

Thank you for your request for information about the plan HBRC has to reduce air pollution in Hawke's Bay.

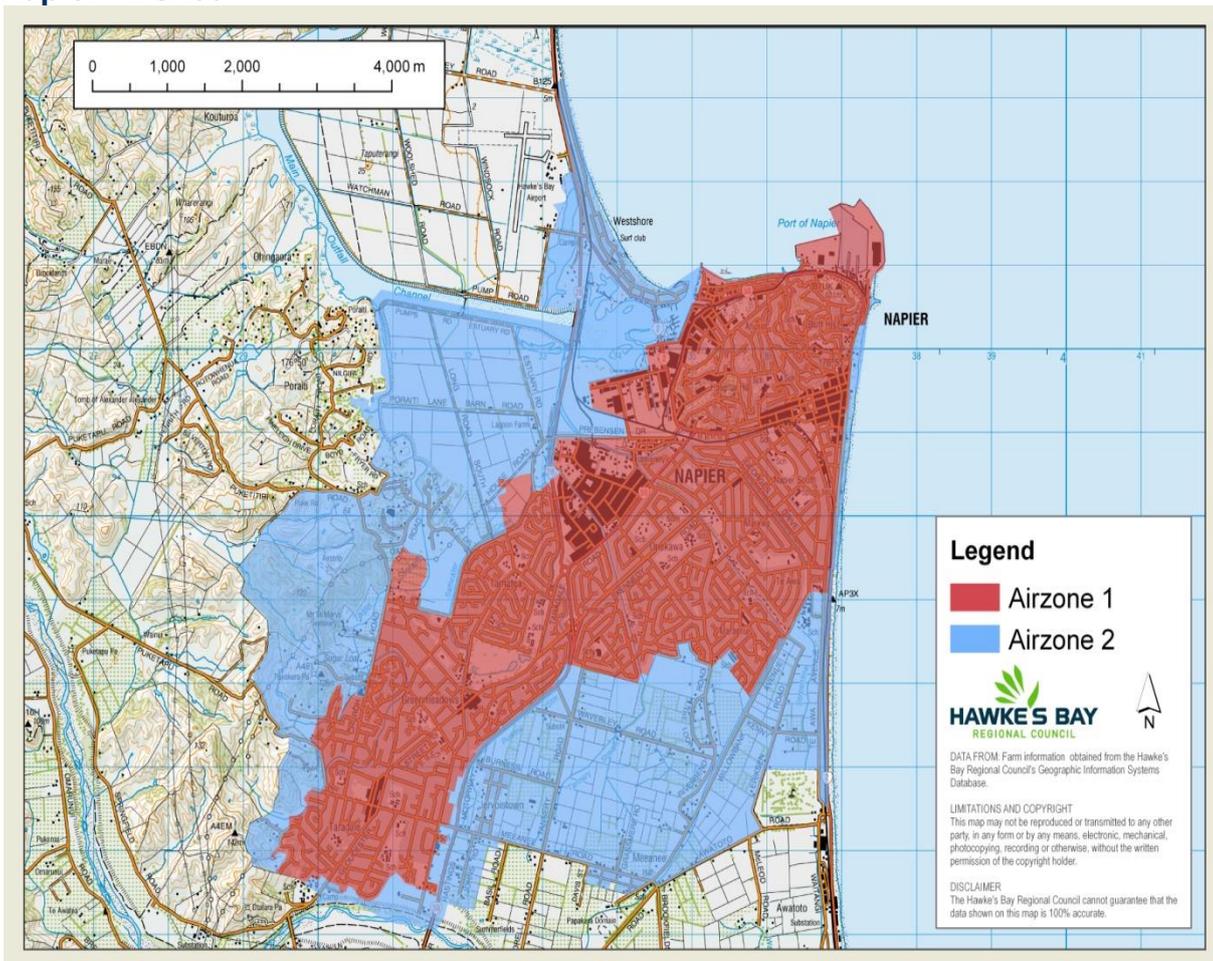
Like all other regions in New Zealand, Hawke's Bay must meet the National Environmental Standard (NES) for air quality set by the Ministry for the Environment. Currently PM10 concentrations in Napier and Hastings on cold clear winter nights exceed this standard.

Both the Napier and the Hastings Airsheds have been divided up into two Airzones, referred to as Airzone 1 and Airzone 2.

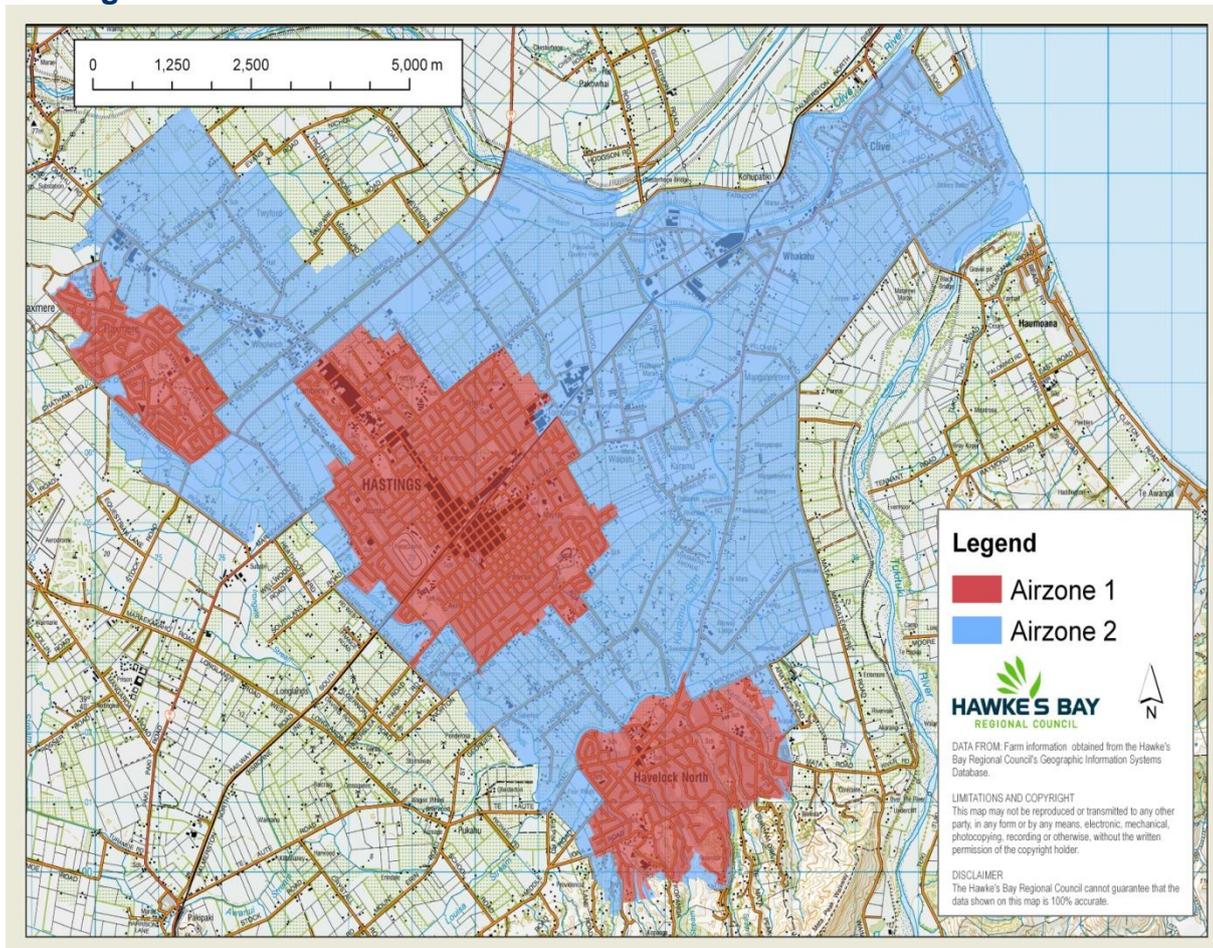
Airzone 1 generally covers the urban areas of Hastings, Flaxmere, Havelock North and Napier and are those areas most affected by small particulate (PM10) contaminants. Airzone 2 covers the remaining areas within the Napier and Hastings airsheds.

If you are in an airshed you will be paying a Clean Heat Targeted Rate (Code 19) to the Regional Council as part of your annual rates, if it's not on your bill, you are outside the airsheds and are not affected by the changes. Maps showing the airsheds are available on the Regional Council website.

Napier Airshed



Hastings Airshed



Non-complying burner phase out dates & emission compliance standards

The following phase out dates only apply to properties less than 2 hectares in area, located in Napier or Hastings Airsheds:

Open Fire or burner installation date	Airzone 1		Airzone 2
	Property <2ha	Property >2ha	All properties
Open fires	Prohibited from January 2012	Existing open fires can be used, no new fires to be installed	Open fires pre December 2008 can be used. Post 2008 prohibited January 2012
Pre 1996 non-compliant burners	Prohibited from January 2014	No phase out	No phase out
1996 – 2005 non-compliant burners	Prohibited from January 2016	No phase out	No phase out
Post September 2005 non-compliant burners	Prohibited from January 2018 Hastings January 2020 Napier	No phase out	No phase out

NOTE: a non-compliant burner is a burner which exceeds the emission limit of 1.5 g/kg specified in the Resource Management (National Environmental Standards Relating to Certain Air Pollutants, Dioxins, and Other Toxics) Regulations 2004.

Burner emission limits

The following burner emission limits apply within the Napier and Hastings Airsheds:

Airshed / Airzone	Burner Emission Limits
Hastings Zone 1 (< 2ha)	1.0 g/kg for all freestanding fires and insert burners without a wetback. 1.5 g/kg for insert burners with a wetback.
Hastings Zone 1 (> 2ha)	1.5g/kg for all burners
Hastings Zone 2	1.5g/kg for all burners
Napier	1.5g/kg for all burners
Outside the Airsheds	1.5g/kg for all burners*

* Woodburner emission limit of 1.5g/kg applies to all properties less than 2ha regardless of whether property is within or beyond an Airshed. This limit is specified in the Resource Management (National Environmental Standards Relating to Certain Air Pollutants, Dioxins, and Other Toxics) Regulations 2004. Approved burners are required to have a thermal efficiency of 65% or greater as described in AS/NZS4013:1999.

The key points in Council's air quality rules are:

On properties less than 2 hectares in size located in Airzone 1 using an open fire is prohibited.

All woodburners installed before 31 August 2005 are now prohibited from use in Zone 1.

If your property is less than 2 hectares and located within Airzone 1 then any non-compliant woodburner or open fire is prohibited from use when the property is transferred to a new owner.

Non-complying burners installed after 31 August 2005 will be prohibited from use after 1 January 2018 in Airzone 1 of the Hastings Airshed, and 1 January 2020 in Airzone 1 of the Napier Airshed.

Please note: building inspectors at your local city or district council have records showing that new wood burner installations have complied with NES burner emission standards since 2005.

Properties greater than 2 hectares in size, or located in Airzone 2 of the Hastings or Napier Airsheds can continue to use their existing burners or open fires however, on replacement the relevant national burner emission limits must be complied with.

Resource consent will be required to undertake outdoor burning during the months of May to August (inclusive) unless the burning is taking place on horticultural production land for the purposes of disease control or redevelopment, however, any outside fire used for cooking, such as bbqs, pizza ovens, hangi or brazier, is permitted.

HBRC Grants and Loan Scheme.

Homeowners can access funding as a grant or a loan for clean heating if the property is in an airzone, and a loan for insulation if you pay rates to Hawke's Bay Regional Council.

One Regional Council non-repayable grant or loan (this can include both clean heat and insulation) is allowed per household. The loan can be repaid over a 10 year period through your property's rates.

The tables below give current loan costs.

Clean heat loan value*	Total to repay	Cost per month
1000	1180	9.83
1250	1483	12.33
1500	1770	14.75
1750	2070	17.25
2000	2370	19.75
2250	2660	22.17
2500	2960	24.67
2750	3260	27.17
3000	3560	29.67
3250	3850	32.08
3500	4150	34.58
3750	4440	37.00
4000	4740	39.50
4250	5040	42.00
4500	5330	44.42

Insulation loan value*	Total to repay	Cost per month
1000	1360	11.33
1250	1700	14.17
1500	2040	17.00
1750	2380	19.83
2000	2720	22.67
2250	3060	25.50
2500	3400	28.33
2750	3740	31.17
3000	4080	34.00
3250	4420	36.83
3500	4760	39.67
3750	5100	42.50
4000	5450	45.42
4250	5790	48.25
4500	6130	51.08

*Interest rates from January 2017 (Clean Heat 3.5% - Insulation 6.5%)

Clean heat grants

As an alternate to a loan, a one off grant is available for decommissioning a non-compliant fire and replacing it with a compliant heat source.

The grant is \$700 (incl GST) if invoiced by an approved supplier.

Direct applications for grants will be paid the GST exclusive amount of \$608.

Confirmation from the supplier that the old fire has been removed/decommissioned will be required to qualify for the grant.

IMPORTANT POINTS

- To qualify for Clean Heat funding you must be replacing an existing non-compliant fire or woodburner in a property you own within the airshed.
- All loan applications must be made through an HBRC-contracted service provider (see list on last page).
- HBRC recommend you get two quotes from approved suppliers, with your chosen quote to accompany loan applications.
- As a responsible lender, HBRC may decline a loan application if you are in arrears, or have a poor history with HBRC rates payment.
- Clean heat devices include approved solid fuel wood burners, 4-star AGA-rated flued gas heaters, approved wood pellet burners and Energy Star qualified heat pumps.

Some Frequently Asked Questions

Why do we have to do it – is my fire OK?

Fires were manufactured to meet the new government standards from 2005 onwards; older fires contribute to the air quality problem because they are less efficient and have higher pollutant emissions. HBRC rules state that non-compliant fires are or will be prohibited from use, with the older fires being phased out first. When the fire is being replaced, HBRC can help contribute to the cost with a grant or a loan if you are affected by the new rules.

What about wet wood?

What you burn is as important as what you burn it in. You can make a big difference to your fire's emissions by only burning dry, 'seasoned' and untreated wood. Wood with a moisture content of more than 25% is inefficient and uneconomic and treated wood and household waste will release toxins including arsenic into your home.

Can I pay off a loan early?

Yes you can, by settling the loan you can save on the interest that would have been due on the loan if it had run full term. You can also increase the monthly payments to shorten the term.

Does the loan go with the house if I sell?

Most people settle the loan at the point of sale, however, with the purchaser's agreement the loan can transfer to the new owner.

How will HBRC know if a property has an open fire, an insert or freestanding woodburner, or heat pump?

City councils have been keeping records of permits issued for replacing fires since 2005 and ECCA (the government funding agent), has records of all subsidy and grant applications by address since 2009 when the scheme was introduced. Similarly, HBRC has records of all grants and loans by address (As of the end of December 2016, more than 10,000 homes have claimed HBRC financial assistance for clean heat and or insulation.)

How will HBRC know if replacement has been actioned?

By applying all this information to a map, it shows which properties have not yet accessed the funding for converting to clean heat and these will be targeted for education and marketing to make sure they don't miss out on the HBRC grants or loans available.

What happens if replacements aren't done in time?

There is a planned series of phase outs of non-compliant fires which runs to 2020, however our rules state that fires do not have to be replaced, but they do become prohibited from use.

Rather than cut off access to the funding that people may need to get a compliant heat source, applications will be accepted while the programme is still running, rather than by phase out dates. However, if air quality improves to the standard required quicker than expected, the programme may close early.

How are the Government requirements going to be policed?

HBRC are required to monitor air quality (24hrs per day) and if we can get below the government targets for five consecutive years, we can stop the programme. HBRC rules are designed to help achieve those targets.

As the programme progresses HBRC will continue to encourage people to help improve air quality, not only by replacing non-compliant fires, and the use of dry wood (where appropriate), but also making sure homes are adequately insulated. Thermal image mapping of properties in the airsheds can also show which houses have poor insulation, and are operating fires. Cross checking addresses against records (mentioned above) will confirm which may still be non-compliant and therefore in breach of the rules. The priority at this stage is making sure people are aware of what is required and when, but, failure to comply with the rules could result in a fine of \$300 as stipulated under the Resource Management Act.

FOR MORE INFORMATION

Heat Smart Programme

Hawke's Bay Regional Council

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heatsmart@hbrc.govt.nz | www.hbrc.govt.nz

CONDITIONS OF THIS AUTHORITY

1 The Initiator

- (a) Has agreed to give written advance notice of the net amount of each direct debit and the due date of debiting **at least 10 calendar days before** (but not more than 2 calendar months) before the date the direct debit will be initiated. This notice will be provided in writing (including by electronic means and SMS where the Customer has provided prior written consent (including by electronic means including SMS) to communicate electronically).

The advance notice will include the following message:-

“Unless advice to the contrary is received from you by (*date), the amount of \$..... will be directly debited to your Bank account on (initiating date).”

*This date will be at least two days prior to the due date to allow for amendment of direct debits.

- (b) May, upon the relationship which gave rise to this Authority being terminated, give notice to the Bank that no further Direct Debts are to be initiated under the Authority. Upon receipt of such notice the Bank may terminate this Authority as to future payments by notice in writing to me/us.

2 The Customer may:-

- (a) At any time, terminate this Authority as to future payments by giving written notice of termination to the Bank and to the Initiator by the means agreed by the customer, Bank and Initiator.
- (b) Stop payment of any direct debit to be initiated under this authority by the the Initiator by giving written notice to the Bank prior to the direct debit being paid by the Bank.

3 The Customer acknowledges that:-

- (a) This authority will remain in full force and effect in respect of all direct debits passed to my/our account in good faith notwithstanding my/our death, bankruptcy or other revocation of this authority until actual notice of such event is received by the Bank.
- (b) In any event this authority is subject to any arrangement now or hereafter existing between me/us and the Bank in relation to my/our account.
- (c) Any dispute as to the correctness or validity of an amount debited to my/our account shall not be the concern of the Bank except in so far as the direct debit has not been paid in accordance with this authority. Any other dispute lies between me/us and the Initiator.
- (d) Where the Bank has used reasonable care and skill in acting in accordance with this authority, the Bank accepts no responsibility or liability in respect of:-
- the accuracy of information about Direct Debits on Bank Statements;
 - any variations between notices given by the Initiator and the amounts of Direct Debits.
- (e) The Bank is not responsible for, or under any liability in respect of the Initiators failure to give notice in accordance with 1(a) nor for the non-receipt or late receipt of notice by me/us for any reason whatsoever. In any such situation the dispute lies between me/us and the Initiator.

4 The Bank may:-

- (a) In its absolute discretion conclusively determine the order of priority of payment by it of any monies pursuant to this or any other authority, cheque or draft properly signed by me/us and given to or drawn on the Bank.
- (b) At any time terminate this authority as to future payments by notice in writing to me/us.
- (c) Charge its current fees for this service in force from time-to-time.