

Response Information

Started: 28/04/2021 07:52
Completed: 29/04/2021 08:51
Last Edited: 29/04/2021 08:51
Total Time: 1.00:58:53.8760000
Is Test: No
IP Address: [REDACTED]

Login Info

User Name: AnonymousRespondent
Invitee:

Response Details

Page 2

1 - Name

[REDACTED]

2 - Company

climote Limited

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

5 - Please provide reasons to support your response.

We agree with the position. The obligation scheme has been successful and cost-effective to date, but needs to be kept under constant review. However, the EEOS scheme specifically incentivises suppliers to implement measures that reduce the very entity that their business depends on. This should be kept under constant review to ensure the correct balance between the importance of the decarbonisation of energy and simplistic energy saving is maintained. This may require greater Exchequer support and funding to encourage the broader change in behaviour and stakeholder practice that is required.

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;

No

9 - Please provide reasons to support your response.

Given that Solid Fuels generally have the highest Carbon Intensity, consideration should be given to applying a lower threshold / higher obligation to these entities.

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

Yes

11 - Please provide reasons to support your response.

We support the intention to follow the entity obligation used by existing scheme, but suggest this is regularly reviewed through the lifetime of the programme as energy system becomes more decentralised and new factors affect the retail market for energy. Decentralisation may require review of the role to be played by the DSOs and others in facilitating more rapid energy efficiency adoption.

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

13 - Please provide reasons to support your response.

We support the use of Final Energy for reporting as this measure is most representative of the actual energy used by the consumer and is used across the EU for reporting Energy usage/savings.

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?

Yes

15 - Please provide reasons to support your response.

We support the reduction of the threshold, together with a free allowance (to benefit smaller / innovative energy operators), subject to comments regarding Solid Fuel in 3.2(b) above.

16 - Question 3.5

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

No

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

19 -

Please provide reasons to support your response.

The 60% target seems to have been analysed in depth.

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

21 - Please provide reasons to support your response.

The figures show that this is appropriate at this stage. However, as the electrification of heat and transport ramps up, the share of energy delivered to both entities by electricity suppliers is likely to increase significantly and the share may need to be reviewed accordingly within this EEOS period.

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

23 - Please provide reasons to support your response.

The residential sector accounts for almost a quarter of Ireland's final energy consumption and while energy savings in the sector can be relatively more expensive to the obligated party than the commercial sector, energy saving in this sector is essential to Ireland achieving its overall target. We would welcome similar disaggregation in the transport sector to ensure that the targeted objectives further encourage fuel saving and the faster electrification of transport.

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

25 - Please provide reasons to support your response.

There are undoubtedly benefits in prioritising energy saving measures directed towards the fuel poor, provided that these measures do actually serve to reduce their fuel costs and do not simply act as a "tick box". Any measure that achieves this should be fully rewarded, potentially beyond those that apply more generally.

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 notes that transport accounts for approx 40% of the Final Energy consumption, so while a fully ringfenced transport target would substantially increase costs across the whole EEOS, we believe transport measure should be ringfenced to some extent and should also be disaggregated as far as possible. Both ringfencing and disaggregation would encourage the transport industry to be more active in its own sector.

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

29 - Please provide reasons to support your response.

The rationale is clear from the ECA.

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

31 - Please provide reasons to support your response.

Acknowledging that according to the ECA, delivery of measures to fuel poor homes is more expensive, the delivery of measures that genuinely improve the energy efficiency in a fuel poor home must be incentivised by targets. As stated earlier, these should be genuine improvement measures that benefit the resident within the overall EEOS framework, such as reducing heat loss, increasing heating cost-efficiency.

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

Page 3

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)?

Yes

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.

We fully agree with aligning the EEOS with the Climate Action Plan and Ireland's ambitions to 2030 and 2050. However, the EEOS should also recognise that it will take time for each sector to reach the levels envisaged in the Climate Action Plan and we welcome the concept of the "Pathway to B2" outlined in the documentation. The vast majority of consumers are unlikely to undertake an immediate full retrofit to B2 standard or go out and buy an EV tomorrow (even if they could), so they should instead be encouraged and incentivised in the right direction over a number of years.

Better to align the EEOS credits with the most urgent / important of the prevailing challenges year-on-year, especially as the country emerges from the effects of Covid-19. It's essential to create and support an agreed and widely accessible Pathway for the many, alongside support for the full retrofit that relatively few will be ready for in 2022, even if there were sufficient resources and skills available next year.

In support of the Pathway approach:

There should be a clearly published route to achieving B2 that is accessible to the majority of consumers. The measures for the Pathway, their order and rough timetable should be clearly identified. Customers should be encouraged to sign up to the Pathway, without necessarily having to commit to all measures at the outset, and be rewarded for their continued progress on the journey to B2.

Barriers to entry should be minimised, through the early application of individual measures that can demonstrate they genuinely contribute to the Pathway. The Energy Efficiency Directive does not preclude individual measures and it is important that this is reflected in Ireland's EEOS so that all consumers can access the scheme at their own pace.

The broad and early uptake of an initial low-cost Heat Loss Indicator (HLI) with a simple means of ongoing continuous assessment against the B2 target, without a consumer having to undertake a costly assessment, should be encouraged in the near term. Eg, a Smart Thermostat could provide real-time summary data to give a very good indication of heat loss throughout the Pathway. This would postpone the significant cost of the full HLI survey to a time when it is most relevant to the decision to implement the full B2 and heat pump measures.

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.

We have concerns that both the proposed definition and delivery requirements for the Energy Poverty sub-target are too restrictive and may exclude many deserving candidates as a result. While noting that the proposal might address the most-worthy candidates, and that it is likely to be heavily subsidised, we believe the scheme should have a much broader reach, benefitting the highest possible number of those in Fuel Poverty. The last full survey, conducted in 2015 [Energy, E., Bottom-up analysis of fuel poverty in Ireland. 2015], showed approx 460,000 people fell into this category based on the objective method. It is likely that the proposed method would reach just a few thousand such homes a year, leaving out the vast majority of the potentially fuel poor.

As a minimum we suggest that while the focus should of course be on the most needful homes, the Pathway to B2 should also be available in this category as outlined above.

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?

Don't know / No Strong opinion

39 - Please provide reasons to support your response.

As we are not an obligated party, we have no strong opinion on this section, beyond a belief that some annual flexibility within the framework of the overall target should be afforded.

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

41 - Please provide reasons to support your response.

See 7.1

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?

Don't know / No Strong opinion

43 - Please provide reasons to support your response.

See 7.1

44 - Question 7.4

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

No

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

47 - Please provide reasons to support your response.

See 7.1

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?

Don't know / No Strong opinion

51 - Please provide reasons to support your response.

See 7.1

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?

Don't know / No Strong opinion

55 - Please provide reasons to support your response.

See 7.1

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?

Don't know / No Strong opinion

59 - Please provide reasons to support your response.

See 7.1

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

61 - Please provide reasons to support your response.

See 7.1

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

67 - Please provide reasons to support your response.

See 7.1

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

69 - Please provide reasons to support your response.

See 7.1

70 - Question 7.17

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

Page 4

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 - As we have indicated, we strongly support the idea of energy credits being available against a Pathway to B2. Clearly there is a need for further clarity of the Pathway to B2 and we assume this will evolve through the further consultations earmarked for Q2 2021. We would welcome the chance to be involved in these discussions as we believe our 10+ years' experience in the Irish Smart Thermostat market has given us a unique insight into the delivery of improvements to the residential, and indeed fuel poor, sectors.

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.

Given the pace of change in the energy market and the increasing focus on climate change we think the scheme should be reviewed regularly, ideally at least every two or three years and whenever issues are identified, there are market changes, or policy changes (eg updated Climate Action Plan).

76 - Question 8.3

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

Don't know / No Strong opinion

77 - Please provide reasons to support your response.

As we are not an obligated party, we have no strong opinion on this section

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

80 - Question 8.5

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

Don't know / No Strong opinion

81 - Please provide reasons to support your response.

See 8.3

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?

No

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.

Such information should be more targeted – see 9.2. There is widespread acknowledgement that unless energy consumption information is presented in a relevant and meaningful way, the average consumer will tire of it within a few weeks. Moreover, given the energy bill is already full of detailed billing information, it is unlikely customers will pay much attention to any additional material unless there is a clear incentive to do so.

86 - Question 9.2

How could the provision of such information be implemented cost effectively and in a way that benefits all consumers, whether on bills or otherwise?

Don't know / No Strong opinion

87 - Please provide reasons to support your response.

As Smart Meters roll out, there is a real opportunity to present such information to customers in a much more targeted manner, eg through their energy supplier's app. Similarly, smart energy devices and their apps can lead customers on their energy saving journey through data presented on the app, whether simply through historic usage data or more interactively through notifications. These tools are widely and well developed although we note that the data currently available through the Irish Smart Meter programme is extremely limited by comparison with (say) the UK.