

# pay as you heat information booklet

Nelson City Council's Clean Heat Warm Homes (CHWH) programme provides financial assistance to Nelson homeowners and landlords to help them insulate their homes and change to cleaner forms of heating. This is offered as a Pay as you Heat scheme where the cost is paid back interest free over 10 years added to their rates.

For decades Nelson has suffered from severe winter air pollution with wood and coal home fires creating unhealthy and unsightly smog that hangs over city areas on cold, still days.

By 2013 Nelson has to meet the National Environmental Standard for Air Quality that's much lower than current pollution levels. This means that we can't leave it until then to make it happen. The Nelson Air Quality Plan bans the use of old enclosed burners in the smokiest parts of town through a series of phase out dates depending on when the burner was installed.

Only homes affected by the Nelson Air Quality Plan's enclosed burner phase out rules are eligible for the scheme. To find out if you are eligible for Pay as you Heat phone 545 8728 or check the council website

**[www.nelsoncitycouncil.co.nz/air-quality](http://www.nelsoncitycouncil.co.nz/air-quality)**

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## **FOR MORE INFORMATION:**

1. Your guide to getting financial help to replace your burner: scheme overview and registration form
2. Your guide to Nelson's Air Plan Rules: overview of Nelson's Air Quality Plan
3. Consumer Magazine: April 2009, issue 490: Keep warm for less, pg 18
4. North and South Magazine: June 2009: What's the right way to warm your home, pg 62

# How does the **PAY AS YOU HEAT** scheme work?

Energy Management Solutions (Emsol) manage Pay as you Heat for Nelson City Council. To begin the process, register at Emsol and make an appointment for an assessor to visit your home.

You can do this by going to **www.nelsoncitycouncil.co.nz**, emailing **cleanheat@emsol.co.nz** or calling **03 538 0684**.

A well-trained assessor will assess your property and outline your options for heating improvements. This covers both insulation and new heating appliances. They will also confirm your eligibility for the scheme by inspecting your old enclosed burner which **MUST** be still in place at the time of assessment.

If necessary, the insulation in your ceilings and floors will be improved. Your old enclosed solid fuel burner will be removed and the chimney blocked. A newer, cleaner heating appliance will be installed. These will mean a warmer and cosier home for you!

## The process includes:

- Identification, supply and installation of any necessary floor or ceiling insulation. (Note: insulation is mandatory under the scheme.)
- The assessed cost of the supply and installation of the recommended heating appliance.
- Sealing and removing the existing solid fuel burner.

The maximum loan for any one property cannot exceed \$4,999 (incl GST). Any extra cost will need to be met directly by the home owner.

All work is carried out at your property by Clean Heat Warm Homes registered contractors. The final decision regarding all aspects of the heating and insulation installation rests with you, and you or your authorised representative need to be at the property for the installation.

## Options available :

The scheme does allow for upgrades from the standard models and / or accessories recommended by the assessor. All costs associated with the upgrade/s are to be paid direct to the installer.

In some cases 2 heat pumps may be installed under the scheme instead of just one.

A wetback option is available as an upgrade for some burner installations. All costs associated with wetback installation are to be met by the home owner.

## What is an enclosed burner?

It is a burner where the fire is enclosed by a door or lid, e.g., wood burner, potbelly stove, multi-fuel burner (Juno, etc). It is not an open fireplace or a 'Visor' or 'Jetmaster'-type fire.

## Do I qualify for assistance?

If you have a private, residential home in Nelson which has an enclosed solid fuel burner as the main source of heating in the main living area, and you have to stop using your burner because of the Nelson City Council Air Plan rules, then you are likely to be eligible for the scheme.

- Nelson City Council (NCC) CHWH assistance can only be applied once for any residential dwelling.
- The solid fuel burner needs to be in place, have been lawfully approved, and is being used as the main form of heating in the main living area.
- Sealing, removing or disabling the appliance prior to the assessment will render the property ineligible.
- Tenants should ask their landlord to register the property for the scheme.
- Eligibility is not income tested.

## What subsidies and loans are available?

Under Pay as you Heat homeowners are entitled to the subsidies for insulation and clean heating being offered by the Government's Warm Up New Zealand programme. These are listed in the table below and get deducted from the total cost of the work being done on your property.

The rest can be paid off interest free over 10 years on your rates, up to a total value of \$4999 including GST.

Homeowners who are eligible for a rates rebate won't have to pay anything back for each year that they get the rebate.

If the cost of the work comes to over \$4999 then the difference must be paid on completion. Also if the homeowner chooses to upgrade from the recommended appliance, the cost of the upgrade must be paid on completion.

	Insulation	Clean heating
<b>All eligible houses built before 2000</b>	33% of the total cost up to \$1300 (incl GST)	\$500 (incl GST)
<b>CSC holders*</b>	60% of the total cost	\$1200 (incl GST)
<b>Landlords with CSC holding tenants</b>	60% of the total cost	\$500 (incl GST)

\*CSC = Community Services Card

## WHAT KINDS OF HEATING CAN I GET?

### Financial assistance is available for:

- Electric heat pumps (up to 5 times as efficient as conventional electric heaters)
- Fixed flued gas heaters
- Pellet fires
- Council approved low emission wood burners

The project does not support fixed electric resistance heaters, liquid fuel burners or portable heaters.

### Choosing a Heater

Heat is distributed in 3 ways:

**Conduction:** Heat travels directly from one object to another which is touching it.

**Convection:** The distribution of heat through air currents.

**Radiation:** This is the way the sun heats the earth. The energy strikes objects and warms them.

Heaters can be radiator or convection or sometimes both. A heat pump is an example of convection heater and a wood burner is a radiant heater.

Under the CHWH scheme there is a range of energy efficient technologies to choose from. As noted before, if you wish to upgrade from the “standard” heating appliance or insulation that the assessor recommends, you must pay the difference upfront. CHWH scheme conditions apply.

### Heat Pumps

A heat pump warms a room by extracting existing heat from the outside air and transferring it to the air inside your room using a compressor and fans.

It is energy efficient because it does not use electricity to heat the air itself. For every \$1 worth of electricity a heat pump uses, the most efficient models can pump out \$5 worth of heat. A heat pump has a unit both inside and outside the house, and they can be at floor level or up high on a wall. Heat pumps usually have heat outputs of 3 to 8 kW.

Heat pumps will typically cost between 25 and 57 cents per hour in electricity use, depending on heat output and energy efficiency. This may equate to \$60-\$171 each month for heating during winter, based on 240-300 hours heating per month and 6kW heat output (4.5-9.5 cents per kW).

A heat pump can also be used as an air conditioner in summer to cool a room – but be aware you will have to pay the electricity costs of using the air conditioner (it is free to open doors and windows).

## **Wood Burners**

A Council authorised low emission wood burner looks similar to other wood burners. Heat is provided from burning wood and the exhaust gases and smoke particles are extracted by a flue. It is not easy to control the heat output of a wood burner, which can be affected by the type, amount and dryness of the wood.

Wood burners typically cost up to \$120-\$160 in fuel per month to run. This is based on 3-4 cords (3.6 cubic metres) at \$200 a cord to buy wood, and 5 months burning. Low emission wood burners have less tolerance for wet wood, so if you choose a wood burner it is important to be organised about buying your wood early from a Good Wood supplier and stacking it well. You should never burn plastics or treated or painted wood in a wood burner as they release poisonous toxins.

## **Flued Gas Heaters**

All categories of gas heater that are fully enclosed and are fixed-flued are approved as meeting the requirements of the Pay as you Heat scheme.

A flued gas heater operates by burning gas in the heater and extracting the combustion products, water and gases, to the outside via a flue. A fan

is used to blow the heat into the room. Gas heaters when switched on will operate continuously and will typically cost between 84 cents and \$1.50 per hour in gas use, which may equate to between \$200 and \$450 a month to run, based on 240-300 hours heating per month and 6kW heat output (14-25 cents per kW). The actual cost will depend on how often you are at home with your heating on and the size of the area you are heating.

### **Pellet burners**

A pellet fire looks similar to a wood burner, but can only burn pellets (which are made in Nelson and in Christchurch). Heat is provided from burning wood pellets which are fed automatically into the fire box. The exhaust gases and smoke particles are extracted by a flue. A fan blows the heat out into the room, and it is easy to control the heat output of a pellet fire to as low as 2 kW. Pellet burners tend to burn more cleanly than wood burners.

Pellet fires typically cost between 75 cents and \$1.00 per hour in pellets, which may equate to between \$180 and \$288 a month to run, based on 240-300 hours heating per month and a 6kW heat output (12.5-16 cents per kW).

### **More Information**

For more information on the advantages and disadvantages of different heating appliances please read:

Consumer Magazine: April 2009, issue 490, pg18

North and South Magazine: June 2009, pg 62

We also encourage you to visit the heating suppliers listed on page 19 to discuss the different models available under the scheme (see price list insert).

## WHAT KINDS OF INSULATION CAN I GET?

The benefits of insulated homes are becoming well recognized, and the Government is providing funding to homeowners to help them upgrade their insulation.

Insulation reduces the rate at which heat passes through ceiling, walls and floors. Materials such as fibreglass or polystyrene trap air in small pockets and provide a barrier to heat escaping. A non insulated house loses 30-35% of heat through the roof and 12-14% of heat through the floor.

Floor and ceiling insulation upgrades are included in the Pay as you Heat programme, and you will receive the Government subsidies to bring down the cost. The assessor will advise you how much extra insulation you need to bring your home up to the required standard and keep you warm and cosy.

If you are having insulation put in either the ceiling or under the floor, it will be **your responsibility to ensure the ceiling or under the floor are free from belongings and debris** prior to the installation date. You will need to advise the installer that the area is clear before the work can start.

Note, after improving ceiling insulation you will increase the chance of freezing any pipes in the loft area as escaping heat does not keep the area warm. The homeowner is responsible for insulating these pipes.

## CONDITIONS

It is important to note that the solid fuel appliance being replaced must be removed as part of the project. This will be done by the team installing the new heater.

Only energy efficiency technologies and heating appliances that are contracted with the NCC CHWH scheme are available for this programme.

Only retailers and organisations contracted by the NCC CHWH scheme are able to undertake any installation for the project.

Any work undertaken by any person or organisation who is not contracted to the NCC CHWH scheme will not be covered by this scheme.

Under the CHWH scheme there is a range of energy efficient technologies to choose from. If you wish to upgrade from the “standard” heating appliance or insulation that the assessor recommends, you must pay the difference upfront. CHWH scheme conditions apply.

*Other conditions may apply.*

## FREQUENTLY ASKED QUESTIONS

**I've participated in CHWH before and have now moved house.**

**Can I participate again with my current home?**

Yes if both you and the house meet the eligibility criteria for the Clean Heat Warm Homes scheme.

**I'm a landlord with a few rental properties.**

**Can I get Pay as you Heat for more than one home?**

Yes if the homes are eligible. There is no limit on the number of homes with which you can participate in the scheme. The loans are repaid as a targeted rate on each individual property.

**I am a tenant in a rented house – can I apply for Pay as you Heat?**

No, only the homeowner can apply for Pay as you Heat. Please pass this information on to your landlord.

**I have a solid fuel burner but I hardly ever use it. Can I take part in the scheme?**

Yes, if the solid fuel burner is your main and current source of winter heating in your main living area.

**I don't know if I want a heat pump or a gas fire. Can I get quotes for both?**

Yes, the assessor can quote for several different options to help you decide. Please ask at the assessment time.

**What happens if I sell the property?**

The buyer takes on the targeted rate unless you agree to pay back the amount remaining on the loan at the time of sale.

**If I get a rates rebate do I still have to pay back the loan?**

No, for each year that you receive a rates rebate we will make your yearly loan repayment for you. You will still have to make the repayment in any year that you do not receive a rates rebate. To find out if you are eligible for a rates rebate phone the Council on 546 0200.

**What do I do if my burner does not have a permit?**

A burner must be lawfully established before you can replace it. If there is no record of your burner on the council records then you need an authentication. Authentication lawfully establishes your burner and gives you an approximate installation date. There is a small charge, please call into the Council at Civic House to apply.

### **My burner heats my whole house – can I replace it with one heat pump in the lounge and one in the hall?**

Yes, you can use Pay as you Heat to install two heat pumps. If the total cost of the work goes over \$4999 then you will need to pay the extra on completion of the work.

### **Will the targeted rate affect my WINZ accommodation supplement?**

The targeted rate is added on to your rates bill, so your rates will be higher. This may in fact increase your entitlement to an accommodation supplement – please check with WINZ.

### **Can I have a wetback?**

Yes, some of the woodburner models available under Pay as you Heat have a wetback option. If you choose a wetback it counts as an upgrade and you will need to pay the cost direct to the installer. The cost of a wetback cannot be added on to the Pay as you Heat loan.

### **Can I replace both my enclosed burner and the chip heater that heats my water?**

You can only use Pay as you Heat to replace one burner – the main source of heating in the main living area. Any other enclosed burners in your house can be replaced with another burner outside of the scheme. You will need to get the building consent application to replace them in to council BEFORE the phase out date. If you miss the phase out date you will NOT be able to replace them with another burner.

### **Can I pay back the full amount before the 10 years is up?**

Yes, this is a targeted rate against the property so you can pay the full amount back without penalty at any time. It is not a personal loan.

## **Who decides what kind of heating I should have?**

You decide which type of heating you prefer. The assessor will advise you on the size of heating appliance you will need to heat your living space and what the standard options are

## **Do I need a building consent?**

Installation of a wood burner or pellet fire requires a building consent. Under the Pay as you Heat scheme the building consent is arranged by the installer and the cost is included in the total cost of the work. If you choose not to use Pay as you Heat you must have your building consent application in before the phase out date or you will not be able to install a burner.

## **Can I keep my old burner or sell it to someone else?**

Generally no, one of the conditions of Pay as you Heat is that our contractors remove your old burner. However there are some exceptions, please ask for more information.

## **What if there is a power cut and all my heating is electric?**

Keep a small gas barbeque and a small gas heater for emergency use as part of your emergency survival kit.

## **When do I have to decide by?**

Pay as you Heat is only available until the phase out date that applies to your burner. If you miss the phase out date you won't be eligible for the scheme, you won't be able to use your burner, and you won't be able to replace your burner with another burner. So it pays to act promptly.

## WHAT KIND OF HEATING IS BEST FOR ME?

*The questions below are a guide to help you decide the best heating for your home and do not necessarily reflect the opinions of NCC or Emsol staff.*

Please consider the age of your house, ceiling height, and current levels of insulation when answering questions.

### 1. Are you a high or low user of heating?

**High:** Home all day and currently running your burner all day, most days

**Low:** Use your burner a few hours in the evening and during weekends. Maybe use electric heating in the morning before work.

### 2. Is your living area naturally warm?

**Naturally warm:** Sunny / north facing, well insulated, good carpet on the floor, good drapes over the windows, windows/outside doors draught-proofed.

**Naturally cold:** Very little sun in living area in winter, high moisture levels, no carpet, very little insulation, draughty windows / outside doors.

### 3. What size space does your wood burner currently heat?

**Small:** Living room only or small 1-2 bedroom flat

**Medium:** Open plan living area and hallway

**Large:** Whole 3(+) bedroom or 2 storey house

### 4. How much do you spend on home heating (including firewood, gas and electricity) during the 5 winter months May-September?

**Low:** \$0-\$50 extra per month

**Medium:** \$100-\$150 extra per month

**High:** \$150-\$200 extra per month

## APPROXIMATE RUNNING COSTS FOR DIFFERENT HEATING TYPES

Based on 10 hours heating a day for 30 days.

	3.5kW (300 hours)	6kW (300 hours)
Heat pumps (4.5-9.5 cents per kW)	\$ 48-\$100	\$83-\$171
Wood burners (\$200 a cord of wood)	NA	\$120-\$160
Pellet burner (12.5-16 cents per kW)	\$ 131-\$168	\$225-\$288
Flued gas fires (14-25 cents per kW)	\$147-\$263	\$252-\$450

## SUGGESTED HEATING CHOICES

Description	Heat pump	Burner	Pellet	Gas
Large area Naturally warm High user	✓ 1-2 heat pumps	✓	✓	
Large area Naturally warm Low user	✓ 1-2 heat pumps	✓	✓	✓
Large area Naturally cold High user	✓ 2 heat pumps	✓		
Large area Naturally cold Low user	✓ 2 heat pumps	✓	✓	
Medium area Naturally warm High user	✓ 1 heat pump	✓	✓	
Medium area Naturally warm Low user	✓ 1 heat pump	✓	✓	✓
Medium area Naturally cold High user	✓ 1 heat pump	✓		
Medium area Naturally cold Low user	✓ 1 heat pump	✓	✓	✓
Small area Naturally warm High user	✓ 1 heat pump		✓	
Small area Naturally warm Low user	✓ 1 heat pump		✓	✓
Small area Naturally cold High user	✓ 1 heat pump	✓	✓	
Small area Naturally cold Low user	✓ 1 heat pump		✓	✓