

Working towards a
**cleaner
energy
future**

Annual Report **2018**

Our vision is for Ireland's energy to be sustainable, secure, affordable and clean.

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We all have a say
in what our

**energy
future will
look like**



Chairperson's Statement



"We will continue to engage with communities, industry, regulators and Government to ensure that the transition to a low carbon future is achieved in a sustainable and equitable manner."

This Annual Report for 2018 is being published at a most opportune time. Climate change is now a hot topic and addressing its consequences is, more than ever, recognised as an economic, social and environmental imperative. It is being discussed and debated like never before.

In Katowice, Poland in December 2018, naturalist Sir David Attenborough addressed the UNFCC COP24 telling us that climate change is 'humanity's greatest threat in thousands of years'. That threat is something our young people understand and fear. Increasingly, that understanding is being shared across generations and across the globe. Internationally we have witnessed the phenomenal rise in youth activism in relation to climate change issues and a growing realisation that this must be addressed now to ensure that we have a positive impact for future generations. The media are responding with more frequent and informed coverage.

In an Irish context, a number of events have brought climate change to national prominence. In March 2019, the special Joint Oireachtas Committee on Climate Action, following considerable debate, published its final report in response to the Citizens' Assembly deliberations. The SEAI analysis, in the most recent energy projections, makes it clear that Ireland will not meet binding EU 2020 targets for renewable energy or emission reductions. The recently published Climate Action Plan 2019 to Tackle Climate Breakdown clearly sets out the precipitous position we find ourselves in and the need for a radical response. This ambitious plan is capable of delivering the necessary step change required to ensure Ireland meets its obligations into the future. It sets out a major programme of change across our society and economy along with clear targets and a roadmap to get there.

We need to get beyond discussion and debate and drive real and sustained action. Empowered citizens and behavioural change are central to driving the level of transformation required. SEAI recognises the importance of the citizen in our transition to a low-carbon economy, not just as a receiver of technology but increasingly as a key enabler and a more active participant in the energy market.

Sustainable energy embraces every aspect of our daily lives and calls for a multifaceted approach.

Ireland has already implemented very positive actions and this Annual Report is testimony to the Government's commitment. It sets out how SEAI has invested €120 million of public monies in sustainable energy projects and initiatives. SEAI has supported home energy upgrades, business energy efficiency, public sector action, electric vehicle purchases and research into tomorrow's innovative energy solutions. SEAI has also played a key role in growing a nationwide network of active energy communities. We will continue to engage with communities, industry, regulators and Government to ensure that the transition to a low carbon future is achieved in a sustainable and equitable manner.

Alongside increased efficiency, we need to make urgent progress on renewable heat in both the residential and commercial sector as this will be a key element in reaching the specific targets for Ireland. The recent launch of the second phase of the Support Scheme for Renewable Heat, which will be administered by SEAI, is a welcome development.

The International Energy Agency, in presenting its 2019 Review of Ireland's Energy Policies, recognised that Ireland had become a world leader on system integration of renewables, arising from strong policy and commitment to innovation, notwithstanding the urgent need for additional climate measures to get Ireland back on track for long-term targets.

The development of Irish sources of renewable energy can create local jobs and encourage inward investment and is essential to support the transition to a sustainable economy. Harnessing Ireland's ocean-energy resources, and in particular delivering on the natural resource that we have in offshore wind, will be key to achieving targets for 2030 and beyond.

We also need to work collectively on promoting ways of travel that are less carbon intensive, such as cycling, walking and public transport, as well as electric vehicles for private car use and commercial fleets.

SEAI is central to Ireland's sustainable energy transition and a catalyst for transformational change. We are fully committed to the Government's Climate Action Plan and welcome the increasing priority and investment in energy efficiency and renewables. We will work tirelessly with our colleagues in the Department of Communications, Climate Action and Environment and seek to ensure that SEAI is properly structured and resourced to meet the growing demands on the organisation head on.

Once again, I would like to thank my colleagues on the Board of the Authority for their support during 2018. I want to acknowledge the outstanding leadership of our CEO, Jim Gannon, at a very challenging time for SEAI in delivering on key national strategic objectives. His commitment and performance and that of his management team and staff have ensured that the organisation has delivered substantial results during 2018.

Finally, I want to thank the Minister and his Departmental officials for their continued support for SEAI as we work in close co-operation at this critical juncture for climate change. It is a challenge we relish and one we will take pride in meeting.

Julie O'Neill

Julie O'Neill / Chairperson
Sustainable Energy Authority of Ireland

Chief Executive's Review

As Ireland's national energy authority we are working tirelessly with Government, the public, businesses and communities to achieve a cleaner energy future.

Increased energy efficiency is the most cost effective way to reduce carbon emissions and increase our competitiveness; it also reduces our reliance on imported fossil fuels and the inherent economic exposure that this brings. While this remains a key priority, Ireland also has significant ambition and an enormous opportunity to harness our national renewable energy resources.

Each year, SEAI invests a significant proportion of the budget provided to us by the Department of Communications, Climate Action and Environment into the Irish economy. This is achieved through a range of grant and other programmes, to deliver increased energy efficiency and to decarbonise our economy. These actions stimulate vital economic growth and employment in our economy. Last year programmes administered by SEAI invested €86 million Exchequer funds in building energy upgrades, supporting more than 2,000 jobs. An important indirect benefit of this is the significant growth of our energy communities' network as we seek to provide Irish citizens with the information and support needed to take charge of their own low carbon transition. Through this network we continued to engage, inform and provide direct grant support to over 230 communities to enable them to harness the benefits of increased energy efficiency.

Along with our capital programmes, SEAI has a mandate to provide policy analysis, forecasting and modelling support to the DCCA. As Ireland approaches 2020, and begins planning our pathway to 2030, it is essential that we continue to strengthen this role in response to changing European Policy and the climate challenges we face. This mandate is central to what we do. It draws on the unparalleled access we have to energy related data and forecasting, experience of catalysing change with citizens and industry and the sometimes challenging area of real-world policy implementation. In this statutory role, we continue to work hand in hand with our parent department and other government departments to support their policy and decision-making processes. Supporting the development of Ireland's Draft National Energy and Climate Plan; and Government's Climate Action Plan to Tackle Climate Disruption, SEAI remains central to supporting Government Departments in articulating and delivering on their climate ambitions.

During 2018, SEAI was central to both research and innovation in the energy sector in Ireland. Internationally, we continued in our role as national delegate to the Horizon 2020 programme, helping to identify new areas of priority for both Ireland and Europe. Alongside this, we continue to participate in, and in many cases lead, several International Energy Agency, UN and EU fora around best practice in the transition to a cleaner energy future. Domestically, we awarded grants to more than 50 research and development projects across a range of sustainable energy sectors. In parallel, we have progressed our work on enterprise development with Enterprise Ireland and the IDA.

"Through this network we continued to engage, inform and provide direct grant support to over 230 communities to enable them to harness the benefits of increased energy efficiency."



Ireland has a unique set of renewable energy resources and opportunities that we must utilise in an appropriate and mature fashion. During 2018, there was continued improvement in the deployment of renewable electricity technologies. In fact, for the month of January in 2018, the primary source of our electricity was from wind – surpassing gas and other fossil fuels. Despite this progress, as the economy continues to grow, it seems unlikely that business as usual will see us achieving our longer term 2030 targets. This is supported by our detailed analysis which delivers on our national energy forecasting mandate. During 2018, SEAI continued to support several government departments in the

design of more impactful policies and measures to catalyse greater activity across renewable electricity, heat and transportation.

Finally, it is important to recognise within this report the dedication and commitment of our staff and the guidance of our Board, who have experienced unprecedented change over the past two years as we have increased our activity to match Ireland's growing ambition. For this, I thank them without reservation, and look forward to working with them as we deliver even greater impact over the coming years.

Jim Gannon / Chief Executive
Sustainable Energy Authority of Ireland

Some of our Achievements in 2018

2,000 grants



for new electric vehicles



€10 million

committed to over 50 research and innovation projects

266 SMEs and farms



received a total of €1 million for lighting and efficiency upgrades

€13.5 million



invested in 69 projects in major public sector collaborations with the Office of Public Works and Department of Education and Skills

21,350

home energy upgrades supported including 5,710 energy poor homes



235 sustainable energy community network members,

representing over 10,000 citizens

98,500

residential and commercial Building Energy Ratings published

17 major statistical and policy analysis reports published

58,000 students engaged with the SEAI schools programme



Our Impact

Clean energy is vital

for the health and well-being of our country and future generations

SEAI is helping to transform energy use across the country

Fiona Devine's home was upgraded thanks to an SEAI home energy grant



Home Transformation for Fiona Devine, Meath

Fiona and her husband bought an old, run down cottage in Tara, County Meath in 2014. After some time living in its original condition she decided to upgrade her home.

"We went from a two-bedroom cottage with a very dodgy bathroom, it was cold, damp and now I can't even describe it. It's like living in a dream", says Fiona.

As part of the home renovation, Fiona received a grant from SEAI for internal wall insulation, attic insulation and heating controls.

Fiona believes that the SEAI grant may not seem like a lot when you look at the overall cost of upgrading but stresses that the grant can make a huge difference. She says, "it is the difference between your appliances in your kitchen, or, you know,

something at the end of it, you can say 'well that grant bought me this' or meant that we could upgrade to better insulation".

Speaking about the overall upgrade, she says, "We couldn't be happier and it has made such a difference to our lives".

Dublin Airport Authority, EXEED Project

Lighting accounted for 70% of the DAA's car park energy consumption. To tackle this, the DAA looked at their overall approach to lighting and standards.

Instead of replacing each old light with a more efficient version, they went back to the drawing board and questioned if they needed to have lighting everywhere and if the original design parameters were applied correctly.

Through participation in the EXEED programme, they installed 304 LED lights in the multi-storey car parks and 386 in the surface car parks.

The results allowed the DAA to achieve 80% savings on its carpark lighting costs. Now they can change the lighting level to suit the operational need and capacity at any given time.

"We have received really positive feedback from carpark operations on the new system. The new lights give a lovely bright white glow and with the touch of a button they can dim or enhance the lighting in an area. People are becoming more aware of the climate and the environment and it is important for companies to take action where they can to reduce the impact of their operations", says Martin Mc Gonagle, Head of Energy, Environment and Utilities at the DAA.

Dublin Airport was one of the first organisations to progress its project through all three stages of the SEAI EXEED certification system – Design, Verify and Manage.



The Dublin Airport Authority was supported by SEAI through its EXEED Programme. EXEED is the Excellence in Energy Efficient Design certification programme.

Greaney Glass, LED Upgrade

Established in 1973, Greaney Glass is a family run, commercial glazing company that is one of the largest glass processors and distributors in the country.



Greaney Glass was supported through the SEAI lighting support scheme for SMEs

In 2018, due to ongoing increases in energy costs, Greaney Glass decided to upgrade its operation through a lighting support scheme run by SEAI for SMEs.

The lighting upgrade included replacing 516 fluorescent lamps with 256 LED commercial highbays. Before the upgrade, fluorescent luminaires used 192,000 kwh per annum in comparison to the new LED luminaires which use 77,000kwh per annum. The factory is now a much brighter and pleasant place to work. Office based tasks are easier too and outdoor activities in the yard such as loading commercial vehicles are safer due to better lux levels.

The lighting upgrade resulted in electricity savings of €15,250 per year and an annual saving of 45 tonnes of CO₂. There are now 260 less light fittings, which means fewer inspections are now required.

Healthy and Cosy Home for Michael O'Sullivan, Waterford

SEAI provide free energy upgrades to improve the energy efficiency and warmth of homes owned by people on low incomes and in the energy poverty bracket.



Michael's home was upgraded thanks to SEAI home energy support

Retired musician and Elvis fan, Michael, lives in his family home in Portlaw, County Waterford. His house was built in the 1940's and originally had no wall or attic insulation. It had single glazed windows, no central heating and only a fireplace in the sitting room.

"When I used to come into the house, I used to feel the cold in the evening. In the sitting room I had an open fire but the rest of the house was very cold", says Michael.

Work carried out on the home included; fitting internal wall insulation, replacing single glazed windows with triple glazed, installing solar PV panels and an air to water heat pump.

"The upgrade made a big difference. The house feels warm and I am very happy now, it's a grand job", says Michael.

The home went from a G up to an A2 BER. The contractor, Eoin Madigan commented, "If you asked us to deliver that kind of upgrade ten years ago we would have been challenged on it".

GSK Dungarvan is a member of SEAI's Large Industry Energy Network

GSK Dungarvan, Biomass Boiler

GSK Global have a target set for carbon neutrality by 2050 but GSK in Dungarvan, County Waterford hope to lead the way long before then.

This pharma company is one of the largest employers in the South East of Ireland, employing up to 750 people. The facility manufactures a variety of over-the-counter pharmacy and oral-care products exporting to more than 70 countries worldwide.

To implement their carbon plan, GSK installed a 6-tonne biomass steam boiler, which consumes wood chip at 40% moisture. This boiler supplies all thermal users within the site. The biomass boiler at GSK Dungarvan has cut the sites carbon footprint by over 5,500 tonnes of CO₂.

The 4MW biomass boiler demonstrates that the move away from the use of fossil fuels is now a cost effective alternative when sustainable sources are widely available.



"They are going to save a lot at the end of the year so it's well worth their while doing it."

Ger Cantwell, Installer



Pat Walton received a SEAI grant for energy efficient vacuum and milk pump technology.

Dairy Farm Equipment Upgrade for Pat Walton, Tipperary

Over the last two years, more than 110 farmers have benefitted from the energy and cost savings associated with replacing their old milking equipment with new energy efficient variable speed drive vacuum and milk pump technology.

Pat Walton, a dairy farmer from Ballingarry, County Tipperary, milks 200 cows per day on close to 250 acres. He decided to get a vacuum pump and a milk pump system both with variable speed drives because he believed the new machines were quieter and would save him money in the future.

"It's friendlier to the environment, there is no oil in it, its cleaner and it's safer. It's an investment the first day but over four or five years it will have paid for itself and after that it's saving you a lot of money," says Pat.

Ger Cantwell, installer of Pat Walton's pump, believes that the SEAI grants are very important because it encourages farmers to go out and get new equipment such as pumps and motors which they may not do if it wasn't for the grant.

The grants can make a very real difference: "They are going to save a lot at the end of the year so it's well worth their while doing it", says Ger.

Knocklyon Sustainable Energy Community

The Knocklyon Network was established in 2010 to bring ideas, activities and local business together for better joined-up thinking during the recession.



Photo: Community group in action - Birdhill, Co. Tipperary.

Knocklyon is a member of SEAI's energy community network

It was from this overarching committee that the sub-group Knocklyon Sustainable Energy Community was formed.

Retired engineer, Ed Edge is chairman of the group. He believes that their success came down to early mentorship and partnership with SEAI which helped them establish a baseline for its priorities in the form of an energy masterplan.

As Knocklyon is largely residential, retrofitting homes was their initial priority. "We got a profile of the estates in the area. Some of the houses are 40 to 50 years old, the construction is dated and they are not energy efficient", says Ed.

"We focused on housing in terms of energy efficiency and talked to other communities like Terenure, who we work quite closely with", he continues.

The community held an event in the local school where they undertook a survey to establish local interest in home energy upgrades.

"We got 70 expressions of interest from our questionnaire and out of that we got a nucleus of about 12 people who were definitely interested", explains Ed.

The community group were able to structure three home upgrade options for homeowners based on budget range. This included a starter package, standard package and an advanced package.

Through gradual uptake of these retrofit options, the Knocklyon Sustainable Energy Community determined that over 10 years, there would be a saving of 50% in residential energy use, the equivalent of €4.6m of energy spend.

The group also identified opportunities for the local school and 17 commercial organisations in the area. Over 300 lights in St. Colmcilles' School were upgraded to LEDs. The overall savings from this small project alone was 140,000 kWh and 35 tonnes of CO₂.

The Knocklyon Sustainable Energy Community meet fortnightly and Ed describes it as a very focussed group. "It tends to be serious because people are very busy and when you are pushing to make things happen, it tends to be concentrated".

Sligo University Hospital, Energy Management

This hospital provides acute general and maternity services to the population of Sligo, Leitrim, West Cavan and South Donegal and regional services across the North West to a population of 280,000.

Since 2012, the hospital's energy programme has delivered significant energy savings. Declan McGoldrick, project manager of the hospital believes this is because all staff take a great interest in energy reduction.

He says, "We secured senior management commitment towards the development of SEAI's programme on energy management and we have followed the five pillars of the SEAI Energy Map Programme. These pillars allowed us to have a structured approach to energy and together with good staff engagement we have achieved significant savings in energy".

The hospital hosts monthly energy team meetings with ongoing monitoring and targeting to ensure reductions continue.

The hospital has organised many energy awareness campaigns, quizzes and competitions over the years too. "We ran a big switch off campaign over the August bank holiday. That together with upgrading equipment and enhancing the fabric of the building - it has the potential to bring us savings in the order of 20%", says McGoldrick.



Sligo University Hospital won the Public Sector Award at the SEAI Energy Awards 2018

Electric Vehicle Owner, Martin Daly, Co. Westmeath

2018 saw a big spike in demand for electric vehicles - 1,999 grants for new EVs were approved by SEAI. This represents a 120% increase on the 2017 figures. Including second hand imports, the national EV fleet increased to 7,647 vehicles.



Martin Daly received a SEAI grant for his new EV and home charger

Martin Daly from Mullingar in County Westmeath bought a Nissan Leaf in June of 2018: "People were saying why did you buy it this year; why don't you wait for the longer range. But I was thinking - how long do you wait", he says.

Martin and his wife went for a test drive in an electric car in 2017 and based on that experience, he knew he had to bite the bullet. "I am surprised there isn't more of them around," he says. "Everyone who looks at it is very impressed but convincing them to change over is a different story."

In the Daly household, whoever is doing the most driving that day takes the electric car. Although they both work in Mullingar, the farthest away they have driven is to Cavan. "It's surreal to think of what you're driving, I would like to think electric vehicles would catch on fast, but in a way it's our little secret."

Martin thinks that living in the Midlands is ideal for an electric car driver, as it is the halfway point to most parts of Ireland. "It's not cheap to get an electric car don't get me wrong but once you have it, it's very cheap to run," he adds.

Marion and Anne Lynders were supported through SEAI's Deep Retrofit Pilot Programme



Upgraded A Rated Home for Anne and Marion Lynders, Dublin

Sisters Marion and Anne Lynders from Portmarnock, Co. Dublin had many heated exchanges with architect Dermot Bannon when they appeared on RTE's Room to Improve in 2018.

The sisters, who had lived abroad, decided to move back into their childhood home with their 81-year-old mother and Anna's son Michael. Their family home was built more than 100 years ago and so needed major renovation. "In winter we had to manoeuvre ourselves close to the fire and when you sat there, only one part of you would be warm and your back would be freezing. The heat just didn't seem to circulate," says Anne.

After Dermot drew up a design that made the most of the sea views, one of the major issues debated was costs. However, Quantity Surveyor, Lisa O'Brien was at hand to advise the sisters to take up an SEAI Deep Retrofit grant.

The funding from the scheme helped transform their poor energy rated home, up to the standard of a brand new A-rated house in terms of energy performance.

After the work was complete, the home was transformed into a warm, modern and cosy seaside cottage. "Now that we have had the retrofit done, for the first time, I have come to know what warmth feels like", says Anne.

One quarter of Ireland's energy-related CO₂ emissions are generated by our inefficient housing stock with over 1 million homes below a C energy rating. In addition, 98% of home heating is sourced from fossil fuels.

This means that many people are spending a lot of money trying to heat cold, damp and often unhealthy homes. The Deep Retrofit Pilot Programme was designed to further assess these challenges and opportunities.

"Now that we have had the retrofit done, for the first time, I have come to know what warmth feels like."

Anne Lynders

Behavioural Economics - understanding the drivers of human behaviour

Behavioural Economics or Science provides insights into human behaviour to help identify the policy levers that will encourage people and businesses to “use less” and “use clean”.

Using behavioural insights, the Behavioural Economics Unit at SEAI aims to deliver programmes that are carefully tailored to make it easy and attractive for citizens and businesses to avail of the advantages of clean energy. Karl Purcell heads the behavioural economics team in SEAI.

In 2018, the team published a report entitled ‘Changing Energy Behaviour – What Works’. “We wanted to understand how other countries had tried to change energy behaviour to identify what worked, and what didn’t”, says Karl.

This is important for good program design. Karl explains, “By learning more about what other countries had done before, we could avoid repeating things that didn’t work, and build stronger behaviour change programs to deliver a higher level of energy savings”.

Over 90% of Irish people consider climate change to be a serious problem. The issue then is how do we encourage people to act and change their energy behaviour? From

reviewing 175 international studies that measured the impact of different behaviour change interventions on energy use, there were some clear findings.

For example, there is good evidence that providing people with simple feedback that compares their energy use to their neighbour’s through smart billing motivates them to save energy. Encouraging people to set energy saving goals of about 10% to 15% can also motivate them to save energy.

Running interactive behaviour change programmes in communities is another way to encourage people to reduce their energy use and invest in energy efficiency upgrades.

There is much potential for this kind of research within SEAI claims Karl. He says, “Behavioural economics can improve new policy development, enhance the delivery of existing policy interventions, help avoid unintended outcomes and improve productivity”.

SEAI’s behavioural economics team was established in 2017 to identify testable and scalable solutions to encourage sustainable energy behaviours in Irish households, businesses, and communities.

“We wanted to understand how other countries had tried to change energy behaviour to identify what worked, and what didn’t.”

Karl Purcell



Micro Electricity Generation Association was supported by SEAI National Energy RD&D Funding Programme

The Tallaght Smart Grid Trial Community Energy Grid

Taking control of our own energy is the concept behind the Tallaght Community Energy Living Lab fronted by the Micro Electricity Generation Association otherwise known as MEGA.

A certain generation of people grew up with the idea that electricity had to be controlled by a centralised utility. However, Joe Durkan, programme manager with SEAI believes that this philosophy is changing. He says, “We will become our own producers of energy, certainly to meet our own needs first domestically and then at community level”.

This is the idea behind the Tallaght Smart Grid - to produce energy from low carbon sources within the community for local use. The project began in 2013 with 20 participants and now has an impressive 200 contributors.

Public buildings like the South Dublin County Council offices now have roof top solar panels. They are part of the community grid as a prosumer - both a producer and consumer of energy.

As people become more knowledgeable about their energy use, Joe Durkan says, “The trick is how do we capture it, how do we use it and how do we make sure its sustainable in the longer term and that is what the Tallaght project is exploring”.

One of the key benefits demonstrated by this project is that communities can sell the energy generated locally within the community or to the wholesale market. This creates a new layer in the energy market and demonstrates that electricity demand and supply can be managed successfully at a community level.

MEGA secretary general, Dudley Stewart said, “This is first and foremost a collaboration. It is the diversity and determination of this original group and its gradual expansion, along with on-going support of the Sustainable Energy Authority of Ireland and other sponsors, which has enabled MEGA to pass that critical line where it no longer had to rely on theory and concepts. It could move to the point of referring to research activities and discoveries. This points the way forward, not just for Ireland’s energy challenge but the international community”.

The Tallaght Smart Grid continues to grow and develop and have since gone on to secure EU funding from the EU Research and Innovation Funding Programme, Horizon 2020.

Snapshot of 2018

—Over 430 representatives from public bodies and government departments attend the **2nd Public Sector Conference at UCD**

—A **research fund was announced** to support research, development and demonstration projects

—A new **homeowner grant for heat pumps comes into effect**



—The **EXEED programme announces funding** for new energy efficient design projects

—SEAI commences inspections of **tyre retailers** across Ireland



January

April

June

March

May

July

Oct

Dec

—**€22 million to fund energy upgrades** to 1,200 homes and 400 community and commercial buildings across 37 communities in Ireland announced



—Government funding available for **smart lighting** for SMEs

—**Errigal College, Co. Donegal** win the 'One Good Idea' competition for their campaign 'Bottle It'



—SEAI introduces a **new grant for homeowners** to install solar photovoltaic panels



—**Mike Pearson** from Gurteen College in Tipperary **wins Energy Manager of the Year** at the **SEAI Energy Awards 2018**



—Over 150 people from communities across the country gather at the Athlone Institute of Technology for the **3rd annual National Sustainable Energy Community event**



—New report shows 200 members of SEAI's Large Industry Energy Network **saved €14.5 million in energy costs in 2017**



—Energy Efficiency of Public Sector report shows that **public sector bodies collectively saved €191 million in 2017**

—The **annual Energy in Ireland report is published by SEAI**, which shows a 0.5% increase in energy demand as the economy grew by 3.0%

Governance

We provide Government
with robust evidence to

**inform
energy
policy**

Corporate Governance

The overall SEAI Governance Statement and Board Members Report, as required by the Code of Practice for the Governance of State Bodies 2016 is set out in the attached Financial Statements for 2018.

SWiFT 3000 Corporate Governance certification/ External Evaluation

In April 2011, SEAI became the first organisation in Europe, either public or private, to be awarded certification under the National Standards Authority of Ireland (NSAI) SWiFT 3000 standard. This is a standard relating to a Code of Practice for Corporate Governance assessment in Ireland. The objective is to assess the corporate governance frameworks of organisations and specifically the level of compliance by organisations with governance codes and best practice. A further review of SEAI compliance with the SWiFT 3000 requirements was completed in February 2018 and SEAI has maintained its certification. SEAI, therefore, continues to operate to best practice corporate governance standards.

The SWiFT 3000 certification process entailed a comprehensive external review of SEAI Board structures, processes, procedures and material including compliance with SEAI legislation, the SEAI Code of Governance Framework, Declarations of Interests by Board members and the operation of Board Committees. The 2018 review was carried out based on compliance with the revised Code of Practice for the Governance of State Bodies issued in August 2016.

Governance

While the primary source of corporate governance for SEAI is the Sustainable Energy Act, the agency is also required to comply with a range of other statutory (National and EU) and administrative requirements. SEAI affirms that it complied with its obligations to meet these requirements. The following procedures are in place to ensure compliance with specific requirements:

General Administrative and Policy Requirements

At national level, SEAI works closely with the relevant officials in the Department of Communications, Climate Action and Environment and officials from other Government Departments and state agencies, in advancing its objectives and ensuring compliance with statutory, administrative and Ministerial / Government requirements. At local level, SEAI works closely with other state agencies and a wide range of local organisations and public representatives to proactively develop sustainable energy policy and initiatives. This underpins the overall national strategic objective that SEAI will be central to bringing about a low carbon economy through measures and activities focussed on the transition to a smarter and more sustainable energy future. This work and interaction are carried out in accordance with various policy directives issued by the Minister for Communications, Climate Action and Environment.

Code of Practice for the Governance of State Bodies

In September 2016, the SEAI Board formally adopted the revised Code of Practice for the Governance of State Bodies, issued by the Department of Public Expenditure and Reform in August 2016. SEAI provides briefings for Board members on the requirements of the Code and has put in place a range of actions, procedures and initiatives to ensure compliance with the Code. As referred to above, SEAI is also evaluated on its compliance with the Code under the SWiFT 3000 certification process. In addition, SEAI has its own Code of Governance Framework for the organisation, incorporating the requirements of the Code of Practice for the Governance of State Bodies. This Code of Governance Framework is reviewed by the SEAI Board on an annual basis and is available on the SEAI website www.seai.ie.

Against this background, SEAI confirms compliance with the following Sections of the Code of Practice;

Section 1: Role of the Board

Section 1.2 - Ethical Standards:

As stated above, the SEAI Board, in consultation with SEAI senior management has devised a specific SEAI Code of Governance Framework. This sets out the appropriate structures and procedures to ensure that the governance and accountability arrangements are robust and effective across the Authority. This Framework includes a Code of Business Conduct for Board members, the conduct required at Board meetings. Board members and designated staff members are also required to comply with the Ethics in Public Office legislation on an annual basis.

Section 1.7 - Matters for Decision by the Board:

The SEAI Board has approved a formal Schedule of Matters specifically reserved to it for decision, in order to ensure that the direction and control of the body is firmly in their hands.

Section 1.11 - Conflict of Interest:

The SEAI Board has established comprehensive procedures to monitor and manage potential conflicts of interests of management and Board members.

Section 1.14 - Protected Disclosure:

The SEAI Board at its meeting in 1 March 2017 approved a revised Whistle-blowers Charter, which takes account of the new requirements arising from the Protection of Disclosures Act 2014. This is reviewed on an annual basis as part of the review of the SEAI Governance Framework.

Section 1.17 - Statement of Strategy:

The SEAI Board has adopted a Statement of Strategy for the period 2017 -2021. The Board has agreed a consistent process to monitor updates on progress and developments in relation to the implementation of this strategy. This Strategy is available on the SEAI website www.seai.ie.

Section 6: Business and Financial Reporting

The SEAI Financial Statements are audited annually by the Comptroller and Auditor General and submitted to the Minister for Communications Climate Action and Environment with the SEAI Annual Report in compliance with the Sustainable Energy Act 2002. This includes an examination of the annual Statement of Internal Controls (SIC). The Chair submits these reports in accordance with the requirements set out in Paragraph 1.9 of the Business and Financial requirements of the revised Code. In this regard, SEAI confirms that it complies with Government policy in relation to the total remuneration for the Chief Executive Officer and the remuneration of other staff in accordance with the arrangements set out by the Department of Public Expenditure and Reform. In addition, SEAI complies with the guidelines covering the payment of fees to Chairpersons and Directors / members of State Bodies, as issued by the Minister for Finance. The schedule of Board fees and expenses for Board members is set out in the Governance Statement.

Section 7: Risk management and Internal Controls

Section 7.1 - Risk Management:

A comprehensive risk assessment and management policy has been developed in SEAI and the overall risk management and risk appetite framework has been approved by the Board. The SEAI Board and Audit and Risk Committee have established appropriate mechanisms to ensure that it is fully operational and monitor and review its effectiveness.

Sections 7.4 - Review of the Effectiveness of Internal Control:

An effective system of internal control is maintained and operated by SEAI. The system of internal financial controls is reviewed on an annual basis by the outsourced internal auditors and this was the case in respect of 2018. The new requirements in relation to this review, as set out in the Code of Practice for the Governance of State Bodies, have

been applied in respect of 2018. The review of internal controls and the associated Statement of Internal Controls (SIC) for 2018 have been approved by the SEAI Audit and Risk Committee and the Board. The review is confirmed in the annual letter from the Chairperson to the Minister for Communications, Climate Action and Environment. In addition, the Chairperson's Statement on internal financial controls is included in the Annual Report (see page 4).

Section 7.7 - Internal Audit:

SEAI has a properly constituted Internal Audit function in accordance with the principles set out in the Code of Practice and has a formal Charter, which has been approved by the Board.

Section 7.12 - Audit and Risk Committee:

SEAI has an established Audit and Risk Committee with specific terms of reference, approved by the Board, which are reviewed on an annual basis.

Section 8: Parent Department and Oversight Role

Section 8.4 - Oversight Agreements:

The Department of Communications Climate Action and Environment, and SEAI has a formal Oversight and Performance Framework/Service Level Agreement in place, which is reviewed on an annual basis.

Section 8.16 - Procedures for Procurement:

SEAI has an appropriate Public Procurement process, which is compliant with the current value thresholds for the application of EU and national rules. Competitive tendering is standard procedure in this procurement process.

Section 8.44 - Tax Compliance:

The Chairperson, in the separate letter furnished to the Minister for Communications Climate Action and Environment, confirms that SEAI has complied with its obligations under tax law.

Guidelines for the Appraisal and Management of Capital Expenditure Proposals

SEAI has well established and robust procedures in place for the Appraisal and Management of Capital Expenditure projects arising under the Capital (grants) programmes.

Employment Equality Acts 1998 and 2004

SEAI is committed to a policy of equal opportunities and equality is an established priority in the organisation. SEAI has a progressive equality and diversity agenda and operates a number of schemes providing staff with options in relation to meeting their career and personnel needs including study leave, educational programmes etc. The SEAI Performance and Growth Planning Process also facilitates career and personal development. SEAI values diversity and strives to be an equality employer where individual contribution is encouraged and differences valued. SEAI is committed to maintaining and developing a balanced work / life environment for all staff.

The Safety, Health and Welfare at Work Act 2005

This Act, which replaces the provisions of the Safety, Health and Welfare Act 1988, consolidates and updates the existing law. SEAI continues to take appropriate measures to protect the safety, health and welfare of all employees and visitors and promote awareness within its offices to meet the provisions of this Act. This extends to the Public Health (Tobacco) Acts 2002 and 2004.

Customer Charter

SEAI has published a Customer Charter, setting out its commitment to a high quality of service. This Charter includes a procedure for dealing with complaints, if they arise. In 2018, 19 complaints were received under this Charter. This is also available on www.seai.ie.

Prompt Payment of Accounts Act 1997

SEAI comes under the remit of the Prompt Payment of Accounts Act 1997 which came into effect on 2 January 1998, and the European Communities (Late Payment in Commercial Transactions) Regulations 2002 which came into effect on 7 August 2002. It is a policy of SEAI to ensure that all invoices are paid promptly. Procedures are in place, however, to ensure that late interest is paid, if required.

Ethics in Public Office Act, 1995 and Standards in Public Office Act 2001

In accordance with the above Acts, SEAI Board Members furnish each year, to the Secretary, completed Statements of Interests in compliance with the provisions of the Acts. In addition, SEAI staff members, holding designated positions, comply with both Acts.

Freedom of Information Act 1997 and Freedom of Information (Amendment) Act 2003

SEAI is a prescribed body under the Freedom of Information Acts and complies fully with the requirements set out in the Acts. Requests for information under the Acts should be addressed to the FOI Officer, SEAI, Wilton Park House, Wilton Place, Dublin 2.

Data Protection Acts 1998 and 2004 / GDPR

SEAI is registered as a Data Controller under the Data Protection Acts. Data protection is concerned with the protection of the individual's fundamental right to privacy and to exercise control over how their personal information is used.

Official Languages Act 2003

SEAI comes under the remit of the Official Languages Act 2003, which was signed into law on 14 July 2003 to provide a statutory framework for the delivery of services through the Irish language. In accordance with Section 10 of the Act, this Annual Report is published simultaneously in both Irish and English.

Energy Efficiency Report

SEAI Offices

In 2018, SEAI increased its total energy consumption by 20%. This was mainly increased usage of electricity and thermal energy consumption in the Dublin office space due to a 25% increase in floor area occupied. This increase in floor area was necessary following a 79% increase in FTE staff across the whole organisation between the end of 2017 and end of 2018. The vast majority of this increased staff count were placed in the Dublin office.

Additionally, electrical consumption increased due to the purchase of two new electric vehicles and installation of three new charging units at Dublin, Dundalk and Sligo offices. This was offset slightly by lower transport fuel consumption which was due to the sale of SEAI's Toyota Prius Hybrid company car in August.

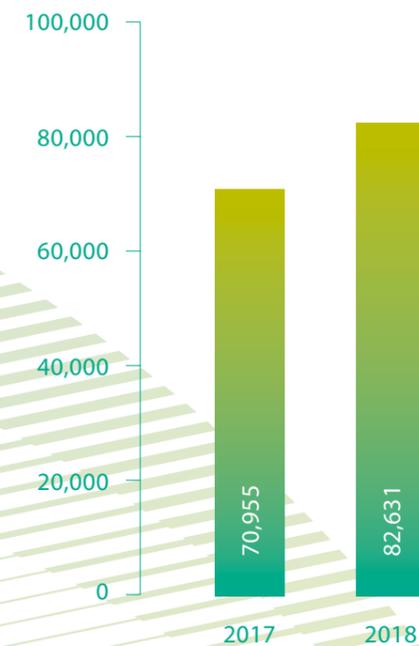
Although absolute energy consumption increased, this was against a sharp increase in staff and occupied floor area in 2018. SEAI first achieved certification to the International Energy Management Standard ISO50001 in September 2016, and increased focus will be required to ensure energy consumption reduction continues. SEAI is already considering energy monitoring and conservation measures in its new Dublin office space which will be occupied in 2019.

SEAI personnel occupy 1,598 m² of office space in Dublin (increased by 200m² in March 2018 due to re-location on 2nd floor in Wilton Park House), Dundalk, Cork and Sligo. All the offices are sub-let spaces within larger buildings. Energy use across the four offices and company vehicles is summarised in the table across.

Energy Use

	2017 kWh TFC	2018 kWh TFC
DIRECT CONSUMPTION FOR OFFICES AND POOL CARS		
Electricity, lighting, ICT, office power, HVAC, two electric vehicles purchased in 2018 and three charging points	112,669	127,508
Natural gas for heating	56,144	83,517
Marked gas oil for heating	11,164	11,094
Petrol for pool car	8,249	3,948
Totals for Direct Consumption	188,227	226,067
CO₂ Emissions (kg)	70,955	82,631

CO₂ Emissions (kg)



Energy Efficiency Actions Proposed for 2019

- ISO50001 recertification audit will take place in June 2019
- New senior management appointment to ISO50001 programme
- Dublin office move and integration of energy management system, with appropriate metering capabilities, will be completed by end 2019
- With move to new A3 office in Dublin, focus on delivering energy saving project(s) in Dundalk office as our second highest energy consuming office.

Finance

Energy efficiency
delivers measurable

**economic and
employment
benefits**

Governance Statement and Board Members' Report

For the Year Ended 31 December 2018

The Board of the Sustainable Energy Authority of Ireland (SEAI) was established under the Sustainable Energy Act 2002 and came into existence on 1 May 2002. This Act was further amended by the Energy Act 2016.

The functions of the Authority are set out in Section 6 of the 2002 Act. The Board is accountable to the Minister for Communications, Climate Action and Environment, is responsible for ensuring good governance, and performs this task by setting strategic objectives and targets and taking strategic decisions on all key business issues. The regular day-to-day management, control and direction of SEAI are the responsibility of the Chief Executive Officer (CEO) and the senior management team. The CEO and the senior management team must follow the broad strategic direction set by the Board, and must ensure that all Board members have a clear understanding of the key activities and decisions related to SEAI, and of any significant risks likely to arise. The CEO acts as a direct liaison between the Board and management of SEAI.

SEAI Board and Committees 2018

Board Structure

Board members are appointed by the Minister for Communications, Climate Action and Environment, with the consent of the Minister for Finance, in accordance with the Sustainable Energy Act 2002, as amended by the Energy Act 2016. New members, on their appointment, are provided with extensive briefing on the agency and its operations. The SEAI Board consists of 12 members. The Minister for Communications, Climate Action and Environment designates one member of the Board (other than the Chief executive) as Chairperson for a period not greater than 5 years. Board members are appointed for 5 year periods and may be reappointed.

The Board of SEAI operates to best practice corporate governance principles in line with the guidelines set out in the Revised Code of Practice for the Governance of State Bodies, as issued by the Department of Public Expenditure and Reform in August 2016. An appropriate and comprehensive induction and development process is in place for Board members.

The Board is responsible for setting the broad strategy and policies for the organisation. It is responsible for the system of internal control and for putting in place processes and procedures for ensuring that the system is effective. It performs these functions directly and through the operation of specific Board Committees in accordance with approved Terms of Reference. Responsibility for the implementation of policy rests with the executive management of SEAI.

The Board operates in accordance with the provisions set out for the Board of the Authority in the Sustainable Energy Act 2002. In line with the provisions of the Act, the Ethics in Public Office Acts 1995 and 2001 and the revised Code of Practice for the Governance of State Bodies, SEAI Board members are required to provide an annual Statement of Interests to the Standards in Public Office Commission and the Secretary to the Board.

Board Responsibilities

The broad role of the Board is set out in Section 10 of the Sustainable Energy Act 2002 and the more specific responsibilities of the Board, both individually and corporately, are detailed in the SEAI Code of Governance Framework, which is approved on an annual basis by the Board and is available on the SEAI Website (www.seai.ie). This document also contains the matters specifically reserved for Board decision and the standing items considered by the Board include:

- Quorum and Declaration of Interest requirements
- Verification of Minutes of previous meeting
- Matters arising and associated Action Points
- Chairperson's Report
- CEO Report
- Finance, Budget and Expenditure Reports
- SEAI Strategy developments and performance reports
- Consideration of procurement and grant proposals, in accordance with approved delegated authority
- Consideration of Sub-Committee reports
- Corporate Risk Review /Risk management
- Governance and reserved matters

Section 24 (2) of the Sustainable Energy Act 2002 requires the Authority to keep, in such form as may be approved by the Minister, with the consent of the Minister for Finance, all proper and usual accounts of money received and expended by it. In preparing these financial statements, the Board of SEAI is required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that it will continue in operation; and
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Board is responsible for keeping adequate accounting records, which disclose, with reasonable accuracy at any time, its financial position and enables it to ensure that the financial statements comply with Section 24 of the Sustainable Energy Act 2002. The maintenance and integrity of the corporate and financial information on the SEAI website is the responsibility of the Board.

The Board is responsible for approving the annual plan and budget. An evaluation of the performance of SEAI by reference to the annual plan and budget was considered in December 2018 and January 2019.

The Board is responsible for safeguarding its assets and hence taking reasonable steps for the prevention of fraud and other irregularities. The SEAI Board has approved a specific Anti-Fraud Policy.

The Board considers that the financial statements for 2018 for SEAI give a true and fair view of the financial performance and financial position of SEAI at 31 December 2018.

SEAI Board 2018



Julie O'Neill
Chairperson
Appointed 6 May 2015

Julie is Chairperson of the Sustainable Energy Authority of Ireland. She served as Secretary General at the Department of Transport from 2002 to 2009 and, in the course of her public service career, worked in eight Government Departments. She is Senior Independent Director at Permanent TSB Plc and a Non-executive Director of Ryanair Plc and also Axa Life Europe. She is an independent strategic management consultant and proprietor of Join the Dots. She holds an MSc in Policy Analysis from Trinity College Dublin and a B.Comm from UCD. She was previously a member of the SEAI Board from September 2011 to September 2014.



Jim Gannon
CEO Ex Officio
Appointed 23 May 2016

Jim is an Engineering Graduate of NUI Galway, with a Masters in Environmental Assessment from the University of Wales Aberystwyth and a MBA from the UCD Smurfit School of Business. He has worked within the energy sector throughout his career, delivering projects at a European, national and regional level for public and private sector organisations. This has included projects across conventional and renewable energy, transmission and distribution infrastructure, energy demand management and technology development.



Anne Farrell
Appointed 24th April 2012, retired on 1 May 2014, reappointed 27 May 2014, retired 1 May 2016, reappointed 3 October 2016 and retired 2 October 2018

Anne is a director in the family business Squarefit Ltd. She has experience of energy and sustainability issues around transport, e.g. waste within the industry, the management and the recycling of tyres to the increased use of electric cars. She has worked with the Social Economic Unit of GTW (now Partas) developing policies around fuel poverty and retrofitting housing for improved insulation among other strands of activity. She has served on the Tallaght Hospital Board. She has a Degree in Economics and Psychology from UCD and an MA in Interactive Multimedia from DIT.



Michael Wall
Appointed 6th May 2015, reappointed 9 May 2018

Michael is a barrister specialising in construction, planning and environmental law. He also teaches part-time at UCD on masters' degree programmes in planning, urban design and landscape architecture. He is a qualified architect and planner and has an MBA from the Smurfit Business School at UCD. Michael was a member of the Board of An Bord Pleanála from 1999 to 2006, prior to which he worked as an architect in private practice. He has served as a member of the NAMA Planning Advisory Committee since its establishment in 2010. Michael is also a qualified Mediator and Arbitrator.



Dr. Lisa Ryan
Appointed 6th May 2015, reappointed 9 May 2018

Lisa is a senior energy economist with expertise in energy efficiency, renewable energy and climate change economics. She joined UCD Energy Institute as senior researcher in energy economics in September 2014. She was the senior energy economist in the Energy Efficiency Unit at the International Energy Agency (IEA) in Paris until summer 2013 where she led projects relating to energy efficiency finance, transport, and cross-sectoral policy. She subsequently worked as an independent consultant in energy and environmental economics. Lisa has a PhD in environmental economics from University College Dublin (UCD), and other postgraduate and undergraduate degrees in economics and engineering from UCD and Colorado School of Mines, USA.



Michael McGarry
Appointed 14 May 2013, retired 1 May 2016 and reappointed 3 October 2016

Michael is involved in overseas construction and consultancy in the supply of engineering services. He was previously a non-executive Director at Suir Engineering (now Imtec Suir), and has worked in Kentz Corporation in Clonmel as Finance Director. In this role, he spent significant time overseas on commencement of operations in overseas countries and subsequent management of these. He has also spent some time in the UK in residential construction. He has a BComm Degree from UCD and qualified as a Chartered Accountant with KPMG.



Dr. Peter Brennan
Appointed 6 May 2015, reappointed 9 May 2018

Peter is Managing Director of EPS Consulting, a public policy research consultancy, and Chairman of Bid Management Services, Ireland's largest tender and procurement advisory company. He has a particular interest and expertise in climate change and energy. He chaired the IEA's Climate Change Research Group from 2007 to 2015 and was an advisor to the Oireachtas Joint Committee on Climate Change and Energy. He lectured on the DCU Masters and Certificate Programme on Sustainable Energy Finance. He is author of an eBook on business opportunities in the green economy. He was IBEC's Director for European Affairs and Strategy Development and was Director of the Brussels based Irish Business Bureau from 1986 to 2001. In his earlier career he worked in the Departments of Industry and Energy and Foreign Affairs.

SEAI Board 2018 - continued



Kate Ruddock

Appointed 16 February 2017

Kate is Deputy Director of Friends of the Earth, and a member of the Environmental Pillar Steering Committee. Kate works to promote sustainable energy policy and to raise awareness of sustainability issues particularly in the context of Climate Change and Ireland's role in responding to Climate Change. She has experience in community energy projects, environmental education and environmental consulting for renewable energy infrastructure projects. She has a Degree in Natural Science from Trinity College Dublin and a Masters in Environmental Sustainability from the University of Edinburgh.



Kevin Brady

Appointed 16 February 2017

Kevin is the Principal Officer leading the Heat & Transport Energy Policy division in the Department of Communications Climate Action and Environment. His responsibilities include the development of renewable heat in the industrial, commercial and residential sectors. In the transport sector, he is co-chair of the Low Emission Vehicle Taskforce and is responsible for energy policies promoting renewable energy in transport and the growth in low and zero emission vehicles. He is an engineering graduate with a Masters in economics from UCD. Previously, Kevin was an economic consultant specialising in the energy and transport sectors and also has prior experience developing wind energy projects in Ireland and internationally.



Ann Markey

Appointed 14 July 2017

Ann is a Fellow of Chartered Accountants Ireland and currently operates as a business adviser and non-executive director. She has extensive experience in the energy industry having held a number of financial and commercial executive management positions in the ESB group. Her experience spans traditional electricity businesses as well as investing in high growth technology and renewable energy companies focused on the low carbon economy. She is a Board member of the Digital Hub Development Agency and is Chair of its Audit & Risk Committee. She is a member of the Audit Committee of the HSE. A UCD law graduate, she is also an Associate of the Irish Tax Institute and an associate of the Association of Corporate Treasurers.



Andrew Ennis

Appointed 14 July 2017

Andrew is Renewable Energy Director with Barra Capital, which has investment activities in several areas in the Irish infrastructure market including, housing, healthcare, commercial property and renewable energy. He is a Chartered Accountant and holds a B.Comm and M.Acc from U.C.D. Andrew has over 16 years' corporate finance experience in the Irish infrastructure market, specialising in energy and renewable energy. Andrew has previously worked for the NewERA Unit of the National Treasury Management Agency which was established to provide corporate finance advice to the Irish Government in relation to the management and disposal of State assets and investment in key economic infrastructure. He also worked with NCB Corporate Finance (now part of Investec Ireland), specialising in infrastructure mergers and acquisitions, valuations and fundraising.



Léan Doody

Appointed 31 October 2018

Léan is Digital Property and Cities Leader for Europe at Arup. She has over 20 years of professional experience in the industry which includes working with a variety of clients from city and national governments to private developers, and on a variety of projects involving extensive strategy and policy work on the application of smart technologies. Recent project work includes digital strategy and policy work for the Danish and Singaporean governments, the Greater London Authority, Dublin City Council, Sydney, Canberra and

major master planning projects in Madrid, Singapore and Dubai. In this evolving field she has been active in working with research institutes and industry bodies to set international standards and research agendas, including the British Standards Institute and Cambridge University's Centre for Smart Infrastructure and Construction. She is an Honorary Senior Lecturer at University College London in the Department of Science, Technology, Engineering and Public Policy and an external examiner at the Royal College of Art in London.

Werner Kruckow

Former Project Director for Siemens Corporate Development, was appointed on 31 October 2018 and resigned on 18 January 2019.

The SEAI Board has established two Committees as follows:

Audit and Risk Committee

This Committee supports the Board in discharging its legal and accounting responsibilities; communicates with external auditors and evaluates and controls the internal audit function; reviews financial planning, the system of internal controls, the risk management and assessment process, including the SEAI Risk Register, and oversees budgeting and banking arrangements. The Committee is independent from the financial management of the organisation and ensures that the internal control systems, including audit activities are monitored actively and independently. The Committee reports to the Board after each meeting and formally, in writing, annually. Eight meetings of the Committee were held in 2018. The Committee comprises 3 Board members and two external members appointed by the Board.

Members

Sean Wyse (Chair – external)

Gerry Donnelly (external member, appointed 29 May 2013)

Lisa Ryan (appointed on 27 July 2016)

Michael Wall (appointed on 27 July 2016)

Ann Markey (appointed 27 June 2018)

Performance Management and Remuneration Committee

This Committee is responsible for reviewing the terms and conditions for the CEO, within the guidelines established by Government. It is also responsible for reviewing and assessing the performance of the CEO on an annual basis in the context of agreed goals and objectives and the Service Level Agreement between SEAI and the Department of Communications Climate Action and Environment. In addition, the Committee approves the Authority's Action Plan in respect of any Public Sector Agreements, where applicable. Two meetings of the Committee took place in 2018.

Members

Julie O'Neill (Chair)

Kevin Brady

Michael Mc Garry

Board/Committee Attendance

BOARD MEMBER	BOARD ATTENDANCE (9 MEETINGS HELD IN 2018)	AUDIT & RISK COMMITTEE ATTENDANCE (8 MEETINGS HELD IN 2018) (A)	PERFORMANCE MANAGEMENT & REMUNERATION COMMITTEE ATTENDANCE (2 MEETINGS HELD IN 2018)	FEES 2018(€)	EXPENSES 2018 (€)
Julie O'Neill	9	N/A	2	11,970	
Jim Gannon	8	N/A	N/A	NIL	
Anne Farrell (b)	7	N/A	N/A	5,827	
Michael McGarry	8	N/A	2	7,695	438
Peter Brennan	8	N/A	N/A	7,639	
Lisa Ryan	9	8	N/A	7,639	
Michael Wall	9	8	N/A	7,639	
Kevin Brady	8	N/A	2	NIL	
Kate Ruddock	9	N/A	N/A	7,695	
Andrew Ennis	9	N/A	N/A	7,695	
Ann Markey (d)	9	4	N/A	7,695	
Léan Doody (c)	1	N/A	N/A	1,310	
Werner Kruckow (c)	NIL	N/A	N/A	1,310	
Total				74,115	438

(a) There are two external (Non Board) members on this Committee

(b) Retired on 2 October 2018 at end of term

(c) Appointed on 31 October 2018

(d) Appointed to the Audit and Risk Committee on 27 June 2018

There were two Board members (Kevin Brady and Jim Gannon (CEO) who did not receive a Board fee under the One Person One salary (OPOS) principle.

Key Personnel Changes

One member of the Board resigned during 2018. Anne Farrell retired on 2 October 2018 at the end of her term.

Disclosures Required by Code of Practice for the Governance of State Bodies (2016)

The Board is responsible for ensuring that the SEAI Ireland has complied with requirements of the Code of Practice for the Governance of State Bodies (the Code), as published by the Department of Public Expenditure and Reform in August 2016. The following disclosures are required by the Code.

Employees' short term benefits breakdown and travel and subsistence disclosures are included in Notes 5 and 7 to the financial statements respectively.

Consultancy Costs

Consultancy costs include the cost of external advice to management and exclude outsourced 'business-as-usual' functions.

DETAIL	2018 €'000	2017 €'000
Legal Advice	580	214
Public Relations/Marketing	70	4
Human Resources	1	47
Programme/Organisational Improvement	386	472
Scheme Development	732	314
Other	-	3
Total	1,769	1,054

	2018 €'000	2017 €'000
Consultancy Costs capitalised	-	-
Consultancy costs charged to the Income and Expenditure and Retained Revenue Reserves	1,769	1,054
Total	1,769	1,054

Legal Costs and Settlements

The table below provides a breakdown of legal costs recognised as expenditure in the reporting period. No settlements were made during 2018.

DETAIL	2018 €'000	2017 €'000
Legal Advice	501	208
Legal Fees – Legal Proceedings	79	6
Total	580	214

Hospitality and Staff Welfare Expenditure

The Income and Expenditure account includes the following hospitality expenditure, no client related hospitality was incurred.

DETAIL	2018 €'000	2017 €'000
Hospitality & Staff Welfare	23	23

Statement of Compliance

The Board has adopted the Code of Practice for the Governance of State Bodies and has put procedures in place to ensure compliance with the Code, SEAI was in full compliance with the Code of Practice for the Governance of State Bodies for the year ended 31 December 2018.

Signed on behalf of the Board



Julie O'Neill, Chairperson
Sustainable Energy Authority of Ireland

June 2019

Report of Comptroller and Auditor General

Report for Presentation to the Houses of the Oireachtas

Opinion on the Financial Statements

I have audited the financial statements of the Sustainable Energy Authority of Ireland for the year ended 31 December 2018 as required under the provisions of section 24 of the Sustainable Energy Act 2012. The financial statements comprise

- the statement of income and expenditure and retained revenue reserves
- the statement of comprehensive income
- the statement of financial position
- the statement of cash flows and
- the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the Sustainable Energy Authority of Ireland at 31 December 2018 and of its income and expenditure for 2018 in accordance with Financial Reporting Standard (FRS) 102 - The Financial Reporting Standard applicable in the UK and the Republic of Ireland.

Basis of Opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Sustainable Energy Authority of Ireland and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on information other than the financial statements, and on other matters

The Sustainable Energy Authority of Ireland has presented certain other information together with the financial statements. This comprises the annual report, the governance statement and Board members' report and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.



Seamus McCarthy / Comptroller and Auditor General

28 June 2019

Appendix to the Report

Responsibilities of Board Members

As detailed in the governance statement and Board members' report, the Board members are responsible for

- the preparation of financial statements in the form prescribed under section 24 of the Sustainable Energy Act 2012
- ensuring that the financial statements give a true and fair view in accordance with FRS 102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 24 of the Sustainable Energy Act 2012 to audit the financial statements of the Sustainable Energy Authority of Ireland and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going

concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sustainable Energy Authority of Ireland's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Sustainable Energy Authority of Ireland to cease to continue as a going concern.

—I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Information other than the Financial Statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on Other Matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I also report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

Statement on Internal Controls

Scope of Responsibility

On behalf of the Board of Sustainable Energy Authority of Ireland (SEAI), I acknowledge the Board's responsibility for ensuring that an effective system of internal control is maintained and operated. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016).

Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or detected in a timely way.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform has been in place in the authority for the year ended 31 December 2018 and up to the date of approval of the financial statements.

Capacity to Handle Risk

SEAI has an Audit and Risk Committee (ARC) comprising three Board members and two external members, with financial and audit expertise, one of whom is the Chair. The ARC met eight times in 2018.

SEAI has also established an internal audit function which is adequately resourced and conducts a programme of work agreed with the ARC. This function is currently outsourced to Mazars.

The organisation has developed a risk management policy which sets out its risk appetite, the risk management processes in place and details the roles and responsibilities of staff in relation to risk. The policy has been issued to all staff who are expected to work within SEAI's risk management policies, to alert management on emerging risks and control weaknesses and assume responsibility for risks and controls within their own area of work.

SEAI's internal Programme Compliance Committee reviews and directs action on all issues of potential fraud identified through the schemes audit and inspection procedures, processes and SEAI's Inspection Unit Protocol. The Programme Compliance Committee is made up of cross functional Managers who review all exceptions or concerns identified as a potential risk of fraud or significant non-compliance and provide prompt and objective direction and support to line management and staff in the mitigation of these risks.

Where SEAI identify grants/scheme amounts repayable to it arising from irregularities or breaches in the grants' terms and conditions, grant refunds/repayments are pursued from the relevant homeowner/contractors. Where necessary, cases are notified to the Garda National Economic Crime Bureau.

Risk and Control Framework

SEAI has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing SEAI and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the ARC on an annual basis. The outcome of these assessments is used to plan the internal audit plan for the year and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff.

I confirm that a control environment containing the following elements is in place:

- Procedures for all key business processes have been documented;
- Financial responsibilities have been assigned at management level with corresponding accountability;
- There is an appropriate budgeting system with an annual budget which is kept under review by senior management;
- There are systems aimed at ensuring the security of the information and communication technology systems;
- There are systems in place to safeguard the assets; and
- Control procedures over grant funding to outside agencies ensure adequate control over approval of grants and monitoring and review of grantees to ensure grant funding has been applied for the purpose intended.

Ongoing Monitoring and Review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the Board, where relevant, in a timely way. I confirm that the following ongoing monitoring systems are in place:

- Key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies;
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned
- There are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts.

Procurement

I confirm that SEAI has procedures in place to ensure compliance with current procurement rules and guidelines and that during 2018 SEAI complied with those procedures with the exception of the procurement of Agency Staff where the expenditure incurred was greater than the initial cost anticipated. This resulted in non-compliance of procurement threshold levels. Just over €1 million was incurred across recruitment agencies. Approximately €175,000 of this related to the agency fee while the balance of €825,000 related to the salary cost of the recruited staff. A tender process to address the issue was completed in 2018 and a new framework agreement is now in place.

Review of Effectiveness

I confirm that SEAI has procedures to monitor the effectiveness of its risk management and control procedures. SEAI's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors, the Audit and Risk Committee which oversees their work, and the senior management within SEAI responsible for the development and maintenance of the internal financial control framework.

I confirm that the Board conducted an annual review of the effectiveness of the internal controls for 2018.

Internal Control Issues

No weaknesses in internal control were identified in relation to 2018 that require disclosure in the financial statements with the exception of the procurement instance referred to above.

Signed on behalf of the Board



Julie O'Neill, Chairperson
Sustainable Energy Authority of Ireland

June 2019

Statement of Income and Expenditure and Retained Revenue Reserves

For the Year Ended 31 December 2018

	NOTES	2018 €'000	2017 €'000
INCOME			
State Grants	2	146,858	104,815
Building Energy Rating	9	2,429	2,556
EU Contract Income	3	43	4
Other Income	4	76	176
Net Deferred Funding for Pensions for the Year	15(c)	1,809	1,631
Pension Contributions Remitted to DCCAE & DPER	5.1	(283)	(225)
Net Transfer to Capital Account	13	(46)	(53)
Total Income		150,886	108,904
EXPENDITURE			
Administration Expenditure	5	12,462	9,980
Programme Expenditure	6	135,362	96,681
Building Energy Rating	9	2,625	3,018
Total Expenditure		150,449	109,679
Surplus/(Deficit) for the Year before appropriations		437	(775)
APPROPRIATIONS			
Movement in Amounts due to DCCAE	8	(70)	(21)
Surplus/(Deficit) for the Year after appropriations		367	(796)
Surplus at 1 January		197	993
SURPLUS AT 31 DECEMBER		564	197

The Statement of Cash Flows and Notes 1 to 21 form part of these financial statements.



Julie O'Neill, Chairperson
Sustainable Energy Authority of Ireland

June 2019



Jim Gannon, Chief Executive Officer
Sustainable Energy Authority of Ireland

June 2019

Statement of Comprehensive Income

For the Year Ended 31 December 2018

	NOTES	2018 €'000	2017 €'000
STATEMENT OF COMPREHENSIVE INCOME			
Surplus/(Deficit) for the Year after Appropriations		367	(796)
Experience Loss on Retirement Benefit Obligations		(554)	(996)
Actuarial Gain arising from Changes in Assumptions underlying the present value of Retirement Benefit Obligations		588	480
Actuarial Loss/Gain in Year	15	34	(516)
Adjustment to Deferred Retirement Benefit Funding	15	(34)	516
TOTAL RECOGNISED SURPLUS/(DEFICIT) FOR THE YEAR		367	(796)

The Statement of Cash Flows and Notes 1 to 21 form part of these financial statements.



Julie O'Neill, Chairperson
Sustainable Energy Authority of Ireland

June 2019



Jim Gannon, Chief Executive Officer
Sustainable Energy Authority of Ireland

June 2019

Statement of Financial Position

As at 31 December 2018

	NOTES	2018 €'000	2017 €'000
ASSETS			
Property, Plant and Equipment	10	328	282
CURRENT ASSETS			
Cash and Cash Equivalents	14	4,700	4,313
Receivables & Prepayments	11	1,476	1,135
		6,176	5,448
CURRENT LIABILITIES			
Payables & Accruals	12	(5,612)	(5,251)
Net Current Assets		564	197
Retirement Benefit Obligation	15 B	(31,631)	(29,856)
Deferred Retirement Benefit Funding Asset	15 B	31,631	29,856
TOTAL NET ASSETS		892	479
REPRESENTING			
Capital Account	13	328	282
Retained Revenue Reserves		564	197
		892	479

The Statement of Cash Flows and Notes 1 to 21 form part of these financial statements.



Julie O'Neill, Chairperson
Sustainable Energy Authority of Ireland

June 2019



Jim Gannon, Chief Executive Officer
Sustainable Energy Authority of Ireland

June 2019

Statement of Cash Flows

For the Year Ended 31 December 2018

	NOTES	2018 €'000	2017 €'000
NET CASH FLOWS FROM OPERATING ACTIVITIES			
Excess Income over Expenditure		367	(796)
Transfer to Capital Account	13	46	53
Bank Interest Paid		31	-
Depreciation of Fixed Assets	10	433	333
(Increase)/Decrease in Accounts receivable	11	(341)	(337)
Increase/(Decrease) in Accounts payable		362	1,368
Net Cash Flow From Operating Activities		898	621
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to Acquire Property, Plant & Equipment	10	(479)	(275)
CASH FLOWS FROM FINANCING ACTIVITIES			
Bank Interest Paid		(31)	-
Increase in Cash and Cash Equivalents		388	346
Net Increase/(Decrease) in Cash and Cash Equivalents		388	346
Cash and Cash Equivalents at 1 January		4,219	3,873
Cash and Cash Equivalents at 31 December (Note 14)		4,607	4,219

The balance of €4,606,723 does not include an amount of €93,699 held in a separate bank account relating to the Dundalk 2020 Holistic project (see Note 14).

Notes 1 to 21 form part of these financial statements.



Julie O'Neill, Chairperson
Sustainable Energy Authority of Ireland

June 2019



Jim Gannon, Chief Executive Officer
Sustainable Energy Authority of Ireland

June 2019

Notes to the Financial Statements

1. Accounting Policies

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied throughout the year and for all the preceding years.

(A) Period of Financial Statements

The financial statements cover the year from 1 January to 31 December 2018.

(B) Statement of Compliance

The financial statements have been prepared on an accruals basis, except as stated below. They are prepared in compliance with Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" ("FRS 102"). The Financial Statements have been prepared under the historical cost convention, and in the format approved by the Minister for Communications, Climate Action and Environment. The unit of currency in which the financial statements are denominated is the Euro.

(C) State Grants

State Grants (Note 2), Grant Refunds and Workshop Income (Other Income - Note 4) shown in the Statement of Income and Expenditure and Retained Revenue Reserves reflect the amount received in the year.

(D) Grant Expenditure

Grant Commitments are recognised as expenditure in the Statement of Income and Expenditure and Retained Revenue Reserves when all conditions pertaining to the grant or a phased payment thereof, have been complied with. Grant Commitments will be reduced on payment of a grant or the expiration of the grant agreement. All open Grant Commitments are disclosed in Note 16.

(E) Tangible Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated on a straight line basis in order to write off the cost of fixed assets over their estimated useful lives as follows:

Motor Vehicles 20%
Fixtures and Fittings 33.33%

IT Equipment & Software 33.33%
Office Equipment 33.33%
Ocean Programme 33.33%

Additions to Fixtures and Fittings in the current year relates to works completed in Wilton Park House. These are depreciated over a two year period in line with the remaining lease term.

Land is stated at cost. Where there is an indication that the recoverable amounts of an asset is less than its carrying value, an impairment review is performed. If the recoverable amount is less than the carrying amount the asset is reduced to its recoverable amount resulting in an impairment loss. Impairment losses are recognised immediately in the Statement of Income and Expenditure.

Assets with a value of less than €1,000 are fully depreciated in the year of acquisition. A full year's depreciation is charged in the year of acquisition; no depreciation is charged in the year of disposal.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of tangible assets is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

IT Systems Development costs that relate to specific SEAI programmes are expensed in the year in which they occur. Management have considered the policy and believe due to the dynamic and changing nature of the programmes it is appropriate to expense these costs.

(F) Superannuation

Section 17 of the Sustainable Energy Act 2002 provides for the establishment of superannuation schemes by the Authority. The scheme is a defined benefit scheme for the purposes of the Pension Act, 1990.

Pension costs reflect pension benefits earned by employees in the period and are shown net of staff pension contributions which are refunded to the Department in accordance with agency financing arrangements. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable from the Department of Communications, Climate Action and Environment and offset by grants received in the year to discharge pension payments. Actuarial gains or losses arising

on the scheme liabilities are reflected in the Statement of Income and Expenditure and Retained Reserves and a corresponding adjustment is recognised in the amount recoverable from the DCCAE.

Pension liabilities represent the present value of future pension payments earned by staff to date. Deferred pension funding represents the corresponding asset which is to be recovered in future periods from the DCCAE.

The Authority also operates the Single Public Service Pension Scheme (Single Scheme) which is the defined benefit pension scheme for pensionable public servants appointed on or after 1 January 2013. Single Scheme member's contributions are paid over to the Department of Public Expenditure and Reform. The related liabilities in relation to future pension payments are included in SEAI's financial statements

(G) Capital Account

The Capital Account represents the unamortised value of income used to purchase fixed assets.

(H) Leases

Payments under operating leases are recognised as an expense over the period which SEAI obtains benefit from the premises.

(I) Energy Performance of Buildings Directive (EPBD)

EPBD income is generated by the Authority under the Building Energy Rating (BER) scheme (S.I. No. 243 of 2012 European Communities (Energy Performance of Buildings) Regulations 2012, previously dealt with under S.I. No. 666 of 2006 European Communities (Energy Performance of Buildings) Regulations 2006 as amended). Under the legislation a building owner must provide a BER Certificate and Advisory Report to prospective buyers or tenants when a building is constructed, sold or rented.

There are various fees payable in respect of BER including a fee upon assessor registration and a levy in respect of each BER assessment submitted in the period to the Authority for the purposes of issuing a BER Certificate. EPBD Income is accounted for on an accruals basis.

(J) EU Contract Income

EU contract income is from activities in Energy Efficiency and Renewable Energy including technology promotion, information dissemination, research and event co-ordination and management. Income is recognised in line with the terms of the contract and is based on the timing and performance

requirements of the contract. As such funds are remitted back to DCCAE a corresponding liability is recognised on recognition of the income.

(K) Significant Accounting Judgements and Estimates

In relation to pension costs, the assumptions underlying the actuarial valuations for which the amounts recognised in the financial statements are determined (including discount rates, rates of increase in future compensation levels, mortality rates and healthcare cost trend rates) are updated annually based on current economic conditions, and for any relevant changes to the terms and conditions of the pension and post-retirement plans.

The assumptions can be affected by:

- (i) the discount rate, changes in the rate of return on high-quality corporate bonds
- (ii) future compensation levels, future labour market conditions

2. State Grants

Under section 22(1) of the Sustainable Energy Act 2002 the Minister for Communications, Climate Action and Environment provides funding to the Authority for the performance of its functions.

All funding is provided through the Department of Communications, Climate Action and Environment (Vote 29).

PROGRAMME	VOTE SUBHEAD	2018 €'000	2017 €'000
SEAI ADMINISTRATION			
- Current	C3	10,297	8,590
- Capital	C3	737	-
SUSTAINABLE ENERGY PROGRAMMES			
- Current	C4	11,297	6,576
- Capital	C4	116,481	83,547
ENERGY RESEARCH PROGRAMMES			
- Current	C5	754	845
- Capital	C5	7,292	5,257
Total Programme Expenditure		146,858	104,815

3. EU Contract Income

The funds from EU contracts of €42,804 (2017: €4,264) are from activities in Energy Efficiency and Renewable Energy including technology promotion, information dissemination, research and event co-ordination and management.

The income is accrued on an annual basis based on assumptions pertaining at that time. The amounts fluctuate from year to year based on the updated progress of the contract. This may result in an increase or decrease in income from year to year.

Any payments received during the year which relate to completed activities are remitted back to DCCAE.

4. Other Income

Other income consists of proceeds from courses and receipts of sponsorship.

	2018 €'000	2017 €'000
Sponsorship Sustainable Energy Awards	30	45
Other Income	46	33
One Good Idea Schools Programme	-	98
	76	176

5. Administration Expenditure

Administration Expenditure is made up of the following items:

		2018 €'000	2017 €'000
Salaries & Related Charges	5.1	6,634	5,258
Pension Costs	15	1,825	1,589
Recruitment, Training & Education	5.2	248	347
Advertising & Promotion	5.3	462	247
General Professional Fees	5.4	109	86
General Administration	5.5	3,184	2,453
		12,462	9,980

5.1 Salaries and Related Charges

	2018 €'000	2017 €'000
Staff Short-Term Benefits	5,333	4,148
Employer's Contribution to Social Welfare	526	405
Agency/Contract Staff	703	630
Board Member Emoluments	18	71
	6,634	5,258

No termination payments were paid in the year (2017: €0)

No overtime payments were paid in the year (2017: €0)

The Authority deducts employee superannuation contributions which are remitted to the Department of Communications, Climate Action and Environment in respect of SEAI's benefit scheme. An amount of €160,257 (2017: €148,490) was remitted in 2018. A further amount of €122,618 (2017: €76,510) was remitted to DPER in respect of Single Scheme member deductions.

Total employee contributions remitted in 2018 was €282,875 (2017: €225,000). The Authority is not required to make employer contributions to the scheme.

Chief Executive's Remuneration

The current CEO was appointed on 23rd May 2016. The value of his remuneration in 2018 was €122,941 (2017: €119,648) and expenses were €4,597 (2017: €8,335). The current CEO pension entitlement does not extend beyond the standard entitlements in the public sector single pension scheme. His contract of employment does not include a performance related award scheme or any benefit-in-kinds/perquisites.

Key Management Remuneration

Key management personnel in SEAI in 2017 and 2018 consisted of the CEO, the COO and seven Heads of Departments. The total value of the employee benefits for key management personnel is set out below:

	2018 €'000	2017 €'000
Salaries	894,096	806,162

The management's pension entitlements do not extend beyond the standard entitlements in the model public sector scheme or the public sector single scheme. Contracts of Employment do not include a performance related reward scheme or any benefit-in-kind/perquisites.

Pension Levy

€275,621 (2017: €205,683) of pension levy has been deducted from salaries and has been paid over to the Department of Communications, Climate Action and Environment during the year.

Employee Short-Term Benefits Breakdown

Employees' short-term benefits in excess of €60,000 are categorised into the following bands:

BENEFIT BAND €	No. of Employees at 31 December 2018	No. of Employees at 31 December 2017
60,000 – 69,999	10	8
70,000 – 79,999	5	11
80,000 – 89,999	20	7
90,000 – 99,999	2	4
100,000 – 109,999	3	0
110,000 – 119,999	0	1
120,000 – 129,999	1	0

Short-term employee benefits in relation to services rendered during the reporting period include salary, overtime allowances and other payments on behalf of the employee but exclude employer's PRSI.

Board Fees

Board fees are disclosed in Note 18.

Permanent & Long Term Contract

The average number of permanent and long term contract employees for the period was 89 (2017: 68).

5.2 Recruitment, Training and Education

	2018 €'000	2017 €'000
Staff Recruitment, Training HR Systems	238	328
Staff Subscriptions & Publications	10	19
	248	347

5.3 Advertising and Promotion

	2018 €'000	2017 €'000
Advertising Costs	223	29
Print & Design	56	50
Sponsorship	27	30
Communications & Public Relations	111	97
Other	45	41
	462	247

5.4 General Professional Fees

	2018 €'000	2017 €'000
Organisational Development	68	47
Secretarial Fees	41	39
	109	86

Expenditure in 2017 of €318k relating to Schools Programme has been reclassified from Administration expenditure to Programme Expenditure.

5.5 General Administration

	2018 €'000	2017 €'000
Rent, Rates and Service Charges	1,049	612
Travel & Subsistence - Staff	13	13
Travel & Subsistence - Board	1	2
IT General Expenditure	2	10
IT Maintenance	412	382
IT Systems Development	163	155
IT Licences	324	307
IT Consumables	71	55
IT Helpdesk	179	131
Depreciation	433	333
Audit Fees - External	32	32
Audit Fees - Internal	36	34
Insurance and Legal	128	77
Telephone & Data Lines	153	165
Stationery	14	8
Other	174	137
	3,184	2,453

6. Programme Expenditure

Programme expenditure is made up of the following items:

		2018 €'000	2017 €'000
ENERGY EFFICIENCY			
Better Energy Warmer Homes	6.1	35,682	24,381
Better Energy Warmth Wellbeing	6.2	12,056	6,912
Industry & Business Programme	6.3	4,081	3,355
Better Energy Homes	6.4	20,134	18,764
Public Sector Energy Efficiency	6.5	14,222	6,720
Schools Programme	6.6	443	318
Market Surveillance	6.7	405	302
Retrofit Development Programme	6.8	1,194	1,011
Support Scheme for Renewable Heat	6.9	969	11
Better Energy Communities	6.10	18,277	22,196
Sustainable Energy Communities	6.11	2,318	540
Better Energy Smart Metering	6.12	29	54
Better Energy Financing	6.13	673	436
Deep Retrofit	6.14	5,294	877
RENEWABLE ENERGY			
Renewable Energy Research, Development & Deployment	6.15	3,498	2,231
Ocean Energy	6.16	4,218	3,397
INNOVATION & INTEGRATION			
Informing Policy Analysis	6.17	407	24
Strategic & International Coordination	6.18	386	245
Energy Statistics & Modelling	6.19	351	429
Electric Vehicles	6.20	10,725	4,478
		135,362	96,681

All administration costs directly related to programme expenditure are included in programme costs above.

Expenditure in 2017 of €318k relating to Schools Programme has been reclassified from Administration expenditure to Programme Expenditure.

Certain comparative figures for the year have been re-classified and re-presented on the same basis as those for the current year.

6.1 Better Energy Warmer Homes

	2018 €'000	2017 €'000
Private Contractors	32,393	20,090
Grants Issued	-	10
Technical Services & Inspections	2,619	3,136
Customer Management & Quality Assurance	364	643
Other Costs	81	134
IT Systems Development & Maintenance	224	361
Travel Costs	1	7
	35,682	24,381

The Better Energy Warmer Homes scheme supports upgrading the energy efficiency of privately owned homes experiencing fuel poverty. In 2017, 6,532 upgrades were carried out under the Better Energy Warmer Homes scheme, and in 2018, 5,237 upgrades.

Up until 2018, the scheme had predominantly focussed on delivering shallow measures such as attic and cavity wall insulation. However, following an announcement by the Minister in March 2018, a significant change was introduced to the scheme with the expansion of wall insulation measures available to include internal and external wall insulation as standard.

6.2 Better Energy Warmth and Wellbeing

	2018 €'000	2017 €'000
Private Contractors	11,546	6,535
Technical Services & Inspections	387	196
Programme Operation/Promotion	123	181
	12,056	6,912

The Warmth and Wellbeing Scheme aims to improve the living conditions of vulnerable people living with chronic respiratory conditions. In 2017, 362 upgrades were carried out under the Warmth & Wellbeing Scheme, and in 2018, 437 upgrades. The additional measures referred to in Note 6.1 were also rolled out to the Warmth and Wellbeing scheme in 2018.

6.3 Industry and Business Programme

	2018 €'000	2017 €'000
EXEED	1,731	1,556
Energy Agreements and LIEN	499	451
SME Capital Pilots	1,173	725
Promoting Energy Efficiency in Business	192	175
ACA/Triple E Operational Costs	267	181
SME & Other Industry Costs	187	134
IT Systems Development & Maintenance Costs	20	124
Travel Costs	12	9
	4,081	3,355

This programme supports efforts across all business sectors to accelerate adoption of energy efficiency. This is achieved through networks and services promoting structured energy management to world class standards, while developing markets for energy efficiency advice and services. Pilot actions (Lighting and Dairy Farms) were continued in 2018 to simulate projects in SME sector.

SEAI EXEED Certified is an asset certification scheme addressing lifetime energy and carbon performance, in all sectors, supported by the Irish Government (through DCCAE). EXEED Certified can be applied in any business with commercial, industrial and public sectors.

6.4 Better Energy Homes

	2018 €'000	2017 €'000
Grants Issued	17,221	16,330
Technical Services & Inspections	781	732
Operational Delivery	940	939
Other Costs	100	175
IT Costs	511	406
Advertising	340	172
Solar PV	230	-
Travel Costs	11	10
	20,134	18,764

The Better Energy Homes Programme is a national Programme open to all homeowners including landlords of dwellings. It incentivises homeowners to make their homes more energy efficient. This is achieved through the provision of grants for a suite of measures which can be selected individually, in combination and on a step by step basis to achieve a deeper retrofit.

In 2018 grants for heat pumps and a rebate scheme for solar PV were introduced. Supports are offered for insulation and heating controls on homes built before 2006 and for renewables (heat pumps, solar thermal and solar PV) on homes built before 2011. Grant values were increased in 2018 to keep pace with rising costs. Advertising is framed to promote awareness of all residential programmes. The total number of homes supported was 14,618 in 2017 and 14,301 in 2018.

6.5 Public Sector Energy Efficiency

	2018 €'000	2017 €'000
Public Sector Capital Grants	12,328	5,363
Grants	-	66
Client Advisory Services	1,162	724
IT Development & Maintenance	211	-
Other Operational Costs	192	154
Technical Bureau	315	408
Travel Costs	14	5
	14,222	6,720

This programme promotes structured energy management practices and delivers direct energy efficiency advice, mentoring, training and specialist technical supports to public sector organisations. In 2018 pilot actions were continued to test approaches for retrofit actions in central government buildings, schools, and health.

6.6 Schools Programme

	2018 €'000	2017 €'000
Schools Programme	443	318
	443	318

SEAI's schools programme helps inform the attitudes, beliefs and behaviours of primary and post primary school children with respect to sustainable energy. The programme comprises a mix of curriculum aligned teaching resources, interactive pupil workshops, student competitions and teacher training.

6.7 Market Surveillance

	2018 €'000	2017 €'000
Market Surveillance	405	302
	405	302

SEAI carries out market surveillance functions on behalf of the Minister for Communications, Climate Action and Environment who is the Market Surveillance Authority. Market Surveillance covers - Ecodesign Requirements for Energy-Related Products (EU Directive 2009/125/EC), Labelling and Standard Product Information for Energy-Related Products (EU Directive 2010/30/EU) and Labelling of Tyres with respect to Fuel Efficiency and Other Essential Parameters (EC Regulation 1222/2009).

6.8 Retrofit Development Programme

	2018 €'000	2017 €'000
Programme & Systems Development	919	526
Other Costs	244	331
Strategic Advice	17	36
Client Advisory	2	105
Travel Costs	12	13
	1,194	1,011

Retrofit Development supports the wider development of the Energy Efficiency Obligation Scheme pursuant to implementation of Article 7 of Energy Efficiency Directive 2012 and the National Energy Efficiency Action Plan. This includes the administration and energy credit management of the Irish energy supplier obligations programme and supports for development of new retrofit programmes.

6.9 Support Scheme for Renewable Heat

	2018 €'000	2017 €'000
Technical Advice	185	-
Other Costs	552	-
IT Systems Development	232	-
Client Advisory	-	11
	969	11

The Support Scheme for Renewable Heat, is designed to replace fossil fuel heating systems with renewable energy technologies. The Scheme is made up of two support mechanisms – an on-going operational support for useful heat from biomass boiler and anaerobic digestion heating systems and an installation grant for electric heat pumps.

6.10 Better Energy Communities

	2018 €'000	2017 €'000
Grants Issued	17,681	21,604
Technical Services & Inspections	130	139
Programme Operation/Promotion	466	453
	18,277	22,196

The Better Energy Communities (BEC) programme supports projects at a community level, specifically seeking to test innovative and pioneering partnerships for delivery between for example, the public and private sectors, domestic and non-domestic sectors, commercial and not-for-profit organisations including energy poor homes. During 2018 a decision was made to allocate a portion of the BEC Capital budget to Sustainable Energy Communities (Note 6.11)

6.11 Sustainable Energy Communities

	2018 €'000	2017 €'000
Capital Grants	1,554	-
Operation Delivery	708	512
Strategic Advice	47	17
Travel Costs	9	11
	2,318	540

This programme involves building capacity in communities to enable delivery of large scale sustainable energy projects and the transition to sustainable energy communities (SEC). It has developed a national SEC network with currently over 230 members (2017: 130).

6.12 Better Energy Smart Metering

	2018 €'000	2017 €'000
Commissioned Studies/Reports	-	15
Programme Operation/Promotion	29	39
	29	54

SEAI participate in the national smart metering project which is co-ordinated by the Commission for Regulation of Utilities and are involved in the Customer Engagement aspects of this work programme. SEAI are also co-ordinators of the National Smart Grid Implementation Group.

6.13 Better Energy Financing

	2018 €'000	2017 €'000
Grants Issued	281	193
Commissioned Research Studies	250	85
Travel Costs	2	4
Other Operational Costs	140	154
	673	436

The Better Energy Financing (BEF) project is a Government initiative working to identify market based solutions that could be developed as an alternative to direct Exchequer funding and overcome the reluctance of consumers to take on debt for energy efficiency improvements.

6.14 Deep Retrofit

	2018 €'000	2017 €'000
Grants Issued	4,753	752
Technical Services & Inspections	33	26
IT Systems Development	283	50
Travel Costs	7	3
Other Operational Costs	218	46
	5,294	877

Deep Retrofit Pilot programme was created to tackle housing energy efficiency challenges in Ireland. It will investigate the challenges and opportunities of deep retrofit. The learning from these pilots will inform our approach towards a large scale deep retrofit of buildings in Ireland. The pilot scheme has successfully completed 211 deep retrofit homes in 2018. Insights from these homes will greatly inform on solutions required to achieve deep retrofit to A-BER Rating and also the future needs of large scale deep retrofit in Ireland.

6.15 Renewable Energy Research, Development and Deployment

	2018 €'000	2017 €'000
Grants Issued	3,246	2,011
Other Programme Operation	138	165
IT Development & Maintenance	47	9
Commissioned Studies/Reports	37	24
Travel Costs	30	22
	3,498	2,231

This programme supports national and international sustainable energy research, development and demonstration projects, and provides specialist analysis to address policy and technology barriers to the deployment of renewable energy and energy efficiency thus their improving implementation in the Irish market.

6.16 Ocean Energy

	2018 €'000	2017 €'000
Grants Issued	2,083	1,155
Sub Contracted Works	1,733	1,638
Other Costs	273	278
Mayo Test Site Work	119	306
Travel Costs	10	20
	4,218	3,397

The Ocean Energy Programme is administered by SEAI to implement the Government's policy decision to accelerate the development of Ocean Energy in Ireland, (which includes support for wave, tidal, floating and fixed offshore wind) as set out in the Offshore Renewable Energy Development Plan.

6.17 Informing Policy Analysis

	2018 €'000	2017 €'000
Programme Operation/Promotion	407	24
	407	24

This programme provides independent advice and information on technical, financial and social issues relating to sustainable energy development and deployment. This advice is tailored by SEAI to inform sustainable energy policy development in Ireland. SEAI have placed additional focus and resources in this area in 2018.

6.18 Strategic and International Co-ordination

	2018 €'000	2017 €'000
Strategic & International Co-ordination	386	245
	386	245

This programme supports international activities such as those related to the International Energy Agency (IEA), the European Commission and other international activities; and also costs associated with the provision of independent advice and information on issues relating to energy technology policy and innovation. In 2018 SEAI have expanded engagement in this area. Costs incurred in 2017 primarily related to IEA activities.

6.19 Energy Statistics and Modelling

	2018 €'000	2017 €'000
Commissioned Research/Research	148	226
Other Costs	141	190
Travel Costs	35	10
IT Development & Maintenance	27	3
	351	429

This programme fulfils SEAI's responsibility for developing, maintaining and publishing comprehensive national and sectoral statistics for energy production, transformation and end-use. This also includes detailed modelling studies and policy analysis to provide an independent evidence base to support national policy making, and participation in a range of national and international policy discussion and evaluation activities.

6.20 Electric Vehicles

	2018 €'000	2017 €'000
Grants Issued	9,796	4,272
Other Costs	310	116
Advertising	526	10
IT Development & Maintenance	90	79
Travel Costs	3	1
	10,725	4,478

This programme is supporting the deployment of electric vehicle technology in the Irish transport system and provides grant aid towards the purchase of electric vehicles and grant funded an additional 2000 electric cars in 2018 (2017: 907 cars). On January 1st 2018 SEAI launched the Electric Vehicle Home Charger grant programme and just under 1000 grants were paid in 2018. SEAI also launched the national electric vehicle public engagement programme and the driveelectric.ie website.

7.1 Consultancy Costs

The Statement of Income & Expenditure and Retained Revenue Reserves includes the following consultancy expenditure which is categorised as follows:

	2018 €'000	2017 €'000
Legal Advice	580	214
Public Relations/Marketing	70	4
Human Resources	1	47
Programme/Organisational Improvement	386	472
Scheme Development	732	314
Other	-	3
	1,769	1,054

Consultancy costs include the cost of external advice to management and exclude outsourced 'business-as-usual' functions.

7.2 Travel and Subsistence Expenditure

The Statement of Income & Expenditure and Retained Revenue Reserves includes the following travel and subsistence expenditure which is categorised as follows:

	2018 €'000	2017 €'000
Domestic - Board	-	1
Domestic - Employee	122	109
International - Board	-	-
International - Employee	32	26
	154	136

7.3 Hospitality Expenditure

The Statement of Income & Expenditure and Retained Revenue Reserves includes the following hospitality expenditure which is categorised as follows:

	2018 €'000	2017 €'000
Staff Hospitality ¹	23	23

1. Included in staff related expenditure for 2018 is an amount of €6,899 (2017: €4,922) relating to SEAI's contribution to the staff Christmas event. Staff also contribute to this event.

8. Appropriations

	2018 €'000	2017 €'000
EU Contract Income	43	4
Grant Refunds	10	17
Other	17	-
	70	21

Non Exchequer funds received by SEAI are remitted back to the DCCAE. These receipts are included as Appropriations-in-Aid on the Vote. As such funds are recognised as income, a corresponding liability to DCCAE is also recognised.

The above note details the movement in the amount due to the DCCAE during 2018.

EU Contract income is accrued on an annual basis (see Note 3) and can fluctuate from year to year based on the updated progress of the contract.

9. Building Energy Rating

	2018 €'000	2017 €'000
Outsourced Programme Operation	596	730
Programme Delivery & Development	91	129
Quality Assurance	1,002	1,043
IT Support & Maintenance	398	333
IT System Development	531	774
Travel Costs	7	9
	2,625	3,018

SEAI has been designated as the Issuing Authority with responsibility for registering BER assessors, provision of IT tools and systems for assessments, logging BER assessments on the national register and overall scheme management and promotion.

The BER scheme income for the year was €2,429,063 (2017: €2,556,255) resulting in a loss in the year of €196,436 (2017: €460,618).

10. Property, Plant and Equipment

	IT EQUIPMENT & SOFTWARE €'000	OCEAN PROGRAMME €'000	OFFICE EQUIPMENT €'000	FIXTURES & FITTINGS €'000	MOTOR VEHICLES €'000	LAND & BUILDINGS €'000	TOTAL €'000
COST							
Balance at 1 January 2018	1,083	1,725	11	464	28	-	3,311
Additions ²	216	2	-	82	59	120	479
Disposals	(22)	-	-	-	(28)	-	(50)
Balance at 31 December 2018	1,277	1,727	11	546	59	120	3,740
DEPRECIATION							
Balance at 1 January 2018	(980)	(1,678)	(11)	(332)	(28)	-	(3,029)
Disposals	22	-	-	-	28	-	50
Charge for Current Year	(185)	(25)	-	(211)	(12)	-	(433)
Balance at 31 December 2018	(1,143)	(1,703)	(11)	(543)	(12)	-	(3,412)
NET BOOK VALUE BALANCE AT 31 DECEMBER 2018	134	24	-	3	47	120	328
Net Book Value at 31 December 2017	104	45	-	133	-	-	282

11. Receivables and Prepayments

	2018 €'000	2017 €'000
Dundalk Concerto Bid	32	32
EU Contracts	47	46
EPBD Receivables	175	170
Prepayments	1,001	441
Other Receivables	221	446
	1,476	1,135

12. Payables and Accruals

	2018 €'000	2017 €'000
Payables	606	1,341
Accruals	1,859	1,040
Dundalk 2020 Holistic Project	93	94
VAT	1,578	1,430
PSWT	664	382
PAYE/PRSI	172	147
Other Payables	110	188
Deferred Income	530	629
	5,612	5,251

2. The additions to Fixtures and Fittings in the current year relates to works completed in Wilton Park House. These are depreciated over a two year period in line with the remaining lease term.

13. Capital Account

	2018 €'000	2017 €'000
Opening Balance	282	228
TRANSFER (TO)/ FROM STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES:		
Amount Capitalised in Respect of Purchased Assets	479	387
Amortisation in Line with Asset Depreciation	(433)	(333)
	46	49
BALANCE AT END OF YEAR	328	282

14. Cash and Cash Equivalents

	2018 €'000	2017 €'000
Current Bank Account	10	9
Savings Account	3,563	2,812
EPBD Account	1,034	1,398
	4,607	4,219
Dundalk 2020 Holistic Project	93	94
	4,700	4,313

The EPBD Account is the designated bank account for the Buildings Energy Rating programme (see Note 9).

The Dundalk 2020 Holistic project is an EU project funded under FP6 (Sixth Framework Programme for Research and Technology Development). SEAI acts as the project co-ordinator, which consists of 23 partners in 6 European countries. SEAI receives funding on behalf of the project and distributes this funding to the relevant partners. Accordingly, the income and expenditure is not included in SEAI's income and expenditure account. The funds on hand are included in the bank balance and also in creditors. The amounts received and paid are set out below.

	2018 €'000	2017 €'000
Funds on Hand at 1 January	94	94
Receipts in Year	-	-
Payments/Interest in Year	1	-
FUNDS ON HAND AT 31 DECEMBER	93	94

15. Retirement Benefit Costs

Sustainable Energy Authority of Ireland (SEAI) operates unfunded defined benefit superannuation schemes for staff.

The results set out below are based on an actuarial valuation of the pension liabilities in respect of serving and former staff of SEAI as at 31 December 2018. This valuation was carried out by a qualified independent actuary for the purposes of the accounting standard, Financial Reporting Standard No. 102 (FRS 102).

A. Analysis of Retirement Benefit Costs Charged to Expenditure

	2018 €'000	2017 €'000
Current Service Costs	1,507	1,273
Interest on Pension Scheme Liabilities	601	541
Staff Superannuation Deductions	(283)	(225)
PENSION COST IN THE PERIOD	1,825	1,589

B. Analysis of the Movement in Liability during the year

	2018 €'000	2017 €'000
Scheme Liability at 1 January	29,856	27,709
Current Service Cost	1,507	1,273
Interest Cost	601	541
Actuarial Loss/(Gain)	(34)	516
Benefits Paid in the Year	(299)	(183)
SCHEME LIABILITY AT 31 DECEMBER	31,631	29,856

C. Deferred Funding for Pensions

SEAI recognises these amounts as an asset corresponding to the unfunded deferred liability for pensions on the basis of the set of assumptions described below and a number of past events. SEAI has no evidence that this funding policy will not continue to meet such sums in accordance with current practice.

	2018 €'000	2017 €'000
NET DEFERRED FUNDING FOR PENSIONS FOR THE YEAR		
Funding Recoverable in Respect of Current Year Pension Costs	2,108	1,814
State Grant Applied to Pay Pensions	(299)	(183)
PENSION COST IN THE PERIOD	1,809	1,631

The deferred funding asset for pensions as at 31 December 2018 amounted to €31,631,000 (2017: €29,856,000).

D. History of Experience Gains and Losses

	2018 €'000	2017 €'000	2016 €'000
EXPERIENCE GAINS/ (LOSSES) ON SCHEME LIABILITIES			
Amount (€)	(554)	(996)	725
Percentage of Present Value of the Scheme Liabilities	(1.7%)	(3.3%)	2.6%
Total Amount Recognised in Statement of Comprehensive Income	34	(516)	(4,830)
Percentage of Present Value of the Scheme Liabilities	(0.1%)	(1.7%)	(17.4%)

The cumulative actuarial loss recognised in the Statement of Comprehensive Income amounts to €11,678,000 (2017: €11,712,000).

E. General Description of the Scheme

The pension scheme is a defined benefit final salary pension arrangement with benefits and contributions defined by reference to current "model" public sector scheme regulations. For class D PRSI contributors the scheme provides a pension (one eightieth per year of service), a gratuity or lump sum (three eightieths per year of service) and spouse's and children's pensions. For class A PRSI contributors the scheme provides a pension (one two hundredths per year of service) up to a threshold of 3 1/3 times the maximum annual rate of the state contributory pension, a gratuity or lump sum (three eightieths per year of service) and spouse's and children's pensions. Normal Retirement Age is a member's 65th birthday, and pre 2004 members have an entitlement to retire without actuarial reduction from age 60. Pensions in payment (and deferment) normally increase in line with general public sector salary inflation.

The Single Public Service Pension Scheme (Single Scheme) is the defined benefit pension scheme for pensionable public servants appointed on or after 1 January 2013 in accordance with the Public Service Pension (Single Scheme and Other Provisions) Act 2012. The scheme provides for a pension and retirement lump sum based on career-average pensionable remuneration, and spouse's and children's pensions. The minimum pension age is 66 years (rising in line with State pension age changes). It includes an actuarially-reduced early retirement facility from age 55. Pensions in payment increase in line with the consumer price index.

The valuation used for FRS102 disclosures has been based on a full actuarial valuation on 15th February 2019 by a qualified independent actuary taking account of the requirements of the FRS in order to assess the scheme liabilities at 31 December 2018.

The main financial assumptions used were:

	At 31/12/18	At 31/12/17	At 31/12/16
Discount Rate	2.02%	1.96%	1.96%
Rate of Increase in Salaries	3.1%	3.25%	3.25%
Rate of Increase in Pensions	3.1%	3.25%	3.00%
Inflation	1.96%	1.95%	1.95%

Mortality Tables used are as follows:

ACTIVE & DEFERRED	Pre-Retirement	Post-Retirement	Pensioners
Male	62% of PNML00	58% of ILT15	58% of ILT15
Female	70% of PNFL00	62% of ILT15	62% of ILT15

Based on these tables, the future life expectancy at age 65 for males and females is as follows:

	Current Pensioner (in 2018) at age 65	Future Pensioner (in 2038) at age 65
Male	21.4 years	23.9 years
Female	23.8 years	25.9 years

16. Grant Commitments and Grant Repayments/Refunds

(i) Grant Commitments

It is estimated that the maximum future payments likely to arise from commitments entered into under various support schemes will amount to €49.851m (2017: €28.865m).

	Committed As at 1 Jan 2018	Committed During the period	De- committed	Payments	Committed As at 31 Dec 2018
	€'000	€'000	€'000	€'000	€'000
ENERGY EFFICIENCY					
Better Energy Warmer Homes	48	-	(48)	-	-
Better Energy Finance Pilot	1,020	784	(1,523)	(281)	-
Energy Agreements Special Investigation	93	7	(100)	-	-
Exemplars	297	13,679	(184)	(12,328)	1,464
Warmer Homes Areas	24	-	(24)	-	-
Better Energy Homes	7,363	28,076	(7,734)	(17,095)	10,610
Better Energy Communities	13,856	22,558	(3,900)	(17,681)	14,833
Sustainable Energy Communities	190	2,741	-	(1,554)	1,377
EXEED	515	3,461	(118)	(1,539)	2,319
Deep Retrofit	-	8,717	-	(4,753)	3,964
SME Grants	114	2,119	(9)	(1,172)	1,052
RENEWABLE ENERGY					
Renewable Energy Research, Development & Deployment	919	10,433	(519)	(3,246)	7,587
Electric Vehicles	1,034	13,730	(874)	(9,796)	4,094
Ocean	3,392	1,668	(426)	(2,083)	2,551
	28,865	107,973	(15,459)	(71,528)	49,851

17. Related Parties Disclosures

Total compensation paid to the CEO and the Board, including Board members' fees and expenses and total CEO remuneration amounted to €201,653 (2017: €194,226). For a breakdown of the remuneration and benefits paid to key management personnel, please refer to note 5.1 and note 18.

The Board adopted procedures in accordance with Section 18 of the Sustainable Energy Act, 2002 and in accordance with guidelines issued by the Department of Public Expenditure

and Reform in relation to the disclosure of interests by Board Members and these procedures have been adhered to in the year. In accordance with SEAI's Conflict of Interest Policy, on two occasions during the year, two Board members excused themselves from a Board decision in order to avoid any potential or perceived conflict of interest in relation to the Better Energy Communities Programme.

18. Board Members Fees and Expenses

SEAI pays fees and expenses to its Board members in accordance with Department of Public Expenditure and Reform regulations and circulars. SEAI applied the decision of the Government of March 2010 in respect of fees for members of State Bodies. Board member fees are rounded to the nearest €'000. Board member expenses of €438 were paid in 2018 (2017: €438).

	2018 €'000	2017 €'000
BOARD FEES		
Julie O'Neill (a)	12	12
Anne Farrell (d)	6	7
Michael Wall (a)	8	7
Lisa Ryan (a)	8	8
Peter Brennan (a)	8	8
Anne Connolly (b)	0	4
Michael Mc Garry (c)	8	8
Patrick Gilroy (e)	0	6
Kate Ruddock (f)	8	7
Kevin Brady (f)	-	-
Andrew Ennis (g)	7	4
Ann Markey (g)	7	4
Léan Doody (i)	1	-
Werner Kruckow (i)	1	-
Jim Gannon (h)	-	-
TOTAL	74	75

- a) Appointed 6th May 2015
- b) Retired 13th June 2017
- c) Appointed 14th May 2013, reappointed 1st May 2016 and reappointed 3rd October 2016
- d) Retired 2nd October 2018
- e) Retired 30th September 2017
- f) Appointed 16th February 2017
- g) Appointed 14th July 2017
- h) CEO Ex officio appointed 23rd May 2016
- i) Appointed 31st October 2018

BOARD MEMBERS EXPENSES	2018 €'000	2017 €'000
Domestic Mileage	-	-
Domestic Subsistence	-	-
Domestic Other	1	1
Overseas Airfares	-	-
	1	1

19. Operating Leases - Premises

SEAI head office is located in Wilton Park House, Dublin 2 with sub-offices in Dundalk, Cork, Sligo and Belmullet Co. Mayo. SEAI has a temporary convenience lease running from 1st July 2009 to 28th October 2019 on its the Head Office in Wilton Park House.

SEAI will relocate the Head Office in 2019 and have signed a premises lease at Three Park Place, Upper Hatch Street, Dublin 2 for 25 years, effective from 14 May 2018. The rent will be reviewed every five years, the first of which will be five years from the Term Commencement Date of Lease, 14 May 2023.

The Authority has the following future non-cancellable minimum lease payments under operating leases for each of the following periods:

OPERATING LEASES	2018 €'000	2017 €'000
Within 1 Year	1,599	461
During 2 to 5 Years	7,011	374
Over 5 Years	33,959	-
TOTAL	42,569	835

Lease payments under operating leases are recognised as an expense over the period which SEAI obtains benefit from the premises. Operating lease payment recognised as an expense was €576,036 (2017: €461,313).

20. Comparative Figures

Certain comparative figures for the year have been re-grouped and re-presented on the same basis as those for the current year.

21. Approval of Financial Statements

The Board approved the financial statements on 28th March 2019.



seai SUSTAINABLE
ENERGY AUTHORITY
OF IRELAND



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