

Responsible authority: Department of Communications, Climate Action & Environment
Managing authority: Sustainable Energy Authority of Ireland

History, current targets and results

The Irish obligation scheme started in January 2014, in continuation of a voluntary agreement (2011-2013). The current period is set for 2017-2020.

For 2017, the target was new annual primary energy equivalent (PEE) savings of 625 GWh/a with sub-targets of 20% for the residential sector and 5% for the “fuel poverty” scope. For 2018-2020, the target is 700 GWh/a, with the same relative sub-targets.

Looking just at the 2017 to 2018 period, non-residential savings account for 81% of total saving, residential 16% and energy poor at 3%. By the end of 2018, the Irish EEOS scheme had delivered a total of 3,293 GWh, delivering over the target by 10% with all three sub-targets exceeded.

[Plans for post-2020](#) are being consulted upon until the end of November 2019, including whether or not to continue the programme and how to define the savings metric.

Scope and focus

Around 50 standardised actions for the residential sector. These must be implemented by qualified contractors. Actions in other sectors are considered on a case-by-case basis, using SEAI assessment tools or other methods.

Around 10% of savings in the non-residential sector, and approximately 60% of savings in the residential sector (including energy poor) were also supported with grants from SEAI programmes.

The energy savings are credited only for the year where the action is reported. A discounting factor is applied to energy savings from actions where the savings will not persist to 2020.

Key actors, roles and options

The Ministry (DCCAE) enforces the rules of the scheme, and SEAI is the implementing body. The obligated parties (OPs) are all energy suppliers (all energy types and sectors) selling more than 600 GWh/a (about ten electricity and/or gas suppliers and one entity representing the oil companies). Public authorities and OPs meet within the Quarterly Governance Forum to discuss implementation issues.

OPs can use partnerships with third parties (service providers, local authorities, etc.). Exchange of savings between OPs and internal transfer of savings between sub-targets are allowed under certain conditions (done for less than 10% of savings in 2018 for both options). It is possible to contribute to a fund instead of directly achieving savings, but this has not yet been used.

Targets accumulate over time. In any given year OPs must meet a minimum of 95% of their target in any given sector. If this is not achieved, OPs may buy out by contributing to the fund for up to 30% of their target or sub-target. For any remaining underperformance, penalties are then applied at a rate of 1.25 times the buy-out price, which is set at the cost to the State to achieve these savings; the buy-out price varies by sector (6cts/kWh in the non-residential sector, 20.4 cts in the residential sector and 88 cts in the energy poverty sector).

Banking and borrowing does not apply.

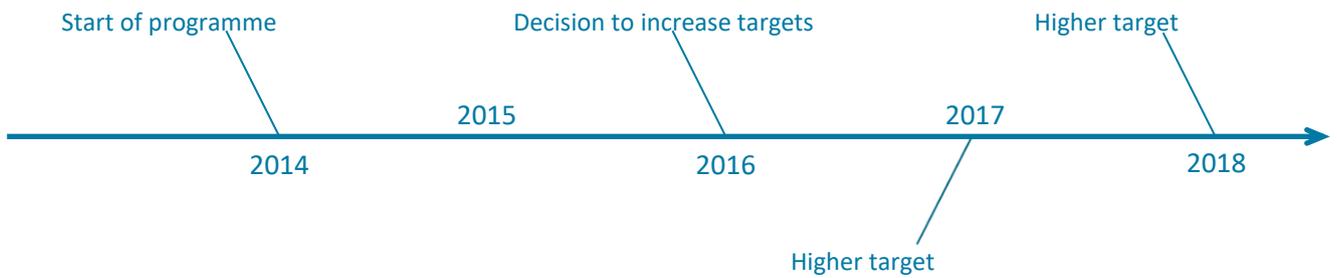
Monitoring, Reporting and Verification

OPs must have in place an agreement (for services in kind or monetary contributions) either directly or through a 3rd party with final customers prior to any energy savings being realised.

An online energy savings crediting system has been set for actions in the residential sector. OPs must implement an ISO 9001-aligned quality control process, use ISO 50015 or IPVMP for M&V, and perform audits of samples of non-residential projects representing at least 20% of the savings reported.

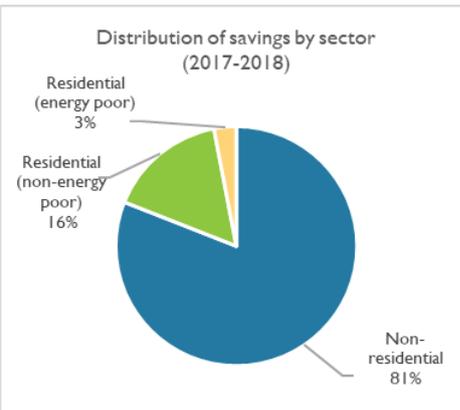
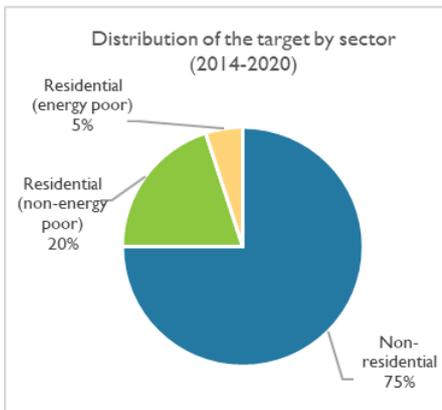
SEAI audit 5-10% of the projects, including on-site inspections (both in residential and non-residential sectors). Residential measures use deemed savings. Non-residential measures are verified using engineering calculations or using metering data. A simple boiler or lighting replacement would use an engineering calculation, scaled if appropriate; a more complex intervention would use metering data, potentially backed up by computer simulations. Guidance is provided to clarify when each method is appropriate.



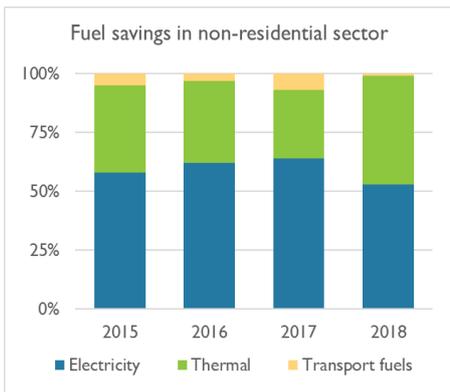


Targets were set low in the initial period to allow OPs to bed into the scheme.

Over-achievement by OPs may mean that effort is reduced in 2020. A mechanism for OPs to benefit from surpluses in any post-2020 programme are being consulted upon as part of the wider policy consultation in order to discourage the ramping down of effort in 2020.



A relatively high proportion of measures was delivered in the non-residential sector in 2017-2018, however, over the period since 2014, all the three sub-targets are being met. Annual targets are additive in that, in any given year, OPs must meet the sum of all annual targets from 2014 until the year in question.



The top non-residential measures by savings in (2014-15 and 2017):

- Processes (24% and 33%)
- Lighting (24% and 37%)
- Heating (24% and 22%)
- Ventilation/AC (5% and 2%)
- Transport (4% and 7%)

Thermal savings (see chart to left) are around 50:50 oil and gas.

The top residential measures in (2014-15; 2017 and 2018):

- Boilers (47%, 33% and 24%)
- Heating controls (10%, 25% and 43%)
- Wall insulation (22%, 12% and 10%)

Wall and attic insulation are the top energy poverty measures.

Costs for obligated parties

The average cost per kWh saved of the EEOS was €4.4cts per kWh in 2015 and €5.6cts per kWh in 2016. The costs per kWh saved over the lifetimes of the measures will be much lower, given that the targets are specified in terms of first year savings.

Other information about costs and benefits

OPs can choose to achieve some or all of their targets by working in partnership with existing government grant schemes, providing up to 30% of the funding towards residential measures and up to 95% for homes in energy poverty.

Interview with Joe Durkan

EEOS Programme Manager
SEAI (Sustainable Energy Authority of Ireland)



1) What have been the main changes and lessons learnt since 2017?

The targets have been increased in an orderly manner as OPs have become familiar with the scheme. The most important lesson is that it is really important to have a system of quality control in place (see next question below). It is very difficult to manage a voluntary scheme including small energy suppliers (e.g. solid fuel suppliers), without special legislation in place to allow access to their sales records. At the moment, if a company is obligated, the government has the right to obtain sales information, but this is not the case for smaller companies, meaning that it is sometimes impossible to ascertain whether or not their sales have met the obligation threshold. This is why a voluntary scheme for small suppliers under the mandatory threshold has been difficult to implement.

2) And more specifically about monitoring, verification and controls?

With the OPs having moved to ISO 9001-aligned systems, the MRV of the scheme has become a lot easier. Under ISO 9001, OPs must be externally accredited and audited. This allows independent audits to be targeted on specific areas. The ability to select makes the MRV process more cost-effective. OPs have companies that deliver work for them, and OPs are ensuring that those companies have quality assurance regimes in place and that the people doing the work are appropriately accredited.

3) What are the main interactions with other policies?

There are a number of alternative measures in Ireland. The Large Industry Energy Network and the SME network have a symbiotic relationship with the EEOS – these networks help to identify opportunities, connect with the energy efficiency industry and allow end-users to access OP funds. There is also a link to Article 8 audits, whereby auditors flag up opportunities under the EEOS to those being audited. Similarly, the OPs may drive the audit process in order to uncover opportunities to meet their obligations.

4) Are there challenges or changes foreseen for the coming years? (especially after 2020)

The post-2020 scheme is being consulted upon. If there is a scheme, the straightforward cumulative nature of the scheme will be a challenge because anything that is not delivered in 2021 will lead to a much bigger target in later years, given the nature of the Article 7 energy savings obligation.

The 2024-25 review by the European Commission is seen as a risk, particularly if targets are increased.

5) If you could go back in time, what would you do differently?

Ensure that the legislation would be robust enough to allow independent access to energy sales data of all companies, no matter how small.

