

Ireland's Energy Efficiency Obligation Scheme:

Redesigning to increase ambition



Aileen Duffy
7th December 2023

Overview

Quick look at Ireland's EEOS



Redesigning the EEOS



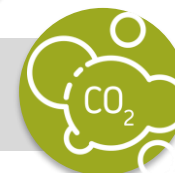
What were some of the main changes



Changes to our sub-targets



The new sub-target criteria introduced



Challenges/key points to note in moving to new approach



Country: Ireland

Starting date: 2014

Current period: 2023-2030

WHO

Management of the scheme:

- Dept of the Environment, Climate and Communications (DECC) – policy, enforcement
- Sustainable Energy Authority of Ireland (SEAI) – Administrator, technical

Obligated parties (OPs):

- 17 obligated parties – distributors (incl importers) and retailers across electricity, natural gas, liquid fuel and solid fuel markets

Other key stakeholders:

- Third party delivery partners
- Energy efficiency contractors
- M&V and QA consultants, technical evaluators
- Key partners/beneficiaries such as local authorities, public sector bodies, large industry, SMEs, trade associations, homeowners

WHAT

Targets and savings:

- Annual energy savings targets in place
- Actions eligible in all end-use sectors, under performance and/or quality requirements
- Two sub-targets related to residential and energy poverty (15% of overall target)
- Energy credit = 1kWh new final energy saving

HOW

- Scaled and metered savings
- Residential (pre and post EPCs); Non-residential projects (mostly metered, full M&V)
- Each OP required to have QMS in place
- SEAI also carries out audits and inspections
- Can leverage Government schemes & supports
- Can trade targets, exchange credits and buy out

Redesigning the EEOS

- EEOS in place since 2014 – successfully delivered 60% of Ireland’s 2020 Article 7 Target – in addition to significant savings, many benefits delivered
- Wished to continue to use an EEOS (with alternative measures) for 2030 target
- Appetite to redesign and increase the ambition of the scheme –
 - To take account of the changes introduced by EED in 2018, AND
 - To increase alignment with Irish Government policies, particularly re residential and energy poverty sectors (moving towards deeper retrofits)
- In parallel to designing & consulting on new EEOS, continued to operate a ‘transition scheme’ over 2021 & 2022 (savings towards 2030 target)
- New EEOS has now commenced (since 1 January 2023), with new, stronger Regulations in place to underpin the redesigned scheme
- Still very early days in the implementation of the new scheme

What the new EEOS looks like

A lot largely the same –

- Mostly the same obligated parties
- Majority of target open to any sector
- Two sub-targets focussed on residential and energy poverty sectors
- 1 credit = 1 kWh (final energy though)
- OPs still allowed leverage Government schemes/supports ('co-funding')
- Administrative regime very similar – annual targets and similar reporting regime & deadlines for SEAI

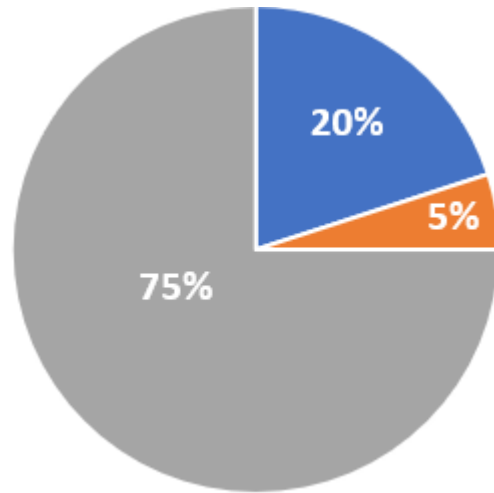
But a good bit changing –

- More obligated parties (incl smaller ones)
- Bigger EEOS target (@ 60% of the bigger Article 7 target*)
- Taking account of all new M&V requirements from Directive
- Increased policy-alignment – focus on deeper retrofit & worst-performing homes
- Narrower sub-targets but tougher, more ambitious delivery requirements
- Move to EPCs for residential savings

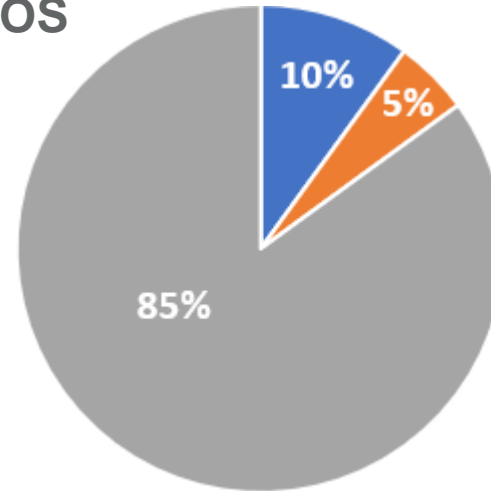
*Prior to recast this was 60,707GWh cumulative end-use energy savings (final) (or 11,000 GWh new savings)

Changes to our sub-targets

“Old”
EEOS



“New”
EEOS



- Cross-sector target
- Residential target
- Energy poverty target

* New EEOS Target up ~20%

- Retained Residential and Energy Poverty sub-targets but now narrower and deeper
- Recognising the more ambitious delivery requirements compared to 2014 (mainly shallow)
- Aligning better with national and EU policy objectives – deeper retrofits, targeted, worst first

The new criteria introduced

“Old” EEOS	“New” EEOS (from 1 Jan 2023))
Residential criteria	Residential criteria
<ul style="list-style-type: none">• Dwelling	<ul style="list-style-type: none">• Dwelling• Minimum EPC uplift (100 kWh/m²/yr)• Home upgraded to EPC B2 <u>or</u> B2 pathway
Energy poverty criteria	Energy poverty criteria
<ul style="list-style-type: none">• Home owned by Local Authority/ Approved Housing Body/ eligible owner occupier	<ul style="list-style-type: none">• Home owned by Local Authority/ Approved Housing Body/ eligible owner occupier• Pre-EPC of D2 or worse• Post-EPC of B2 or better
Measures & scoring	Measures & scoring
<ul style="list-style-type: none">• Eligible energy efficiency measures• Energy credits table (measure/archetype)	<ul style="list-style-type: none">• Package of works to improve the EPC• Energy credits calculated based on specific EPC improvement

Moving to a new approach – some key points

- Only first year of new scheme so learning all the time!
- Get the balance right in level of change/ambition introduced
- Ensure policies, incl the EEOS, moving in the same direction/aligned
- Involve obligated parties and key stakeholders early & throughout
- Make sure beneficiaries etc are informed and understand changes
- Be conscious of uncertainty on the ground, affecting supply chain
- Don't underestimate the transition from old to new – v challenging
- Keep monitoring and reviewing

Questions



Relevant links:

- [Public consultation on the redesign of the EEOS \(2021\)](#)
- [Economic & policy analysis to support design proposals \(2021\)](#)
- [Final policy decision on EEOS design \(2021\)](#)
- [EEOS Regulations \(S.I. No. 522/2022\)](#)
- Other key information is available on [SEAI's EEOS webpage](#):

