

EEOS 2022-2030

Transfers and trades workshop

2nd November 2021

Overview

Introduction – Joe Durkan



Energy Credits and targets – Joe Durkan



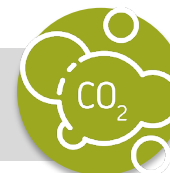
Transfers and exchanges 2014 to 2020 – Lana Hudetz



Transfers and exchanges 2030 scheme– Joe Durkan



Trading of targets– Joe Durkan



AOB



Scope of workshops

Out of scope:

- The decisions
- The reasons behind the decisions
- The process for arriving at the decisions.

In scope:

- The implications of the decisions
- The implementation of the scheme
- Delivery requirements arising from the decisions
- Compliance with Annex V of the EED

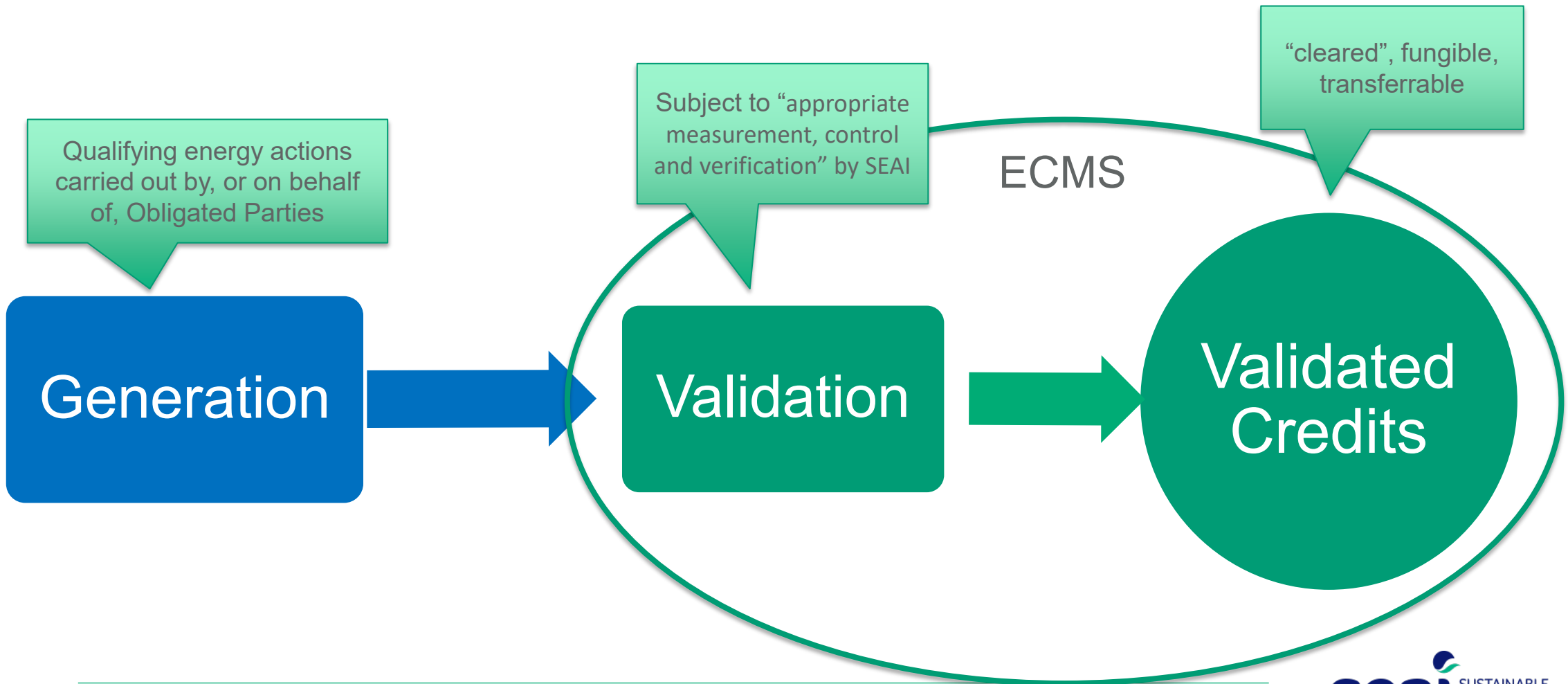
Chatham house rules apply
Session will be recorded for purposes of an accurate meeting note, but recording will be deleted immediately after.

Energy Credits and Targets

Complying with targets

- Deliver validated (cleared) energy credits
- Transfer validated credits between sectors (EP to Residential to Cross – sectoral)
- Exchange validated credits between Obligated Parties
- Buy out part of a target
- Trade annual targets between Obligated Parties

Energy Credit Process



Qualifying energy actions carried out by, or on behalf of, Obligated Parties

Subject to "appropriate measurement, control and verification" by SEAI

"cleared", fungible, transferrable

ECMS

Generation

Validation

Validated Credits

Key Decisions

The Minister has decided that, as proposed, obligated parties will be allowed to bilaterally exchange energy credits (i.e. validated energy savings).

The Minister has decided that, as proposed, obligated parties will be allowed to bilaterally trade all or part of their annual additive targets.

Transfers and exchanging of credits 2014 to 2020

EEOS 2014-2020 Transfers and trades

Transaction Types:

1. Inter Sector

- Transactions between sectors
- 17 transactions, total 127.1 GWh
- Fuel poor transfers to residential and non-residential

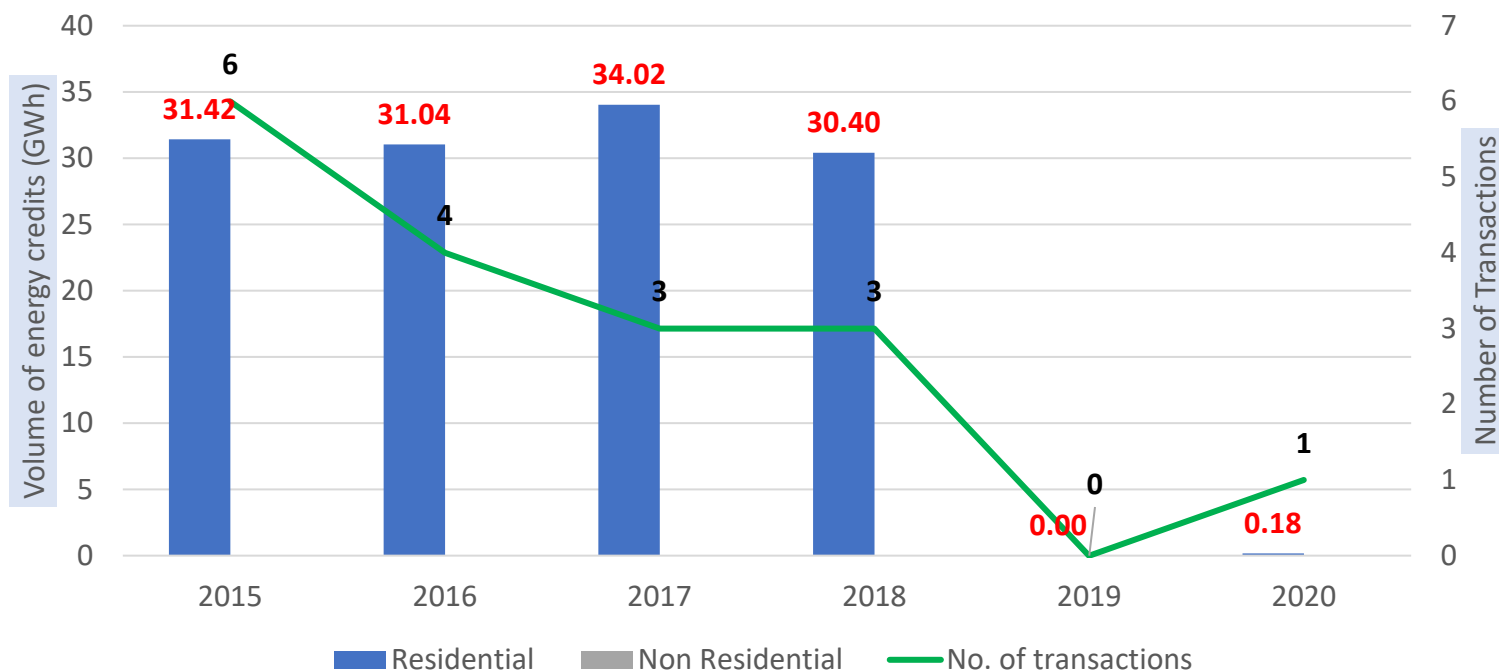
2. Inter PES

- Trades between obligated parties
- 120 transactions, total 379 GWh
- 68% non-residential, 23% residential and 9% fuel poor trades

Inter Sector Credit Transfers EEOS (2014-2020)

	2015	2016	2017	2018	2019	2020	Total
No. of transactions	6	4	3	3	0	1	17
Energy Poverty	-31.46	-31.04	-34.02	-30.40	0.00	-0.18	-127.09
Residential	31.42	31.04	34.02	30.40	0.00	0.18	127.05
Non Residential	0.04	0.00	0.00	0.00	0.00	0.00	0.04

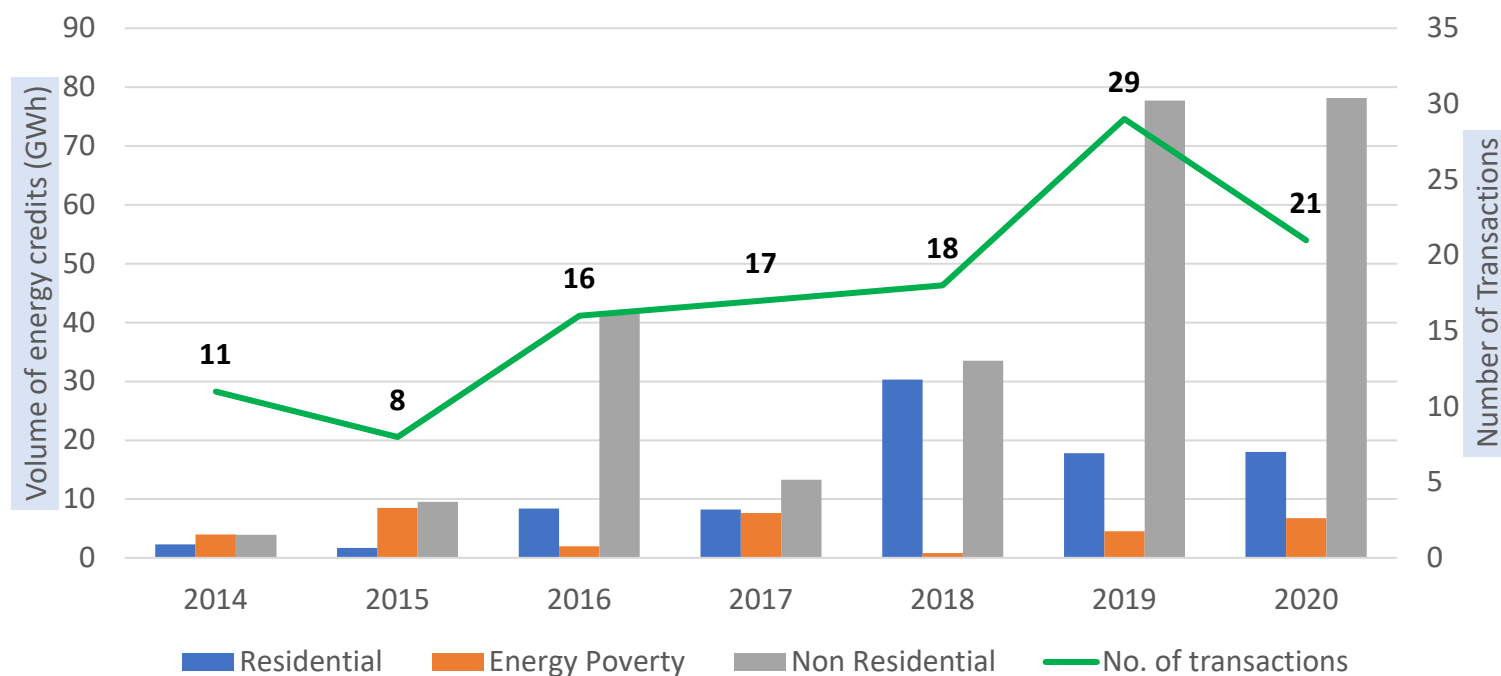
Total Inter Sector Credit Transfers (GWh)



Trades between Obligated Parties EEOS (2014-2020)

	2014	2015	2016	2017	2018	2019	2020	Total
No. of transactions	11	8	16	17	18	29	21	120
Energy Poverty	3.97	8.53	1.96	7.64	0.84	4.54	6.75	34.23
Residential	2.31	1.70	8.40	8.26	30.28	17.79	18.00	86.73
Non Residential	3.96	9.55	41.93	13.26	33.53	77.70	78.11	258.05

Total Credit Trades between PES (GWh)



Transfers and exchanging of credits 2030 scheme

Transfers and exchanges

Transfers – inter sectoral:

- Operation broadly similar to 2014 to 2020 scheme.
- Obligated Parties can request validated energy credits to be transferred from:
 - Energy Poor to Residential
 - Residential to Cross-sectoral
- Credits are “1 for 1”, i.e. 1 EP credit transfers as 1 Residential credit
- Transfers can be made any time in the current period
 - (i.e. typically before 31st March in following year)
- sufficient credits must exist in each sector to facilitate transfers
- Request made via email from OP

Transfers and exchanges

Exchanges – between OPs:

- Operation broadly similar to 2014 to 2020 scheme.
- Obligated Parties can request validated energy credits to be exchanged with another OP.
 - Energy Poor to Energy Poor
 - Residential to Residential
 - Cross-sectoral to Cross-sectoral
- Once validated, all energy credits in a sector are fungible (i.e. interchangeable)
- Responsibility for the validity of the underlying energy efficiency improvements (i.e. those giving rise to the energy credits) continues to lie with the originating obligated party

Transfers and exchanges

Exchanges – between OPs:

- Request to be submitted by both Obligated Parties in writing
 - Existing template should be sufficient
- (**new**) SEAI will notify both OP's of its decision regarding the exchange
- Exchange can be made any time in the current period
 - (i.e. typically before 31st March in following year)
- **N.B.** Bought out (or penalty) credits cannot be exchanged.

Transaction Details

Ref:

Date:

Seller:

Buyer:

Type and Amount

Energy Credits

Volume:

Reference Period

January 2022 to December 2030

Signed on behalf of Seller: _____

Name:

Signed on behalf of Buyer: _____

Name:

Trading of targets - 2030 scheme

Trading (or partial trading) of notified targets

Trading targets – between OPs:

- This allows one obligated party to engage a second to take on liability for all or part of its obligation (i.e. to deliver all or part of its annual additive targets)
- For a given year, all, or part of, a sub-target or sub-targets contained in an energy efficiency notice issued to one obligated party may be traded to another second obligated party.
- The second OP accepts any risks associated with delivery and enforcement

Trading (or partial trading) of notified targets

Trading targets – Mechanism:

- Request to be submitted by both Obligated Parties in writing
 - New template will be created to facilitate this
- SEAI will notify both OP's in writing of its decision to whether or not to approve the target trading application submitted, and where relevant, the reasons for that decision.
- The target trading application must be submitted to the Administrator no later than 31st March in the target year concerned.
 - (or within 3 months of the issuing of a new notice)
- If approved, new Energy Efficiency Notices shall be issued to both of obligated parties concerned and ECMS will be amended accordingly

Trading (or partial trading) of notified targets

Trading targets – example:

2022 Target (pre transfer)	OP1	OP2
Cross-sectoral	11,900,000	65,450,000
Residential	1,400,000	7,700,000
Energy Poor	700,000	3,850,000
Totals	14,000,000	77,000,000

Transfer request	OP1	OP2
Cross-sectoral	0	-
Residential	500,000	
Energy Poor	500,000	
Totals	1,000,000	-

2022 Target (post transfer)	OP1	OP2
Cross-sectoral	11,900,000	65,450,000
Residential	900,000	8,200,000
Energy Poor	200,000	4,350,000
Totals	13,000,000	78,000,000

New EENs issued to both OPs, ECMS updated

Trading (or partial trading) of notified targets

Trading targets

- As a new mechanism, the process will be carefully monitored once in place to ensure there are no risks to the scheme operating in an effective and efficient manner

Questions?



Closing

Feedback Requested

- Minimum BER uplift calculations and indicative amount (100kWh/m²/yr)
 - This meets the policy objective of:
 - A transition to deeper retrofit delivery
 - moving the scheme towards delivering deeper, multi-measure upgrades
- Exceptional change in market share:
 - 20% persistent decrease in OP market share over 2 years compared with a baseline year
 - 25% persistent increase in OP market share over 2 years compared with a baseline year
 - 5% change in overall EEOS target
- Please provide feedback by EOB 05th November
- We will release position papers, by mid November, on the above following consideration of feedback received

2021 Workshop schedule

Workshops to be scheduled on (a non-comprehensive list):

~~Domestic requirements – Pre and post BER, Minimum uplift (intro), final vs primary energy, (Tues)~~

~~Domestic requirements – Minimum uplift, how to register savings, homeowner advice, B2 pathway (Thurs)~~

~~Scheme – Transfers and trades (Nov)~~

Domestic requirements - Correction factor, materiality, waivers (Nov)

Scheme Quality requirements – Quality control (Nov)

Scheme M&V requirements - M&V requirements, (Nov)

Calendar invites to follow.

Thank you.

