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energy.efficiency@decc.gov.ie

29th April 2021

**Re: Response to the Consultation by the DECC on the redesign of Ireland's Energy Efficiency Obligation Scheme**

Dear DECC,

We welcome the opportunity to input into the DECC's redesign of Ireland's Energy Obligation Scheme and its contribution in meeting Ireland's ambitious climate targets.

Prepay Power is Ireland's largest PAYG energy supplier. We have longstanding experience with customers that wish to have visibility of their energy usage, reduce their consumption, and control their costs. Many of our customers have very limited budgets to spend on energy and fall within a broad definition of fuel poor.

We support the proposal that the EEOS targets are shared across all the energy suppliers that contribute to final energy consumption. The inclusion of transport is welcomed; however, this transport target should be allocated sub sector targets particularly the delivery of energy poor targets. We believe that more obligated parties being targeted with delivering energy poor targets will result in a corresponding increase in opportunity for households to be removed from fuel poverty.

We do not agree with that 60% of Ireland's Article 7 obligation for 2021-30 should be met by the Obligation Scheme, the previous scheme split of 50:50 is fairer and that there is no justification in the Economics Consulting Associates report for giving the EEOS 60% and Alternative Measures 40%. The potential for additional Alternative Measures should be looked at between now and commencement of the scheme in 2022.

The lowering of the threshold will bring more parties into the scheme which will provide more innovation in delivery of credits and more options for customers to engage in energy efficiency measures. The inclusion of a free allowance is a vitally important measure to ensure that new entrants and smaller obligated parties are not unduly commercially impacted by participation in the scheme. We strongly agree with the introduction of the free allowance.

We support the need to address fuel poverty in society. We believe that this should be shared across transport and non-transport participants. Our experience with our customers, a

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significant proportion of which are in fuel poverty is that there needs to multiple affordable energy efficiency measures available. This can be facilitated by increasing the number of parties involved with delivering the credits. We believe that the cost of delivering energy efficiency measures in energy poor homes needs to be funded by government and should not burden this customer base with increased debt.

The narrowing of the definition of energy poverty to properties with a BER rating of E1 or worse, removes genuine energy poor households that would meet the criteria if based on income level, employment status and energy costs. We strongly disagree with this proposal as it limits the delivery of energy efficiency measures in energy poor households that require the measures the most.

We strongly believe that the option of delivering savings via deemed credits should be retained. This allows flexibility in the delivery of credits and ensures that customers have a wider selection of offerings from which they can chose one they can afford. This mechanism has allowed the delivery of effective efficiency measures to budget constrained customers without burdening them with debt. Furthermore, removing more affordable measures for customers is likely to discriminate against customers unable to afford deep retrofit measures. Our experience with our customers is that the cost of the BER alone could become a barrier for them to engage with the scheme.

We support the target being set as an additive target including 2021 as this ensures that Ireland is on track in delivering its targets and not creating a shortfall in later years. Retention of the facility to carry over credits should continue in the new scheme.

Transparency is essential in setting the buyout costs, the SEAI cost of the scheme should form the basis of setting it. We support an increase in the buyout level, as this fund will be used by SEAI to deliver the credits instead of the obligated party ensuring Ireland meets its Article 7 target with the minimal cost to society.

We welcome the publishing of cost associated with the delivery of the scheme, this should include obligated party data and SEAI data on the cost of their schemes.

We support a maximum penalty but the mitigating factors such as challenges outside the control of an obligated party must also be considered when setting the penalty. Transparency and proportionality are essential in setting the penalty so that it is not unnecessarily punitive.

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Obligated parties should be allowed to exchange validated credits bilaterally. This mechanism allows parties to deliver savings in the sectors in which they have expertise. It eases the burden on all obligated parties by allowing the trading of efficiently generated credits. It also removes a false threshold whereby obligated parties would otherwise stop serving a customer base once their target has been reached.

We encourage the Department to allow as much flexibility for providers to achieve these challenging targets. Individual measures and deemed credits should be permitted and the role of BER will need to be considered to avoid unnecessary costs and barriers to consumers.

Yours sincerely,

[redacted]

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