



## Public Sector Monitoring & Reporting System

### Transfer of Water Services Assets from Local Authorities to Irish Water

#### Summary

1. Water services are not within the scope of local authorities' reportable consumption from 2014 onwards.
2. Local authorities should include water services consumption in their pre-2014 data and exclude it from their data for the years from 2014 onwards. Detailed guidance is provided below in 'local authorities: reporting data relating to water services'.
3. SEAI implemented methodological changes to the M&R system to accommodate the transition of water services assets to Irish Water in three phases. Local authorities' targets for 2020 remain at 33% and the savings made while water services were within their scope (i.e. up to 2013) are 'locked in'. Detailed descriptions of the methodological approach and the history of implementation steps are provided in 'Detailed methodology' and 'Timeline of M&R system changes' below.
4. SEAI supported local authorities during the summer of 2017 to make final adjustments to their water services transition data (most of which relates to 2013) and to choose robust activity metrics.

#### Local authorities: reporting data relating to water services

Local authorities should adopt the following approach with respect to reporting data related to water services assets that transferred to Irish Water:

1. **MPRNs & GPRNs:** follow the three 'golden rules' for reporting MPRNs and GPRNs that transferred to Irish Water: (1) leave them in the system; (2) ensure that they are assigned one of the 'IW' consumption categories; and (3) classify them as 'not validated' for all years from 2014 onwards (only). These three rules are described in the guidance on [SEAI's website](#).
2. **Other thermal or transport fuel accounts transferred to Irish Water:** do not report these amounts for any years from 2014 onwards. Do not change amounts reported for 2013 or earlier, i.e. this consumption should be included for the years up to and including 2013. To facilitate the accurate calculation of a local authority's energy performance up to the transition to Irish Water, the local authority can optionally specify the amount of non-networked energy consumption (i.e. non MPRN or GPRN consumption) that was used by it in

2013 and was included within its 2013 consumption figures and was attributable to assets that subsequently transferred to Irish Water. Guidance is provided on [SEAI's website](#).

3. **Water services consumption operated & managed by local authorities (e.g. local authority fleets or buildings that are partially used for water services):** the default approach is for local authorities to continue to report this consumption. As an alternative approach, if local authorities can identify and quantify this consumption and have agreement from Irish Water to do so, they can provide this information to Irish Water for inclusion in the latter's report. For simplicity, SEAI recommends the use of the default approach. No matter whether a local authority chooses the default or alternative approach, it should not change the amounts reported for these consumers for 2013 or earlier. It is also important that local authorities adopt a consistent approach to the reporting of this data for every year from 2014 onwards.
4. **Activity metrics:** local authorities can use one activity metric for the period up to and including 2013, and a completely different one from 2014 onwards. Additional guidance on the use of multiple activity metrics is available on [SEAI's website](#).

### **Irish Water: reporting data from 2014 onwards**

The energy consumption of the water services assets that transferred to Irish Water is part of Irish Water's scope of reportable consumption from 2014 onwards, i.e. Irish Water is required to report energy consumption and related data for water services assets from the 2014 reporting cycle onwards. Local authorities should cooperate with Irish Water regarding the provision of relevant data.

The 2020 energy efficiency target for the water services assets is 33%. Irish Water's target is 33%, less the progress made by the sector up to and including 2013.

### **Detailed methodology**

From an M&R perspective, local authorities have been considered to operate without water services since January 2014. The progress of local authorities in the period from their baseline to the end of 2013 has been 'locked in' and their percentage distance to the 2020 target (as of 2013) has been applied to an adjusted 2020 EnPI target for each authority. 2013 is therefore an important transition year in the underlying calculations for tracking each local authority's energy performance before and after the transfer of assets. The energy saving as of the end of 2013 is a particularly important value used in the calculations and it remains unchanged despite adjustments to consumption, activity metrics and EnPIs.

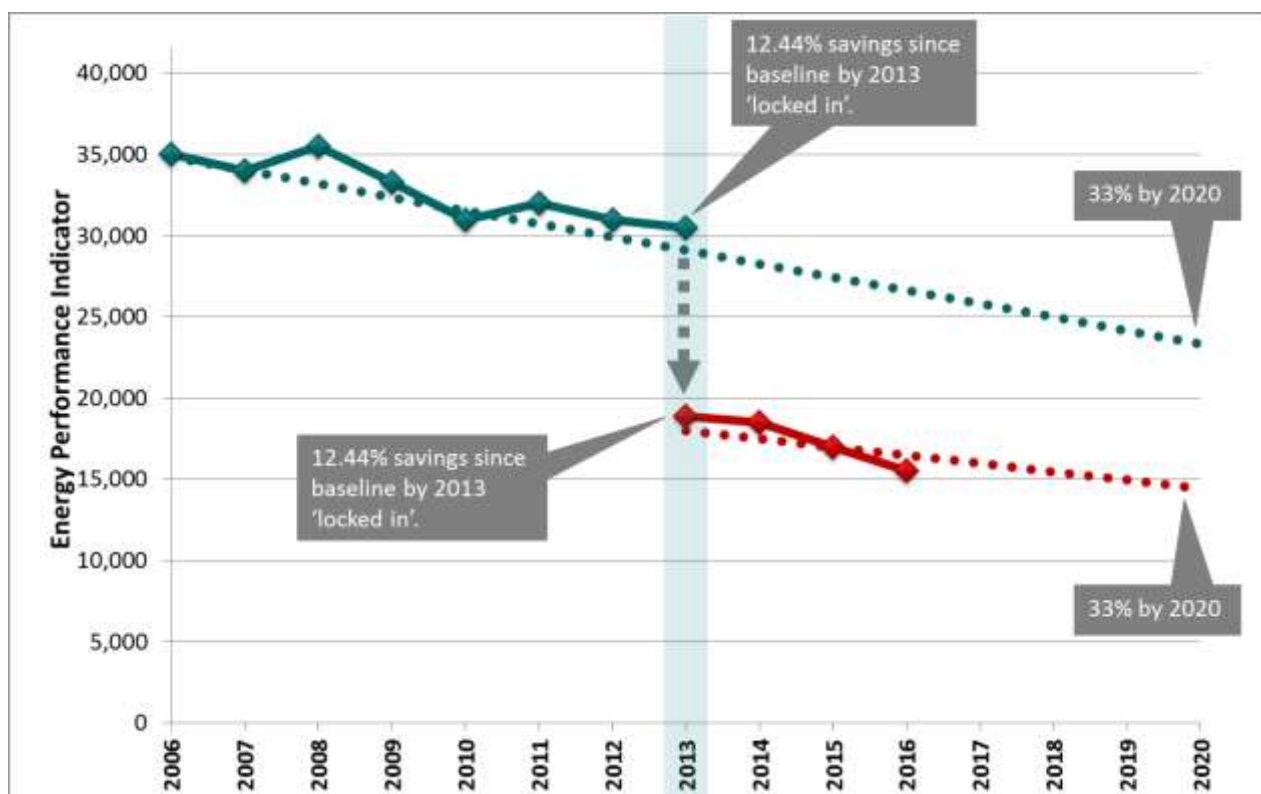
The M&R system recalculates each local authority's 2013 energy consumption (TPER) on the basis of no water services consumption. This is referred to as the 'adjusted TPER'. This is calculated by subtracting the following consumption from the 2013 TPER:

- 2013 attributable consumption for MPRNs and GPRNs classified with one of the 'IW-' consumption categories. See the guidance on [SEAI's website](#) for additional information.
- 2013 consumption of other thermal or transport fuels reported by the local authority as having been used by the local authority in 2013 and included within the authority's 2013 consumption figures and attributable to assets that subsequently transferred to Irish Water. Note that the general effect of reporting such consumption data is to decrease the local authority's 2020 target EnPI in absolute terms and to decrease its gap to target in absolute

terms (if all other inputs remain unchanged). See the guidance on [SEAI's website](#) for additional information.

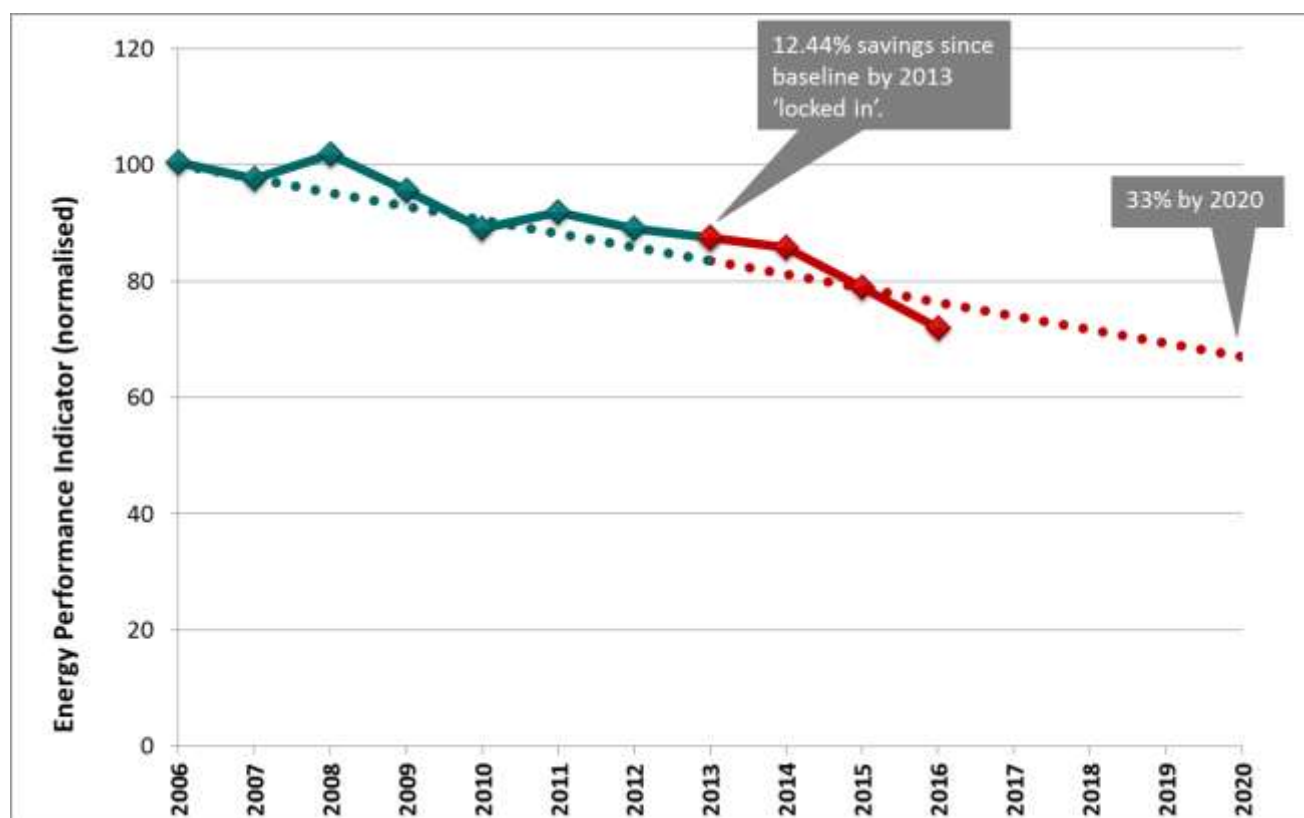
In addition, in recognition of the structural change to the activities that underpin local authority energy use, local authorities can use one activity metric for the period up to and including 2013, and a completely different one from 2014 onwards. This enables local authorities to track their energy performance on a robust basis from their baseline, through the transition to Irish Water and up to 2020. To facilitate the transition, local authorities must report values for both metrics for 2013 (see the guidance on [SEAI's website](#) for additional information).

The system uses the adjusted TPER and the two alternative activity metric values to generate two EnPI values for 2013 and applies the pre-adjustment percentage distance-to-target to determine a new target EnPI (for 2020). This is illustrated in the example below.



In this fictional example, the dark green lines represent the local authority's past performance (solid) and glidepath (dotted) before the transition of water services assets to Irish Water. The local authority had saved 12.44% since its baseline (by 2013). The red diamond for 2013 represents the effect of removing water services consumption from the local authority's 2013 performance. Note, however, that the percentage savings (12.44%) remains the same, as does the pre-adjustment % distance-to-target. The latter is used to determine a new target EnPI.

In order to facilitate the use of two alternative activity metrics over the period from baseline to 2020, the trend in a local authority's EnPI is now always displayed as a normalised EnPI (see illustration below), rather than as a non-normalised EnPI (as had been used previously and as shown above). Note that both images (above and below) illustrate the same performance over time for the same fictional example. (See the guidance on [SEAI's website](#) for additional information about normalised EnPIs.)



### Timeline of M&R system changes

SEAI examined several options for the tracking of the energy performance of water services before and after the transition to Irish Water. A shortlist of three options was discussed with local authorities in early 2015. Following subsequent analysis and taking account of feedback from stakeholders, SEAI developed a preferred option and presented this to local authorities at a follow-up consultation event in Athlone on 16 April 2015 (see discussion paper on [Energy Link](#)).

The system was subsequently updated in three phases (one in 2015 and two in 2017) to accommodate these methodological changes.

#### Phase I

Phase I was implemented during and immediately after the 2014 reporting cycle. The objective of phase I was to calculate an adjusted 2013 EnPI for each local authority (based on its actual 2013 consumption excluding its 2013 water services consumption) and an adjusted target EnPI for 2020. The objective was that this adjusted EnPI and target should be *substantially, but not necessarily completely*, correct. The specific actions in phase I were as follows:

1. SEAI analysed the 2013 performance for all local authorities to determine the distance-to-target for each local authority, as of 2013. The data analysed was that in the M&R system as of 4 September 2015, which was the deadline after completion of the data verification assessment (DVA) exercise for the 2014 reporting cycle. This task required no action from local authorities.
2. SEAI quantified the 2013 water services electricity consumption for each local authority by summing the attributable consumption through validated MPRNs that were classified as either 'wastewater treatment' or 'pumping / water treatment' for 2013. Again, the data analysed was

that from the end of the 2014 reporting cycle. This task required no action from local authorities.

3. SEAI quantified the 2013 water services natural gas consumption for each local authority by summing the attributable consumption through validated GPRNs that were classified as either 'wastewater treatment' or 'pumping / water treatment' for 2013. Again, the data analysed was that from the end of the 2014 reporting cycle. This task required no action from local authorities.
4. Local authorities were invited to optionally submit an email to SEAI with any 2013 water services consumption data that was not captured through the water services MPRNs and GPRNs referenced in steps 2 & 3 above, e.g. consumption figure for any self-reported electricity attributable to water services. This optional step was available to the local authorities up to the deadline for the 2014 reporting cycle (29 May 2015).
5. Local authorities reported for 2014 in the normal manner and in accordance with the guidance issued above.
6. In Q3 2015, SEAI calculated an interim 2013 water services primary energy consumption (TPER) for each local authority (based on 2, 3 & 4 above) and deducted this amount from each local authority's actual 2013 TPER (as per the end of the 2014 reporting cycle) to calculate an interim adjusted 2013 TPER figure for each local authority. This task required no action from local authorities.
7. SEAI then divided the interim adjusted 2013 TPER figure for each local authority by the 2013 organisation-level activity metric (as per the end of the 2014 reporting cycle) to calculate an interim adjusted 2013 EnPI figure for each local authority. This task required no action from local authorities.
8. SEAI calculated an interim adjusted target EnPI (for 2020) for each local authority. The savings up to 2013 were 'locked in' and the pre-adjustment 2013 distance-to-target (%) (identified by SEAI in step 1) was applied to the interim adjusted 2013 EnPI to determine the interim adjusted target EnPI. This task required no action from local authorities.
9. SEAI uploaded the adjusted 2013 data to the updated M&R system in Q4 2015. This provided local authorities with a scorecard showing performance during the period from the baseline to 2013 (unadjusted, i.e. including water services) and performance over the period from 2013 (adjusted, i.e. excluding water services) onwards. Each local authority's target was adjusted, such that its savings up to 2013 were locked in and the 2013 distance-to-target as a percentage (identified by SEAI in step 1) was applied to the interim adjusted EnPI. This task required no action from local authorities, although local authorities were encouraged to log in and review their performance.
10. In late 2015 SEAI published its report on public sector energy consumption, in which the transition of water services assets to Irish Water was (briefly) explained. The performance data published for individual local authorities was based on the 'locked in' savings achieved up to 2013 (including water services) and the savings achieved from 2013 onwards (excluding water services). Local authority performance data was highlighted as being subject to refinement upon completion of phase II.

The 2015 reporting cycle commenced in late 2015. Local authorities reported their data in the normal manner and in accordance with the guidance issued above. SEAI used the same 'locked-in' energy savings (as per steps 6-8 above) and published its annual report in late 2016. The performance data published for individual local authorities was again based on the 'locked-in' savings achieved up to 2013 (including water services) and the savings achieved from 2013 onwards

(excluding water services). Local authority performance data was highlighted as being subject to refinement upon completion of phase II.

### Phase II

Phase II of the software changes was implemented in May 2017. The specific elements in phase II were as follows:

11. Additional functionality was provided to enable local authorities to classify water services MPRNs and GPRNs as having transferred to Irish Water. Note that as part of this change, SEAI changed the classification of all local authority 'Pumping / Water Treatment' MPRNs and GPRNs to 'IW – Pumping / Water Treatment', and changed the classification of all those labelled 'Wastewater Treatment' to 'IW – Wastewater Treatment'. SEAI did this because the vast majority of such MPRNs and GPRNs transferred to Irish Water.
12. Additional functionality was provided to enable local authorities to specify amounts of non-networked energy consumption that was used in 2013 by assets that subsequently transferred to Irish Water.
13. Additional functionality was provided to enable local authorities to use different activity metrics for the periods up to and including 2013 and from 2014 onwards.

### Phase III

Phase III of the software changes was implemented on 14 July 2017. The specific elements in phase III were as follows:

14. The main graph in 'Your Scorecard' was changed to show the normalised EnPI, rather than the non-normalised version that had been used previously. This facilitates the transition from one activity metric to another. Other instances of the non-normalised EnPI graph in the system were also updated to show the normalised version. (See the guidance on [SEAI's website](#) for additional information about normalised EnPIs.)
15. The 'Detailed Energy Data Report' was updated to show the pre-and-post adjustment 2013 EnPI values and the alternative activity metrics, etc.

The implementation of phases II & III provided an opportunity for local authorities to make final adjustments to their 2013 data, which in turn automatically carried forward into their adjusted 2013 EnPI figure, their distance-to-target figures for subsequent years and their adjusted target EnPIs. SEAI provided support to local authorities to do this during the 2017 reporting cycle.