

Response Information

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Response Details

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1 - Name

[REDACTED]

2 - Company

Department of Enterprise, Trade & Employment

3 - Email

[REDACTED]

4 - Question 3.1

Do you agree with our proposal that the EEOS should cover entities across all the main energy markets - electricity, natural gas, liquid fuel and solid fuel?

Yes

6 - Question 3.2

Do you agree with our proposal to obligate the following types of eligible parties within each market, should they be above a certain size, that is:

*a) of the eligible parties in the liquid fuel market, only the liquid fuel importers operating in Ireland;
Don't know / No strong opinion

8 - b) of the eligible parties in the solid fuel market, all entities, including all distributors and suppliers operating in Ireland;

Yes

10 - c) of the eligible parties in the gas and electricity markets, only retail energy supply companies operating in Ireland

Don't know / No strong opinion

12 - Question 3.3

Do you agree with our proposal to set the obligation threshold in terms of annual final energy sales volume (GWh)?

Yes

14 - Question 3.4

Do you agree with our proposal to set the obligation threshold level at final energy sales of 400 GWh per annum, combined with the introduction of a free allowance?

Don't know / No Strong opinion

16 - Question 3.5

Do you wish to provide any specific comments in relation to the target setting approach?

Yes

17 - Please provide reasons to support your response.

While the EEOS is clearly focused on final energy use efficiency, it is essential that it is consistent and indeed complimentary to Government targets for carbon abatement, renewable energy and the transition to a low carbon economy. For example, if a significant contribution of the EEOS was providing more efficient LPG or coal burning processes this would plainly be a poor use of limited resources as the activity is not compatible with a trajectory to net zero emissions. In setting targets for obligated parties the consistency of required activities with wider policy options should be explicitly required and defined under the scheme.

Businesses will respond to clear price and policy signals - any perceived or actual incompatibility or inconsistency between the EEOS and stated government objectives in related policy areas would be unhelpful.

18 - Question 4.1

Do you agree with our proposal that 60% of Ireland's Article 7 obligation for 2021-30, equivalent to 36,424 GWh cumulative final energy savings, should be met by an Energy Efficiency Obligation Scheme?

Yes

20 - Question 4.2

Do you agree with our proposal that the EEOS Target should be disaggregated, with a 40% target allocated to all transport energy suppliers and distributors (the Transport Sales Target), and a 60% target allocated to all non-transport energy suppliers and distributors (the Non-transport Sales Target)?

Yes

22 - Question 5.1

Do you agree with our proposal that a certain proportion of obligated parties' energy savings must come from measures delivered in the residential sector (the Residential Delivery Sub-target)?

Don't know / No Strong opinion

24 - Question 5.2

Do you agree that, of these residential savings, a certain proportion must also come from activity in energy poor homes (the Energy Poverty Delivery Sub-target)?

Don't know / No Strong opinion

26 - Question 5.3

Do you agree with our position not to specifically require that a portion of the EEOS Target must be met by obligated parties through savings from measures in the transport sector?

No

27 - Please provide reasons to support your response.

It would be reasonable to expect that efficiency measures in the transport sector could be delivered within the 40% target allocated to all transport energy suppliers and distributors (the Transport Sales Target). The efficiency, costs and availability of projects in this area may need further consideration, however given that the transport sector is where these operators have an embedded role and network it would be a missed opportunity to prompt a level of innovation and investment in the transport sector via the EEOS targets.

28 - Question 5.4

Do you agree with our proposal that at least 15% of all EEOS savings, equivalent to 5,464 GWh cumulative final energy savings, must be delivered in the residential sector?

Don't know / No Strong opinion

30 - Question 5.5

Do you agree that at least 5% of the EEOS Target (a third of the Residential Delivery Sub-target), equivalent to 1,821 GWh cumulative final energy savings, must be achieved through measures delivered in energy poor homes?

Don't know / No Strong opinion

32 - Question 5.6

Taking account of the worked examples provided in Appendix 3, do you agree with our proposed approach in how the delivery sub-targets are allocated to obligated parties?

Don't know / No Strong opinion

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34 - Question 6.1

Do you agree with our proposed requirements for delivery under the Residential Delivery Sub-target (excluding the Energy Poverty Delivery Sub-target)?

Don't know / No Strong opinion

36 - Question 6.2

Do you agree with our proposed requirements for delivery under the Energy Poverty Delivery Sub-target?

Don't know / No Strong opinion

38 - Question 7.1

Do you agree with our proposal to implement annual additive targets up to 2030, which obligated parties will be required to meet every year?

Yes

39 - Please provide reasons to support your response.

Yes. Cumulative targets incentivizing early and impactful projects is appropriate. The consistency of these targets (and projects delivered to meet them) with Government targets for renewable energy and decarbonisation is also essential.

40 - Question 7.2

Do you agree that each obligated party's 2021 delivery, rather than their 2021 targets, should be considered in the calculation of targets for the remaining nine years of the obligation period?

Don't know / No Strong opinion

42 - Question 7.3

Do you agree that obligated parties should be allowed to count savings achieved on their behalf by third parties towards their targets?

Yes

43 - Please provide reasons to support your response.

Yes - on the condition that robust demonstration and documentation of materiality, additionality and impact of projects can be provided, including details and cost of Obligated Party contribution.

44 - Question 7.4

Do you wish to provide any suggestions or comments in relation to this flexibility mechanism?

Yes

45 - Third party contributions should be allowable only on the condition that robust demonstration and documentation of materiality, additionality and impact of projects can be provided, including details and cost of Obligated Party contribution.

46 - Question 7.5

Do you agree that a minimum achievement requirement should be put in place, which would mean that if an obligated party achieves at least 95% of its annual additive target, with the exception of the final year of the obligation period, they are deemed compliant?

Don't know / No Strong opinion

48 - Question 7.6

Do you wish to provide any suggestions or comments in relation to this flexibility mechanism?

No

50 - Question 7.7

Do you agree that obligated parties should be allowed to exchange validated credits bilaterally?

Yes

52 - Question 7.8

Do you wish to provide any suggestions or comments in relation to this flexibility mechanism?

No

54 -

Question 7.9

Do you think it could be beneficial to allow obligated parties to bilaterally trade all or part of their targets?

Yes

55 - Please provide reasons to support your response.

Some obligated parties will have greater capacity / opportunity to achieve their targets than others - particularly within certain mandatory sector types (e.g. residential) and it therefore makes sense to allow obligated parties trade targets to achieve optimal energy efficiency delivery across the different sectors. However - DECC and SEAI must take steps to satisfy themselves that trading targets does not facilitate a 'race to the bottom' whereby obligated parties who can deliver efficiencies cheaply (due to scale or reach for example) provide all/most projects to a sub-optimal efficiency achievement overall. Strict additionality criteria and documentation should be required from trading parties to show that traded targets do not reduce overall spend on efficiency or impact of the obligation scheme.

56 - Question 7.10

Do you wish to provide any suggestions or comments in relation to this flexibility mechanism?

Yes

57 - Some obligated parties will have greater capacity / opportunity to achieve their targets than others - particularly within certain mandatory sector types (e.g. residential) and it therefore makes sense to allow obligated parties trade targets to achieve optimal energy efficiency delivery across the different sectors. However - DECC and SEAI must take steps to satisfy themselves that trading targets does not facilitate a 'race to the bottom' whereby obligated parties who can deliver efficiencies cheaply (due to scale or reach for example) provide all/most projects to a sub-optimal efficiency achievement overall. Strict additionality criteria and documentation should be required from trading parties to show that traded targets do not reduce overall spend on efficiency or impact of the obligation scheme.

58 - Question 7.11

Do you think there should be a buy-out mechanism in place for the 2021-30 EEOS, which would allow obligated parties to buy out a proportion of their EEOS targets by contributing to an Energy Efficiency National Fund?

Don't know / No Strong opinion

60 - Question 7.12

Do you think that the buy-out cap should be set at a maximum of 30% of targets?

Don't know / No Strong opinion

62 - Question 7.13

Do you wish to make any suggestions on how buy-out prices are set, which would ensure the State is not financially disadvantaged and the relevant requirements of the EED are taken into account?

No

64 - Question 7.14

Do you wish to provide any suggestions or comments in relation to this flexibility mechanism?

No

66 -

Question 7.15

Do you agree with all, or part of, our proposed approach to non-compliance and penalties?

Don't know / No Strong opinion

68 - Question 7.16

In your opinion, how should penalties for non-compliance be determined, i.e. what factors should be considered as part of any calculation framework?

Don't know / No Strong opinion

70 - Question 7.17

Do you wish to provide any suggestions or comments in relation to any aspect of this proposal?

No

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72 - Question 8.1

Do you wish to raise any issues or make any suggestions on improvements that could potentially be made, in relation to the redesigned EEOS, beyond those discussed in this document?

Yes

73 -

The EEOS and its impact can be considerably strengthened by better communicating the opportunities it presents to businesses and thus better equipping business to negotiate impactful and material support from obligated parties.

SEAI should actively undertake to strengthen the hand of businesses in negotiating with obligated parties on supports available. This should be public, frank and detailed assistance - advising businesses to 'shop around' for best levels of support, advising businesses of what level of additionality and materiality they should be seeking in supports from obligated parties and typical costs and support available in different sectors or project types.

SEAI can considerably improve information available on their website on the EEOS **targeted at businesses** to inform greater awareness of the scheme, the types of projects supported and to 'strengthen the hand' of businesses in engaging/negotiating supports from obligated parties. Even the scheme name "Energy Efficiency Obligation" poorly describes the opportunity, and therefore dampens engagement, in the target audience of businesses looking to implement efficiency projects. The EEOS will be most impactful when businesses are informed as to its potential and can negotiate for impactful, material support for their projects from obligated parties.

Significantly enhanced transparency requirements around project types, costs, additionality of supported elements, best practice efficiency interventions in different sectors, and return on investment metrics would ensure the EEOS is delivering real additional impact.

SEAI should consider including a specified target for projects delivered through SMES - this would have significant economic, employment and enterprise resilience impacts. The competitiveness of our SME base (and therefore the efficiency of their energy costs) has significant benefits across numerous policy areas. Efficiency projects delivered through SMEs would likely have a higher level of materiality and additionality of support than in the wider non-domestic sector.

SEAI should consider a proportional approach to the level of demonstrated additionality and materiality of impact from EEOS projects depending on the size of project. Where very large projects are being delivered in

the ETS sector, the burden of proof that support provided has made material impact, and delivered an additional impact that would not have otherwise occurred, should be onerous. Whereas projects delivered in the SME sector could require less intrusive documentation requirements.

74 - Question 8.2

In your opinion, how often should the scheme be reviewed, e.g. after three years; after four years; after five years?
Don't know / No Strong opinion

75 - Please provide reasons to support your response.

The scheme should be reviewed to ensure ongoing alignment with Government priorities. There are few tools available to drive the transition to a low carbon economy - the EEOS may be technology neutral but it will need to be coherent and supportive alongside the broader climate action ambition.

76 - Question 8.3

Do you agree with our proposal to require obligated parties to report their EEOS cost data to SEAI?
Yes

77 - Please provide reasons to support your response.

Yes - SEAI should collate and report project costs, efficiencies, supports provided and sectoral best practice on a regular basis. This transparency would strengthen the negotiating power of businesses in shopping around to maximize the level of support available from obligated parties.

78 - Question 8.4

Do you wish to make any suggestions on how such data is reported, e.g. the level of detail, format and frequency of reporting?
Yes

79 - In addition to reporting sectoral project numbers, efficiency gains, costs - SEAI should promote case studies, peer-learning and sectoral best practice to engage businesses and support them in their discussions with obligated parties.

80 - Question 8.5

Do you agree that cost data should be published, provided all commercial confidentiality concerns are addressed?
Yes

82 - Question 8.6

Question 8.6: Do you wish to make any suggestions on how such data is published, e.g. the level of detail, format and frequency of publishing?
Yes

83 - In addition to reporting sectoral project numbers, efficiency gains, costs - SEAI should promote case studies, peer-learning and sectoral best practice to engage businesses and support them in their discussions with obligated parties.

84 - Question 9.1

Do you think that there a case for the provision of additional information to all consumers, via bills or otherwise, on their consumption and/or on potential energy savings?

Yes

85 - Please provide reasons to support your response.

Yes - obligated parties should be mandated to include energy efficiency advice, their offerings under EEOS and appropriate additional information on the potential for cost savings in the non-residential sector on all customer bills.

87 - Please provide reasons to support your response.

Yes - the information can be provided in electronic format in the vast majority of cases. Better energy aware customers can behave in more efficient ways. SEAI should consider how the EEOS can best leverage and complement the ESN smart-metering programme in the electricity sector and further support the resilience of the grid and penetration of renewables by adapting their demand profile.