

## Response Information

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## Login Info

User Name: AnonymousRespondent  
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## Response Details

### Page 2

1 - Name

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2 - Company

Enprova

3 - Email

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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;

No

7 - Please provide reasons to support your response.

This is clearly discriminatory as compared to other eligible parties.

The proposal to target "importers" constitutes a fundamental breach of European law. It is a core principle of European law that we are in a single market and there can be no distinction between importers and others in the supply chain that are not importers. It is important to draw attention to the fact that the word "importer" is not

to be found anywhere in the EU's Energy Efficiency Directives of 2012 and 2018 (Directive 2012/27/EU and Directive (EU) 2018/2002, together the "Directive"). Nor is it to be found in the Commission Recommendation 2019/1658 on transposing the energy efficiency obligations contained in the Directive (the "Commission Recommendation"). The very concept of targeting importers for any additional cost or financial obligations is anathema under EU law and would, in any event, lead to action by the European Commission against Ireland for fundamental breach of EU rules.

The Directive clearly links the "obligated party" with the final consumer who purchases energy for own end use. It is self-evident that importers, in their function as importers, do not sell fuel to persons purchasing the energy for their own end use.

**8 - b)** of the eligible parties in the solid fuel market, all entities, including all distributors and suppliers operating in Ireland;  
Don't know / No strong opinion

**10 - c)** of the eligible parties in the gas and electricity markets, only retail energy supply companies operating in Ireland  
No

**11 -** Please provide reasons to support your response.

If the DSOs are being excluded, the same should apply to the oil importers.

**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?

No

**15 -** Please provide reasons to support your response.

In order to bring all sectors onto the same basis of 90% market coverage, the threshold should be reduced to c.50 GWh.

**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.

Refer back to Q.3.2a). There is no rationale to the approach taken. It must be related to the objective of the EEOS which is to effect change in consumers' behaviour.

**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)?

No

**21 - Please provide reasons to support your response.**

There is no logic to allocating 40% of the EEOS target to transport energy suppliers.

The Commission Recommendation in relation to the implementation of the energy savings obligations in the Directive states: “*energy suppliers, retailers and distributors are best placed to identify energy savings with their customers and will be able to achieve energy savings in business models for energy services.....*”. The

Consultation documentation clearly recognizes that, unlike space heating, the consumption of energy in the transport sector is not amenable to the type of actions that distributors or retailers can implement in order to reduce consumption. It is therefore impractical to impose 40%, or any other amount, on a supplier for a market sector where the ability to deliver energy saving will result in only minimal energy savings at best.

The decisions of the European Courts make it clear that the first requirement in designating an obligated party must be that it can be shown the party can achieve the required reductions rather than pay a penalty or a contribution to the relevant energy efficiency fund.

**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)?

Yes

**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)?

Yes

**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?

Yes

**27 - Please provide reasons to support your response.**

The ECA analysis shows that ringfenced targets in transport would make the scheme prohibitively expensive.

**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?

Yes

**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?

Yes

**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?

Yes

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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)?

No

**35 -** Please provide reasons to support your response. Where you do not agree with any aspects of the above proposal, please be as specific as possible in your response, including any suggestions you wish to make, taking account of the broad policy intent and the additional points included for consideration.

Although reducing the % target to be achieved in Residential sector, several changes to the scheme around final energy, heating controls and requirements for a pathway document have made it significantly more difficult to achieve savings and thus eroded most of the % target reduction.

Furthermore, the expected transition in the Residential retrofit market to deeper measures has not yet happened, in part due to the pandemic and in part due to lack of resources in the market.

Removing the ability to deliver energy savings in this sector in the manner that they have been completed to date without addressing the above points will seriously impede the ability to achieve these targets. OPs cannot create a new industry or attract resources into the industry.

Thought should be given to linking the new requirements to delivery metrics on the CAP. Thought should also be given to what penalties can be introduced if people do not engage with the scheme e.g., the imposition of B2 requirements for all rental properties.

Thought should be given to increased support for the higher cost of the deeper measures envisaged.

**36 - Question 6.2**

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

No

**37 -** Please provide reasons to support your response. Where you do not agree with any aspects of our proposal, please be as specific as possible in your response, including any suggestions you wish to make, taking account of the broad policy intent.

The introduction of a threshold energy rating level, below which properties can be considered energy poor, is a major concern.

If this is to be the case, then a lot more thought needs to be given to where this rating should be set. To say that there are enough houses in this group to meet the target is not sufficient, and more assessment of how to ensure these houses are completed is required. Furthermore, the issue of "lifting homes out of fuel poverty" is a Europe wide one and more analysis needs to be given to how other member states are handling this particular

topic to ensure Ireland are not out of step with Europe generally and increasing the burden unnecessarily on Irish consumers.

As it would be impossible for OPs to fund these works in full, significantly more thought needs to be given to how policy makers will ensure that co-funding will be allocated to these properties. Currently there is no incentive/requirement for Councils, for instance, to complete works to this bracket of properties. Indeed, the current rollout actively disincentivises work to these properties. By capping the amount of monies that can be spent per property, Councils need to look at easier-to-complete properties to keep costs within reasonable limits.

**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?

No

**39 - Please provide reasons to support your response.**

Preference is for cumulative targets. Using annual additive targets implies an increasing annual target set against increasingly limited opportunities. Scheme needs to be reasonable and fair. Strict annual targets at the levels set are unachievable on an annual basis so flexibility beyond the 5% p.a. is required

**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?

Yes

**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

**44 - Question 7.4**

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

Yes

**45 - The current flexibility mechanisms need to be retained. More thought needs to be given to flexibility further down the supply chain.**

**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?

No

**47 - Please provide reasons to support your response.**

Achievement of 95% target should be on a cumulative basis.

**48 - Question 7.6**

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

Yes

**49** - Achievement of 95% target should be on a cumulative basis.

**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

**56** - Question 7.10

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

No

**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?

Yes

**60** - Question 7.12

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

No

**61** - Please provide reasons to support your response.

Should be increased to, say, 50%.

**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?

Yes

**63** - Leave as at present – there is no obligation on the state to acquire credits on a sectoral basis.

**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?

No

69 - Please provide reasons to support your response.

Leave as at present – there is no obligation on the state to acquire credits on a sectoral basis. Penalties affect price so if increased then the cost of delivery will also increase. Penalties should be set to incentivise delivery which has obviously worked, not to allow government to deliver savings in the same way. **They do not have sector targets.**

70 - Question 7.17

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

Yes

71 - A pre-determined Penalty Cost encourages the actual cost of credits, particularly in the Non-Residential sector, to gravitate towards that number.

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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 - Lessening the administrative burden on OPs now that quality has been proven would help in allowing more funds go to support the individual projects.

The relative cost of achieving savings in different sectors should be factored into target setting to achieve an efficient redesign.

Administrative efficiencies alone are not more important than operational feasibility and should not be accorded priority when identifying OPs.

Social equity should be emphasised consistently in the design, not just in relation to energy poor targets.

The impact of the design on welfare needs to be reconsidered.

It is important to highlight that the principle of transparency, as enunciated in EU law and as expressly expanded in the requirements of the Directive, imposes on Member States the obligation to designate obligated parties pursuant to objective and non-discriminatory criteria which are verifiable. Ensuring these obligations are met should be key to the implementation of all elements of the redesigned EEOS. (See, for example, the opinion of Advocate General Kokott in Case C-561/16 – *Saras Energía SA v Administración del Estado*, as well as the subsequent decision of the Court of Justice of the European Union confirming that opinion in its judgment.)

75 - Please provide reasons to support your response.

4 years

76 - Question 8.3

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

No

77 - Please provide reasons to support your response.

Publishing of costs will likely lead to pricing of energy credits at a higher cost than may otherwise be achieved leading to a higher cost to the consumer. In addition, the complexity of accounting within integrated utilities

compared to a stand-alone managing agent would make realistic comparison impossible and inevitably lead to misrepresentation.

**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?

No

**79 -** Data should not be reported for reason stated in 8.3 above.

**80 - Question 8.5**

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

No

**81 -** Please provide reasons to support your response.

Cost data should not be published for reason stated in 8.3 above.

**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 -** Cost data should not be published for reason stated in 8.3 above.

**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?

No

**85 -** Please provide reasons to support your response.

Not practical for liquid fuel deliveries where there is not the same contractual relationship between supplier and consumer putting them at a disadvantage compared to pipeline delivery to contracted customers of utilities.