes, building upon all the other assistance we have to ease the pressure on New Zealand households.”

The scheme’s expansion will be funded with \$402.6 million over four years.

Kick-starting early adoption of green hydrogen

“We’re kick-starting early adoption of hydrogen by subsidising businesses to bridge the price gap between fossil fuels and green hydrogen, starting with Southland,” Megan Woods said.

“This initiative will help make hydrogen a financially viable option.

“A green hydrogen rebate will support a small number of early adopters in hard-to-abate industries to reduce their emissions by 150,000 tonnes - equivalent to cancelling out the emissions of hundreds of trucks.

“This Government support will move Southland closer to a renewable energy industry which diversifies the economy, and increases the region’s resilience,” Megan Woods said.

\$100 million has been set aside for the rebate - \$32.5 million for the first four years.

Halving power bills on Chatham Island

The Government is helping Chatham Island use its considerable wind energy resource by funding a wind turbine and battery project on the Island.

“Electricity costs on Chatham Island are approximately four times the average of New Zealand’s main islands – installing a renewable system is expected to reduce electricity prices by more than half, saving Chatham Island households approx. \$1,445 per year in electricity costs,” Megan Woods said.

Better energy resilience with more renewable energy opportunities

“The loss of power following the Auckland floods and Cyclone Gabrielle highlighted the importance of building resilience into our electricity generation and distribution, especially for small and isolated communities.

“The Budget adds another \$30 million to expand existing support to community-based renewable energy and resilience projects, helping even more low-income communities, and communities with insecure access to energy.

“This will include projects like community-scale solar and wind energy generation with battery storage, to lower peak demand and improve resilience when electricity lines are out of action.

“Some households already benefitting from small-scale solar projects under the Māori Housing Renewable Energy Fund have reported power bills being slashed by up to 50 percent, providing immediate financial relief,” Megan Woods said.

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