

Annual Report 2019

Creating a
**clean
energy
future**





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

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Contents

Chairperson's Statement	2
Chief Executive's Review	4
Achievements in 2019	6
Transforming Energy	10
Data and insights at SEAI	18
Research and technology	19
Delegated functions	20
2019 Highlights	22
Energy Efficiency Report	26
Corporate Social Responsibility at SEAI	28
Corporate Governance	30
Governance Statement and Board Members' Report	36
Statement of Internal Controls	44
Report of Comptroller and Auditor General	46
Statement of Income and Expenditure and Retained Revenue Reserves	48
Statement of Comprehensive Income	49
Statement of Financial Position	50
Statement of Cash Flows	51
Notes to the Financial Statements	52

OUR IMPACT

GOVERNANCE

FINANCE

Chairperson's Statement

I am writing this Chairperson's statement in my capacity as the SEAI Senior Independent Board Member, a role I assumed on 5th May 2020 at the end of the term of the Chairperson, Julie O'Neill. The position of Board Chairperson remains vacant as we publish the Annual Report for 2019.

On behalf on the Board and the Executive, I want to thank Julie O'Neill for her outstanding contribution to the development of SEAI since her appointment as Chairperson on 6th June 2015. She provided outstanding strategic leadership, informed guidance and demonstrated her willingness to address challenging issues in a constructive manner. SEAI benefitted in so many ways from her unique public and private sector experiences, her wide network, strong personal relationships with the Department of Communications, Climate Action and Environment, along with her knowledge of the sustainable energy and climate change agenda. As a result of Julie's work, SEAI continues to play a central role in shaping the climate change and energy sustainability agenda.

There were many developments during her tenure and 2019 that had, and will have, a huge impact on SEAI:

- The successful conclusion to UNFCCC COP21 in Paris in 2015 was followed by complex discussions on implementation, which will lead to tougher legally-binding emissions reduction and energy efficiency targets.
- Following an extensive and engaging consultation process, the Minister for Communications Climate Action and Environment, Mr Richard Bruton T.D. published the Climate Action Plan (CAP).

- Legislation on climate action has been drafted.
- There is a broad consensus within the Oireachtas on climate change and the gradual transition to a low-carbon economy.
- The increase in carbon tax was ring-fenced to support climate action and energy efficiency measures.
- SEAI launched a new Support Scheme for Renewable Heat.
- SEAI is directly involved in 68 actions under the CAP: some 37% of all activities.
- SEAI has grown from an organisation of 53 people in 2015 to 91 now. We will need additional resources to deliver on all the actions allocated to us in the CAP.
- SEAI's budget increased from €69m in 2015 to the current level of €208m and it is anticipated that this will increase further in the context of developments arising from the National Retrofit Task Force.

Undaunted by a series of challenges, not least of which is the recruitment of a new CEO, SEAI has grown in the breadth and depth of services offered. SEAI has also grown in its passion, strategic leadership and readiness to serve the Government's low carbon agenda. The CAP highlights the central and critical nature of SEAI endeavours to achieving Ireland's clean energy transition. The need for action is no longer in doubt.

The pace of implementation is now the key challenge as we embark on fundamental challenges to re-configure Ireland as a low-carbon economy.

In this context, it is worth noting:

- Overall energy demand in 2018 rose by 1.6%, linked with economic growth of 1.7% (as measured by Modified Domestic Demand).
- Total energy-related CO₂ emissions fell by 1.2% and are now almost one fifth below 2005 levels. However, the overall reduction was not enough to keep Ireland on track to meet long term decarbonisation goals.
- At 11%, Ireland is not on track to meet its binding EU target of 16% of energy to come from renewable sources by 2020. While the renewable electricity contribution is getting close to target, the heat and transport proportions are regrettably behind where we need to be.

As we entered 2020, it was expected that Brexit would be our greatest national challenge. Little did we anticipate that, arising from COVID-19 our world would utterly change, with great pain and suffering being felt across the world. From SEAI's perspective, many of our programmes that involve construction retrofitting activity in people's homes have had to be suspended. Our offices have remained closed since 10 March 2020.



Notwithstanding this, there is cause for optimism as we look forward to a period of economic recovery. The crisis has given Ireland and the Irish a sense of how we can collectively act in the face of an adversary. The challenge is how to channel these efforts in the period ahead to drive the path to carbon neutrality.

The shutdown has been a stressful challenge to the global economy, but it has also shown us how our energy use and mix can adapt in seismic ways as the economy responds. It will be imperative now to take these lessons forward and introduce a strategic stimulus package in the context of revitalising economic activity. SEAI stands ready at national and international level to play a leadership part in this process in the context of a Programme for Government. SEAI intends to play an important role in rebuilding the economy. We have a pipeline of projects that are shovel-ready and will re-start as soon as is feasible and as budgets permit.

At EU level, arising from the recent publication of the EU Green Deal, the decade ahead will be founded on investment in carbon abatement technologies, innovation and research and development. The overall mission

of the Green Deal is to make the EU climate neutral (no net emissions) by 2050 and to decouple economic growth from resource use and emissions. It aims to transform the 27 Member States from high to a low carbon economies, without reducing prosperity and while improving the quality of life of its citizens, through cleaner air and water, better health and a thriving natural world. SEAI will play its part to deliver projects and programmes to improve energy efficiency and to support emerging technologies as part of the Irish Government's response to the EU Green Deal.

I would like to thank my colleagues on the Board of the Authority for their support for the Chairperson and myself, as SIBM, during 2019. I want to acknowledge the leadership of the CEO, Jim Gannon, up to the end of September 2019 and the interim CEO William Walsh, who continues in that role in a very challenging time for SEAI, particularly in managing and leading the organisation during the COVID-19 crisis. This leadership and the collaboration amongst the senior management team is continuing to deliver high quality value added services to the benefit of all SEAI's stakeholders. In particular, SEAI continues to engage in a positive and

constructive manner with local energy communities, in delivering on key national strategic objectives. These communities are the pulse of what is possible in a low-carbon economy. This leadership will be more important than ever during the post COVID-19 crisis and in delivering key strategic national initiatives in a new Programme for Government.

I want to thank the Minister for Communications, Climate Action and Environment and his Departmental officials for their continued and consistent support for SEAI in our shared goal of transiting to a low carbon future. I can assure the Minister of the full co-operation of the SEAI Board and the Executive.

Finally I want to thank SEAI's staff for their dedication, expertise, know-how and solid work. They have displayed their true colours in recent months. Working remotely, the wide range of advisory services SEAI provides to its clients have continued seamlessly. The SEAI team is an exemplar of the highest standards of public sector commitment and work ethos.

A handwritten signature in black ink, reading "Peter Brennan".

Peter Brennan
Senior Independent Board Member
SEAI Board

Chief Executive's Review

SEAI works with Government, citizens, businesses, and communities to help achieve Ireland's clean energy transition. Sustainable energy improves people's lives, brings comfort and convenience, and addresses environmental challenges. It is also beneficial to our economy, creating and protecting jobs.



A key part of this journey includes increasing energy efficiency, stimulating cost-effective and competitive solutions. We also work towards the realisation of Ireland's significant potential in renewable energy, supporting and enabling the development of onshore and offshore wind; solar; bioenergy and other renewable resources. This report highlights our passion and commitment for the important role we play in transforming Ireland into a society based on sustainable energy structures, technologies and practices.

In 2019, the Department of Communications, Climate Action and Environment provided SEAI with our largest budget yet, clearly demonstrating the extraordinary priority which Government places on climate action. Each year, SEAI's budget is invested into the Irish economy to decarbonise our economy, support renewable energy, energy efficiency and innovation initiatives. SEAI's funding also provides a regional stimulus to organisations through the energy sector and supports economic growth and employment. In 2019, programmes administered by SEAI delivered

building energy upgrades to 24,700 homeowners and 57 communities, as well as solar PV energy systems to another 1,800 homes. SEAI's grant schemes supported 4,700 purchasers of electric vehicles (EV) and helped install 2,583 home EV charging units. Communities in Ireland rallied behind climate action in 2019, with 345 members now part of SEAI's energy community network. The public sector engaged with SEAI in 25 new energy partnerships, and in the private sector 48 new SEAI EXEED projects facilitated energy efficiency in businesses nationwide.

SEAI also shared our learnings throughout 2019, hosting 70 best-practice knowledge sharing and training events. SEAI protected the energy interests of consumers, with 415 energy labelling and eco-design market surveillance interventions in 2019, and the continued oversight of the energy supplier energy efficiency obligation schemes. In 2019, SEAI's behavioural science team conducted five field trials on ways to encourage consumer action on sustainable energy, unlocking insights upon which we can build initiatives and advise future policy. We also hosted the first National Energy Research and Policy Conference in collaboration with DCCAE, facilitating discussion on the role of energy research and policy in achieving Ireland's long-term clean energy goals.

SEAI is mandated to provide policy analysis, forecasts and modelling support to the Government. As we plot a path towards 2030 and beyond, it is essential that we continue to strengthen this role. Working hand in hand with our parent department and other government departments, we continue to support their policy and decision-making processes as our response to the climate challenge evolves.

Research and innovation across all disciplines and sectors will be key if we are to unlock the full range of sustainable energy opportunities for Ireland. SEAI has strengthened its support for the energy research and innovation activities during 2019 and we are planning additional enhancements in the near future. Working with our colleagues in DCCAE, SEAI committed €11 million to 50 research projects in 2019. As and when we emerge from the truly extraordinary business and economic disruption of COVID-19, there may be opportunity to stimulate the economy in a way that supports Ireland accelerating towards target achievement. The recent SEAI Renewable Energy in Ireland report highlights that Ireland faces particular challenges in the renewable heat sector. 2019 saw the commencement of phase two of the Support Scheme for Renewable Heat which provides supports to businesses to invest in and use technologies which generate heat from renewable resources, such as biomass boilers, anaerobic digestion plants or heat pumps.

In 2019, Minister Richard Bruton published the Climate Action Plan to Tackle Climate Breakdown. SEAI provided considerable support to the Minister and his team of officials in the finalisation of the plan. SEAI holds lead responsibility for a significant number of the more than 180 actions contained in the plan, with a supporting role for many others. The management and staff of SEAI relish the opportunity presented and are committed to the ambitious targets set down in the plan.

Finally, it is important to recognise the continued dedication, passion, and commitment of our staff and the Board of SEAI. I thank them for their drive and support and look forward to continuing to work with them in delivering a sustainable future. I also thank the Minister and officials at the Department of Communications, Climate Action and Environment for their constant collaboration and support for SEAI and the important work we do. Ireland's growing climate ambitions, and the stimulation of the Irish economy post COVID-19, will see SEAI play an impactful role in the shaping of our country's energy in 2020 and beyond.



William Walsh

Chief Executive Officer
Sustainable Energy Authority of Ireland

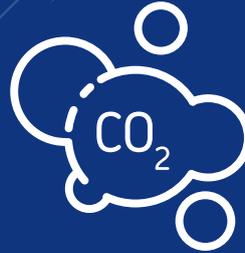
“ Ireland’s growing climate ambitions, and the stimulation of the Irish economy post COVID-19, will see SEAI play an impactful role in the shaping of our country’s energy in 2020 and beyond. ”

Some of our Achievements in 2019



€140m

Government funds invested in Ireland's clean energy transition



€32m

in cost savings and 130,000 tonnes of CO₂ emissions avoided annually



€84m

grant support towards 24,742 home energy upgrades including 3,482 energy poor homes



57

community energy projects funded across Ireland

345

sustainable energy communities network members representing more than 15,000 citizens



CITIZENS AND COMMUNITIES

103,000+

BERs published through SEAI systems



70,000

pupils participated in SEAI's education programme



4,700

electric vehicles and 2,583 home charging units supported



13 bioenergy heating projects supported at €355,000 annually for fifteen years

€12.4m

saved through projects implemented by 190 large industry energy network members



PUBLIC AND BUSINESS SECTOR



48

major energy upgrades supported with €2.7 million through SEAI EXEED



70

best practice knowledge-sharing and training events delivered to more than 2,000 people



89

public building retrofits supported with €9 million, giving a €16 million total project investment



€11m

in funding committed to 50 innovative research projects

10

significant reports and papers produced, informing the policy options for Ireland to tackle climate change



€3.6m

invested in ocean energy prototype devices and test site development

POLICY INSIGHTS, RESEARCH AND INNOVATION



SEAI co-hosted the inaugural Energy Research and Policy Conference with the Department of Communications, Climate Action and Environment

5



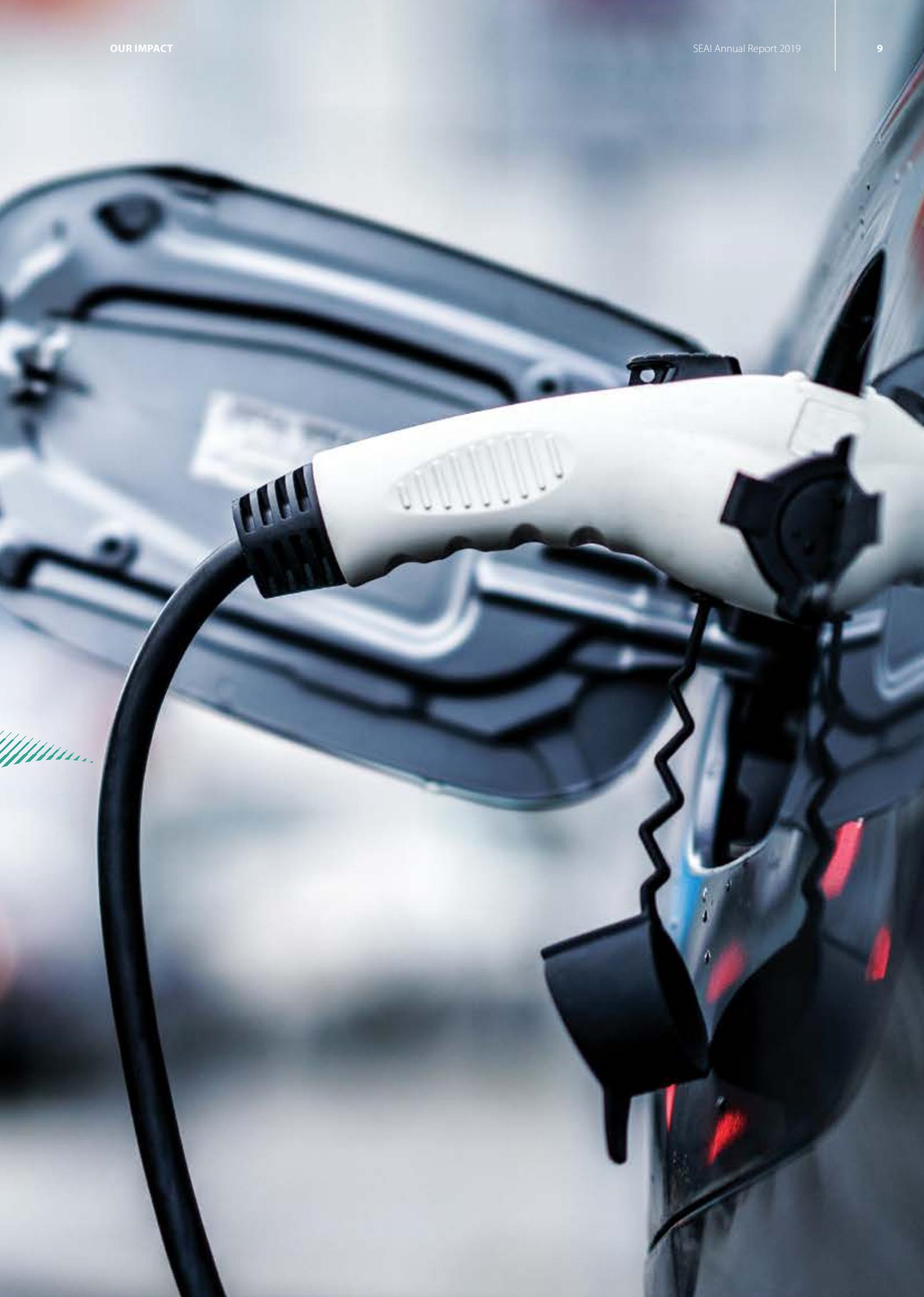
sustainable energy behavioural trials completed to better understand what encourages citizens to act



Ireland's National Energy and Climate Plan underpinned by SEAI energy modelling and technology analysis

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



TIPPERARY CO-OPERATIVE CREAMERY

SEAI's Large Industry Energy Network supports 200 of Ireland's biggest energy users on their energy efficiency ambitions and commitments.

Tipperary Co-operative joined the network in 2018 and since then have worked tirelessly to improve their energy performance. The creamery is farmer-owned and processes approximately 350 million litres of milk annually.

According to JP Bourke, Energy & Sustainability Manager at the creamery, "The ultimate goal is to achieve carbon neutrality in the milk collection and factory operations. There are four pillars to our sustainability programme: farm operations, milk collection,

factory operations and community engagement. The project is driven from the ground up and is leading to an upskilling of employees in both operations and maintenance".

The creamery has successfully implemented energy efficiency measures that have yielded over 10% energy savings to date.

One key action was an energy kaizen on the evaporation procedure. A multi-disciplinary team reviewed the operation of the plant, to identify

low and no cost savings. Key to the success of the energy upgrades at the creamery was the implementation of an energy management system, ultimately securing certification to ISO50001. This transition required engagement and support from stakeholders right across the business.

10%

The creamery has successfully implemented energy efficiency measures that have yielded over 10% energy savings to date



BOCAN UNLOCKS ENERGY EFFICIENCY OPPORTUNITIES

Bocan is a community creche in Culduff, Co. Donegal serving 72 families in the local area. Affordable childcare is a top priority for Bocan and they are always looking for ways to reduce costs even further for parents.

Pursuing their own commitment to climate action and with financial support from SEAI, Bocan completed energy saving measures at the creche. These sustainable energy upgrades allowed them to further reduce costs for parents while improving their carbon footprint.

Bocan installed a geothermal heat pump, eliminating the need for oil heating, and solar photovoltaic panels on the roof to power electrical appliances in the creche.

Caroline Borden, Manager of the creche said "We are set to make savings of €3,000 per annum enabling us to keep creche fees low for parents. There is huge potential for other SMEs across Ireland to make savings through smarter energy choices. Affordable childcare and sustainability are key priorities for the creche. If another small to medium sized business was to look into it, I'd completely recommend it. It is one less cost we have to be looking out for overtime."

SEAI offers a range of financial support SMEs like Bocan who are looking to reduce their energy bills and take positive climate action in the community. SMEs can save up to 10% on energy bills by making small changes and investing in energy efficient technology.

COLLINSTOWN PARK COMMUNITY COLLEGE EMBRACES SUSTAINABLE ENERGY

By collaborating with Microsoft, SSE Airtricity and SEAI, the community college in West Dublin was able to implement an energy efficiency plan to address high costs.

In common with many schools, the biggest issue in terms of energy usage was rising electricity costs. But then this energy-conscious secondary school saw the opportunity to link renewable energy and environmental education to achieving its sustainability goals.

The school received a government grant to fund the installation of 30 PV Solar Panels and battery units which worked well for a high-occupancy school. They also replaced light fixtures in the main building with LEDs and

sensors, a high efficiency lighting solution.

These energy upgrades helped the school to reduce their lighting bill by 90% and overall electricity bill by 50%. The total investment in the project came to €250,000, with 50% funded through the SEAI Community grant.

In addition to swapping fossil fuels for renewable energy, the school embarked on an educational mission to empower staff and students on sustainability. This was accomplished through a series of events such as school trips, workshops, challenges, and competitions.

"This successful project focused on becoming energy efficient and educating the students, staff and wider community. Without the backing of the SEAI, Microsoft and SSE Airtricity our green journey would not have been possible. We hope this project will inspire other schools to take similar climate-action," says Pauline Duffy, Principal at Collinstown Park Community College.





ENERGY UPGRADES AT THE BIRCHES ALZHEIMER DAY CENTRE IN DUNDALK

Energy efficiency upgrades implemented with the support of SEAI's community grant, are keeping patients at The Birches Alzheimer Day Centre warmer and healthier.

In 2019 SEAI supported 450 non-domestic community upgrade projects like The Birches on their energy efficiency journey. Keeping warm is crucial to the longevity of a patient with any form of dementia and being exposed to the cold can worsen symptoms for those suffering with this debilitating disease.

A thorough energy audit highlighted how the heating bill accounted for 70% of the centre's overall energy costs. This prompted the team at The Birches to look at ways to reduce their heating energy bill, etching out their sustainable energy path. When Gerard Murphy, Chairman of The Birches, met with Eugene Conlon from Dunleer Sustainable Energy Community, things began to fall into place.

Eugene helped The Birches avail of SEAI's community grant, a government grant programme supporting energy efficiency projects through capital

funding, partnerships and technical support. The Birches received €38,000 from SEAI towards several energy upgrades in the centre. The upgrades included roof and wall insulation, as well as new windows and doors, essential first steps for cold buildings. They also added an air-to-water heat pump and a solar PV system.

The aim of the energy upgrades was to make this building "more energy efficient, warmer, safer, user friendly and to include renewable energy solutions that delivered on the needs of the client and contributed to delivering on our national climate change objectives," says Eugene Conlon.

The centre can now use the money saved on heat and electricity for other items in the centre. It will also reduce the amount they need to fundraise each year.

"The aim of the energy upgrades was to make this building more energy efficient, warmer, safer, user friendly and to include renewable energy solutions that delivered on the needs of the client and contributed to delivering on our national climate change objectives."



KELLY'S HOTEL USING BIOMASS FOR ENERGY SAVINGS

In Ireland, businesses are beginning to seize the opportunity to capitalise on bioenergy, one of the fastest growing renewable energy sectors.

Kelly's Resort Hotel and Spa in Co. Wexford have been using biomass to heat their buildings for many years.

Bill Kelly, the hotel's proprietor is very conscious of the needs and aspirations of his guests. He says: "More and more customers are very green aware. They are looking to visit hotels that are working on a sustainability plan for the future. We decided to go with a wood chip boiler because it was carbon neutral and because there was serious

cost savings to be made. We were using 175,000 litres to 200,000 litres of oil per annum. We are now using less than 50,000 litres of oil per annum".

Kelly's Hotel put a huge amount of effort into keeping their hotel green. They have a sustainability plan which Bill describes as an 'ongoing process'. With the woodchip boiler, the hotel is saving 260 tonnes of carbon per annum.

The government funded Support Scheme for Renewable Heat bridges the gap between the installation and operating costs of renewable heating systems, such as biomass boilers, and the conventional fossil fuel alternatives.

260 tonnes

With the woodchip boiler, the hotel is saving 260 tonnes of carbon per annum

" We were using 175,000 litres to 200,000 litres of oil per annum. We are now using less than 50,000 litres of oil per annum. "

EV HOME-CHARGER A GAME CHANGER FOR DEREK MURTAGH

Key measures outlined in the Climate Action Plan to improve the transport sector, include increasing the number of electric vehicles on Irish roads.



There are over 17,000 EVs already on Irish roads. To help more people make the switch to electric, SEAI introduced a government funded grant for EV home-chargers. To date almost 4,100 EV drivers have availed of the grant.

Derek Murtagh, an engineer from Dublin, bought his first EV two years ago. Sustainability is a huge part of Derek's life - the part-time rugby coach lives in an A-rated home and is married to an environmental scientist. For Derek,

the home-charger alleviated any range anxiety and helped him get on with a more sustainable life.

Derek says "Getting a home-charger was a real game changer. We had so much peace of mind knowing we had a personal point to charge the car. I use the vehicle almost every day of the week, usually travelling in the region of 100km. My last car was costing me about €1,500 a year in fuel and another €1,500 in tax and servicing. Compare that to €10 in additional electricity bills a week for my electric car. I also get reduced M50 tolls so that saves another €500. I'm really happy now. The first few weeks driving an electric car take a bit of adjusting but I can't see myself ever buying anything other than electric from here on in".



KILANERIN SUSTAINABLE ENERGY COMMUNITY

As Ireland moves forward in our transition to a low-carbon economy, local communities like the one in Kilanerin, Co Wexford are uniting to take climate action.

Kilanerin Ballyfad Community Development Association is one of more than 350 communities in SEAI's energy community network.

Back in 2018, Karen Finigan, who had recently returned from living abroad, attended an SEAI event to learn more about what she could do in her local community. Following the meeting, she

immediately went about establishing a leadership team for the newly formed community group and joining the SEAI network. One of the first goals the team set themselves was to raise awareness in their local community of the benefits of energy efficiency and sustainable energy. They knew they needed to get buy-in and have everyone on board if they wanted to make a real and lasting impact. They hosted a hugely successful Sustainability Fair with people from neighbouring villages joining in too.

Karen says, "It was an all hands on deck affair and seemed to meet the learning and interest needs of many. We are in the early days but the buzz around the village is phenomenal. People are engaged and thinking about what can be done to save energy and how we can move in sustainable directions most broadly".

Kilanerin Community are now busy drafting their energy master plan which will map out the actions they need to take to reduce energy consumption and transition to a low-carbon community.

“The research outcomes have contributed to policy papers that have helped to inform national policy, particularly the Climate Action Plan target of 70% RES-E by 2030.”

RESEARCH FUNDING SUPPORTING POLICY PAPERS AND CLIMATE TARGETS

SEAI provided €11M support to 50 cutting edge energy research and development projects in 2019, progressing solutions that will deliver clean energy solutions for Ireland.



The National Energy Research, Development and Demonstration Funding Programme attracted significantly increased interest and was extremely competitive. The call was run with support from strategic co-funding partners including: Gas Networks Ireland, ESB Group and the Geological Survey of Ireland.

Mullan Grid Consulting, in partnership with ABO Wind, Coillte and Dublin City University were awarded €49,637 through the 2018 research funding call. Their one-year collaborative project examined the electricity system in Ireland, investigating the relative and combined impact and importance of a range of curtailment mitigation options on high RES-E systems in 2030 and 2040.

The team developed a model for estimating curtailment in Ireland and used this model to investigate potential measures and options to mitigate curtailment in 2030. Measures considered included: Relieving operational constraints, additional interconnection capacity, energy storage, increased wind capacity factors, diversification of technologies e.g. solar capacity and demand side management.

The research outcomes have contributed to policy papers that have helped to inform national policy, particularly the Climate Action Plan target of 70% RES-E by 2030.

Paul Blount, Coillte Portfolio Director, led the model development and analytics aspects of this project, and was awarded a Person of the Year award by the wind industry association in January 2020 for his outstanding contribution to policy. The final technical report is available to download from the National Energy Research Database which outlines in detail the key conclusions and recommendations.

€49,637

Mullan Grid Consulting, in partnership with ABO Wind, Coillte and Dublin City University were awarded €49,637 through the 2018 research funding call

“The University has benefited from the support of the SEAI public sector team and supports and participates in peer to peer sharing and learning within 3rd level sector.”



NUI GALWAY EXCEED CLIMATE TARGETS THROUGH PUBLIC SECTOR PARTNERSHIP PROGRAMME

Through SEAI's Public Sector Partnership Programme, NUI Galway were supported in delivering on the government 2020 climate action target of 33%.

The University has now set a new and ambitious target of 40% for 2020.

NUI Galway is one of the first universities in Ireland to exceed this 2020 target at 36%. The University has benefited from the support of the SEAI public sector team and participates in peer to peer sharing and learning within the 3rd level sector.

“We implemented ISO 50001 back in 2012, this has helped them monitor and maintain their energy demands by encouraging students and staff on campus to have switch off days. Key features as part of our energy upgrades include EV Points, Biomass Boilers, Solar PV and numerous LED projects across the campus. We set up the NUIG Energy Team in 2006 and it consists of the Energy Performance Officer, Senior Management from the university, maintenance and mechanical teams and other special consultants,” explains Michael Curran, Head of Building Services, Energy and Utilities at NUIG.

NUI Galway are committed to following a Live, Learn and Lead philosophy to reduce further energy consumption by 2030. This holistic approach is delivering outstanding results in a collaborative and inclusive way underpinned by an excellent long-term strategy with strong leadership from the college President.

President of the University, Ciarán Ó hÓgartaigh, commits annually to the Energy Performance Objectives by signing the Energy Policy committing the university to meeting targets set out in the energy plan.

36%

NUI Galway are one of the first universities in Ireland to exceed this 2020 target at 36%



THE FAIR PLAY CAFÉ IN RINGSEND PROGRESSES TOWARDS A ZERO CARBON FUTURE

Supported by SEAI's communities network, the Fair Play Café is transitioning into a zero-carbon community building and a hub for sustainability in Ringsend.

The Fair Play Café has been the hub of Ringsend Irishtown Sustainable Energy Community (RISEC) since its inception in 2018. Chairman of RISEC and CEO of the Fair Play Café, Joe Donnelly, was keen to use the café's status as an established community centre to showcase the benefits of sustainable energy.

SEAI funded an Energy Master Plan which provided a roadmap for energy efficiency projects in the community. This included an energy audit of the café.

"We took the recommendation of the energy audit to develop an action plan for phased investment over the next three to four years. We wanted a strong visual statement of sustainable energy and chose to install solar PV panels with an internal display showing generation levels," says Joe Donnelly.

3 kW of solar PV was installed meeting 16% of total electricity consumption. Energy efficient LED lighting saved 21% of total electricity consumption. Advanced heating controls for time, temperature and zone control reduced unnecessary space heating. Finally, an insulated door reduced heat loss and draughts creating a more comfortable

space. The Fair Play Café was eligible for 50% grant funding through SEAI's community grant scheme, which was essential to the decision to proceed with the project.

"The solar PV panels and display have become a talking point with visitors to the café and generate a lot of interest in RISEC and potential projects," Joe adds.

The installation of advanced heating controls allowed time and temperature control of different zones with remote access preventing unnecessary heating when not in use. The insulated door reduced heat loss and draughts creating a more comfortable space and has resulted in gas savings of 26.5% or 6,000 kWh/yr. Total annual savings of €1,300 have been made since implementing the energy upgrades.

" We took the recommendation of the energy audit to develop an action plan for phased investment over the next three to four years. We wanted a strong visual statement of sustainable energy and choose to install solar PV panels with an internal display showing generation levels. "

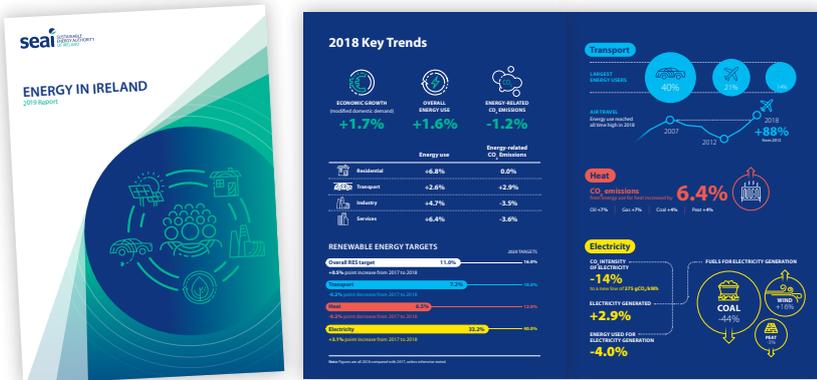
Data and insights at SEAI: informing national energy policy

SEAI has a legal mandate to produce Ireland's national energy statistics and projections annually.

Outputs from these functions illustrate progress on energy-related targets, energy-related emissions and future pathways for the transformation of Ireland's energy system - with the aim of net-zero emissions by 2050. Our behavioural economics team investigates how consumers use energy and make purchasing decisions to encourage measurable changes to household and business energy behaviour. We also pilot innovative finance mechanisms that will be an essential driver for decarbonising Ireland's buildings.

We deliver policy analysis to demonstrate the impact of existing Government policies and develop new ideas for the advice of policy makers in the Department of Communications, Climate Action and Environment, and wider climate policy fora. SEAI's work in this area has most recently informed the Government's Climate Action Plan, the National Energy and Climate Plan (NECP) and the National Housing Retrofit Taskforce.

In addition to advice provided directly to Government, significant publications in 2019 included:



ENERGY IN IRELAND – 2019 REPORT

Our annual snapshot presenting definitive statistics on energy supply and use in Ireland. The 2019 report illustrated that energy for air travel reached an all-time high in 2018; we continue to excel at adding renewable electricity to our grid; and that we still have a lot of work to do to decarbonise heat use in Ireland.

CHANGING ENERGY BEHAVIOUR – WHAT WORKS?

A review of international evidence on what works for encouraging sustainable energy behaviours. The report recommended several behaviour change interventions, some of which are now being trialled in Ireland to strengthen the evidence base for policymaking informed by behavioural science.



Research and technology

SEAI undertakes a range of research and technology activities.

These include running the National Energy Research, Development and Demonstration and Ocean Energy Prototype Development funding programmes; representing Ireland at important international research and technology policy fora (EU, UNFCCC and IEA) and several national research policy activities across Government. This work contributes to the development of the evidence base to support policymaking, and through this work SEAI acts as an independent trusted advisor to Government, develops technical standards and supports market development for key energy technologies across the heat, electricity and built environment sectors.

“ The SEAI National Energy Research Development and Demonstration Funding Programme is a key enabler of Ireland’s medium to long-term energy policy targets. ”

The SEAI National Energy Research Development and Demonstration Funding Programme is a key enabler of Ireland’s medium to long-term energy policy targets. Like the 2018 programme call, the 2019 call attracted significantly increased interest relative to previous years. SEAI engaged three new strategic co-funding partners for 2019 (Gas Networks Ireland, ESB Group and the Geological Survey of Ireland) enabling 50 research projects to be funded to a value of €11 million. SEAI also launched a new national energy research database to track public investment in energy research and

enhance collaboration. At the end of the year SEAI, in collaboration with the Department of Communications, Climate Action and Environment, hosted the inaugural National Energy Research and Policy Conference, focussed on the transformation of Ireland’s electricity sector.



€11m

SEAI engaged three new strategic co-funding partners for 2019 enabling 50 research projects to be funded to a value of €11 million

Delegated functions

SEAI has delegated responsibility from the Minister for Communications, Climate Action and Environment in the areas of the Energy Efficiency Obligation Scheme and Market Surveillance for energy labelling and eco-design.

ENERGY EFFICIENCY OBLIGATION SCHEME

The Energy Efficiency Obligation Scheme requires all large energy suppliers to deliver energy efficiency savings from across all final energy using sectors. SEAI is the scheme administrator, reporting to Department of Communications, Climate Action and Environment. Our role is to calculate the targets for the scheme, to monitor and verify the savings submitted by Obligated Parties, energy credit allocation and to monitor their compliance with all requirements of the scheme.

The scheme has delivered 4,057GWh of energy efficiency savings in the period between 2014 and 2019, 790GWh of that in 2019 alone. This represents a recurring financial saving of approximately €37 million per year and is equivalent to an annual CO₂ reduction of around 180 kilo tonnes.

The scheme is a key facilitator of energy savings by large industrial energy users. In 2019 Obligated Parties worked with SEAI's large industry energy network member companies to achieve more than 370GWh savings. One such company, a large food processor, achieved savings of 32GWh through the replacement of heavy fuel oil boilers to high efficiency gas steam boilers for their steam and chilled water systems.



4,057GWh

The scheme has delivered 4,057GWh of energy efficiency savings in the period between 2014 and 2019

€37m

This represents a recurring financial saving of approximately €37 million per year and is equivalent to an annual CO₂ of around 180 kT

“ The Energy Efficiency Obligation Scheme requires all large energy suppliers to deliver energy efficiency savings from across all final energy using sectors. ”

100+

SEAI inspected over 100 retail outlets to assess their compliance with the EU Energy Labelling Regulation

87%

87% of the 23,100 products inspected were compliant, a significant improvement on the previous year, and the highest level of compliance to date

31

SEAI undertook detailed compliance assessments of over 100 products and laboratory tested 31 products, taking action to address several non-compliances



MARKET SURVEILLANCE AUTHORITY

SEAI supports the Minister for Communication Climate Action and Environment in his capacity as Market Surveillance Authority (MSA) for the EU Ecodesign Directive, and the EU energy and tyre labelling regulations.

During 2019, SEAI inspected over 100 retail outlets to assess their compliance with the EU Energy Labelling Regulation. 87% of the 23,100 products inspected were compliant, a significant improvement on the previous year, and the highest level of compliance to date. The surveillance

activity was also broadened to cover a wide range of products including heating, solid fuel heating, circulator pumps, lighting, refrigerating appliances, televisions, and tyres. SEAI undertook detailed compliance assessments of over 100 products and laboratory tested 31 products, taking action to address several non-compliances. Another important development was the establishment of a new Customs workstream which will check the compliance of products coming into Ireland from outside the EU. This will help mitigate risks associated with Brexit.

2019 Highlights



600 attendees come to SEAI's third public sector conference in UCD focused on driving the public sector beyond the Government's energy efficiency target of 33% by 2020.



SEAI leads €2.6 million European project to unlock potential of ocean energy. Ocean Power Innovation Network (OPIN) will encourage collaboration between the ocean energy sector and other sectors.



Second phase of Support Scheme for Renewable Heat opens providing operational support for biomass boilers and anaerobic digestion heating systems.

JANUARY

MARCH

APRIL

MAY

JUNE

Funding of €6 million is available through SEAI EXEED for projects delivering best practice in the design, construction and management of buildings for optimum energy efficiency.

Xylem Water Solutions wins Product of Show award at SEAI's Energy Show which took place in the RDS.

Beech Hill College in Monaghan take home top school honour at SEAI One Good Idea National Final.





A €31 million floating offshore wind project, involving SEAI and European partners, is approved. The four-year project will see a full-scale device tested off the coast of Mayo.

Funding of €25 million offered to 57 community projects across Ireland.



€11 m announced for cutting-edge energy research at SEAI's inaugural National Energy Research and Policy conference.

JULY

AUGUST

OCTOBER

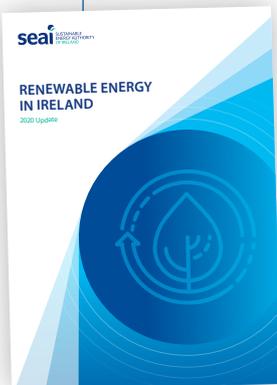
NOVEMBER

DECEMBER

Renewable Energy in Ireland report reveals that more than 10% of Ireland's total energy came from renewable sources in 2017.

NUI Galway takes home the top prize of Sustainable Energy Team of the Year at SEAI's annual Energy Awards.

The wave energy device by Ocean Energy Ltd, funded through SEAI embarks on a one-year testing cycle in Hawaii, USA.



GOVERNANCE

We provide Government with
**robust evidence
to inform energy
policy**



Energy Efficiency Report

In 2019, SEAI moved its Dublin headquarters to a new A3 BER rated office building. 2019 was also the first full year of operation for SEAI's two fully electric cars used by staff for business travel.

SEAI increased its total energy consumption by circa 30%. This was mainly due to an increase in SEAI's transport related energy by 60% in 2019 compared to 2018 and a notable increase in SEAI's electrical and thermal energy consumption in their Dublin office.

SEAI increased energy related CO₂ emissions by circa 6%, which is lower than the energy consumption increase due to lower carbon intensity of grid electricity, and replacement of the pool hybrid car with electric vehicles.

While absolute energy consumption increased, this was against a proportionally larger increase in occupied floor area following SEAI's move to new Dublin offices in Three Park Place in mid-October 2019. This new office building is designed to an A3 BER rating and achieved LEED platinum certification. The move led to a 136% increase in floor area occupied by SEAI in Dublin. Consequently, electrical energy and gas consumption in particular increased by around 45% in the Dublin office, even in the short period from October to December 2019.

This overall increase was offset by decreases in energy consumption across the Dundalk, Cork and Sligo offices. Transport related energy rose, due to the fact that 2019 was the first full year that SEAI's two new company electrical vehicles were in use given that they were purchased in the summer of 2018. 2019 also marked SEAI's first year with a fully electric fleet with the sale of their previous company vehicle (Toyota Prius Hybrid) in the summer of 2018. Where these electric vehicles are utilised by staff, they generally offset higher emission vehicle usage through private vehicle or taxi use.

Following SEAI's Dublin office relocation, we now occupy 2,944 m² of office space in Dublin, Dundalk, Cork and Sligo which represents an 84% increase on 2018 figures. All the offices are sub-let spaces within larger buildings. Energy use across the four offices and company vehicles is summarised in the table below and is part of the scope and boundaries of SEAI's ISO50001 Energy Management System.

SEAI first achieved certification to the International Standard ISO50001 in September 2016 and were last recertified in July 2019. An increased focus will be required to ensure continual energy performance improvement especially now with our move to Three Park Place which will represent more than 70% of SEAI's total energy profile in future.

SEAI's new office building is designed to an A3 BER rating and achieved LEED platinum certification.

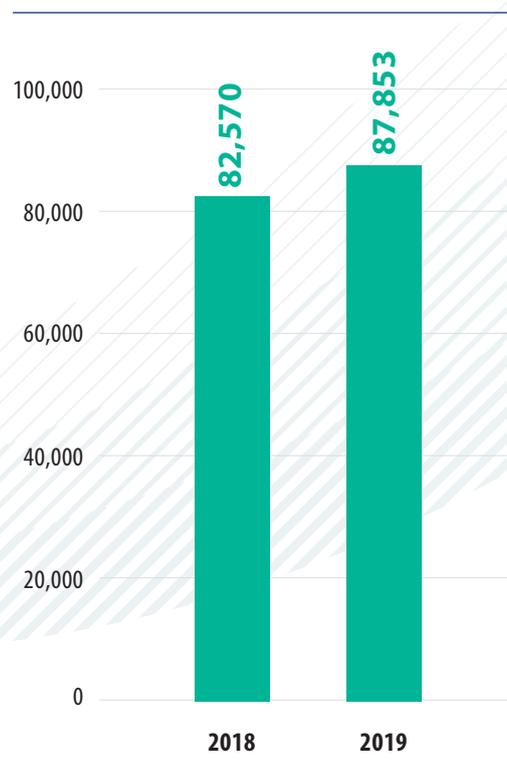
Energy Use	2018	2019
Total occupied floor area at end of reported year:	1,598m ²	2,994m ² *
DIRECT CONSUMPTION FOR OFFICES AND POOL CARS		
Electricity Lighting, ICT, Office power, Heating Ventilation & Air Conditioning (HVAC) 2 x electric vehicles purchased in 2018 + 3 x EV charging points (kWh TFC)	127,613	153,805
Natural gas for heating (kWh TFC)	82,973	128,890
Marked gas oil for Heating (kWh TFC)	11,094	8,391
Petrol for pool car (kWh TFC)	3,948	0
Totals for Direct Consumption (kWh TFC)	225,628	291,086
CO₂ Emissions (kg)	82,570	87,853

* from October 2019

Energy-efficiency actions proposed for 2020

- 1 ISO50001 re-certification audit to new revision of standard (ISO 50001:2018) to be completed in 2020**
- 2 Complete energy review of new office space in Three Park Place and ensure optimisation of BMS controls, lighting configuration and HVAC energy performance**
- 3 Complete energy awareness training among all SEAI staff**

CO₂ EMISSIONS (KG)



Corporate Social Responsibility at SEAI

SEAI actively promote and implement Corporate Social Responsibility, or CSR, at an organisational level and as part of the conversation with our diverse stakeholders.

SEAI is passionate about people and we seek to drive positive impact on society, employees, stakeholders and the environment.

There are four pillars of CSR under which we have set out our actions.

1. **The Community:** Interaction with Community Partners and Organisations
2. **The Environment:** Reduce, Reuse, Recycle Resources
3. **The Marketplace:** Responsible Commercial Decisions with Suppliers and Customers
4. **The Workplace:** Supporting and Engaging Employees

WHAT WE HAVE ACHIEVED TO DATE IN EACH OF THE FOUR PILLAR AREAS

1

The Community



- Annual university placements and internships.
- Charity fundraising (recipients have included Irish Motor Neurone Disease Association, Focus Ireland, Dogs Trust and Pieta House).
- Community initiatives including Dublin Pride Parade and Friends of the Canal volunteer clean up.

2

The Environment



SEAI Green Team is an employee led initiative to encourage and promote sustainable practices in our offices. Key achievements include:

- Purchasing - recycled printer paper, compostable tea bags, reduction in plastic items purchased (cups and name badges), and research into suppliers' green policies.
- Removal of plastic water cups.
- Employee book-sharing library.
- Food waste and recycling workshops.
- Company waste infographics and reporting.
- Introduction of compostable coffee cups, cutlery and takeaway containers.
- Segregation of office waste.
- Smarter Travel Workplaces initiative to encourage employees to walk and cycle.
- Introduction of paperless office across the organisation.
- In 2019, SEAI moved its headquarters to a new A3 BER rated office building. It was also the first full year of operation for SEAI's two fully electric cars used by staff for business travel.

SEAI is passionate about people and we seek to drive positive impact on society, employees, stakeholders and the environment.

3



The Marketplace

- Sustainable event procurement is particularly important for our large annual event for which we now use a checklist of environmental measures from potential venues.
- The purchase of energy efficient ICT equipment, accounting for environmental, energy efficiency and cooling standards.
- A customer communications review has been carried out in many parts of the organisation and is an ongoing process to ensure a better service. This includes a review of our website, application process and customer charter.

4



The Workplace

- Published an Inclusion and Diversity Strategy 2019-2021. Five Inclusion and Diversity committees, staffed by employees, will lead implementation.
- Unconscious Bias and Cultural Awareness Training, July 2019.
- Employee Health and Safety week and ongoing activities including establishing a healthy and safety committee, and offering first aid and CPR Training.
- Employee Health Screening and well-being assistance for all employees.
- The Women in Energy (WIE) Group is an SEAI employee led initiative supporting and encouraging female engagement within the energy sector.
- Over 17 million steps were taken by staff as part of the European Mobility Step Challenge.
- The Cycle to Work and Tax Saver Public Transport Scheme is available to all.
- Employees have the use of the company electric vehicle for business related travel which reduces emissions and advocates for their usefulness.

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 2019.

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. A further SWiFT 3000 assessment is due to take place during 2020.

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, operation of Board Committees. The last review during 2018 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 holistic 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 Control (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.

CORPORATE GOVERNANCE – CONTINUED

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 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 2019. 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 2019. The review of internal controls and the associated Statement of Internal Control (SIC) for 2019 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 Chairpersons' statement on internal financial controls is included in the Annual Report (see Page 44).

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, 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 2019, 61 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.

FINANCE

Energy efficiency
delivers measurable
**economic and
employment
benefits**



Governance Statement and Board Members' Report

For the Year Ended 31 December 2019

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.

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 Public Expenditure and Reform, 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 2019 and January 2020.

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 2019 for SEAI give a true and fair view of the financial performance and financial position of SEAI at 31 December 2019.

SEAI BOARD AND COMMITTEES 2019

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.

In January 2020, the Board carried out a comprehensive review of its activities, operations and outcomes for 2019. SEAI continues to retain its SWiFT 3000 status, which is an independent examination and evaluation by the NSAI assessors of the SEAI corporate governance procedures and compliance with the Code of Practice for the Governance of State Bodies.

SEAI BOARD 2019

**Julie O'Neill**

Chairperson

Appointed 6 May 2015

Julie is proprietor of Join the Dots, an independent strategic management consultancy. 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 a Board member of Ryanair, Permanent TSB and Axa Life Europe. 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 – resigned 27 September 2019

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.

**Michael McGarry**

Appointed 14th May 2013 – retired 1 May 2016, reappointed 3 October 2016 and retired at end of term on 2 October 2019

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.



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 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.



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 University College Dublin. Previously, Kevin was an economic consultant specialising in the energy and transport sectors and has prior experience developing wind energy projects in Ireland and internationally.



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.

SEAI BOARD 2019 – CONTINUED

**Andrew Ennis**

Appointed 14 July 2017

Andrew is Renewable Energy Director with Bartra 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.

**Ann Markey**

Appointed 14 July 2017

Ann is a Fellow of Chartered Accountants Ireland and is 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 and Risk 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.

**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**

Appointed 31 October 2018 – resigned 17 January 2019

Werner Kruckow was project director for Siemens Corporate Development. He was also project director of "The Crystal" building in London, managing its construction and fit out. He is a former CEO of Siemens Limited Ireland.



Joe O'Carroll

Appointed 28 February 2019

Joe O Carroll has over 25 years' experience in the Energy, Sustainability, Cleantech and AgTech sectors. He has worked in Ireland, the UK, USA, Africa and the Balkans. An Agricultural Science Graduate from UCD, he has an MBA (UCC) and a Diploma in Company Direction (Institute of Directors). He has completed executive training programmes at the IMI Dublin and the Kennedy School at Harvard. Having founded, scaled and sold his own renewable energy business between 2008 and 2017 he has held senior management positions covering areas such as general management, strategy, commercialisation, sales & marketing and fundraising. He is a non-executive director of both a tourism business and a management consultancy firm which specialises in the industrial pharmaceutical sector. Joe is currently the Commercial Director and a board member of Treemetrics, a technology company based in Cork and supplying a hardware enabled SaaS product to the global forestry and timber products industry.

The SEAI Board has established three 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 oversees 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. Nine meetings of the Committee were held in 2019. The Committee comprises 3 Board members and two external members appointed by the Board.

Members

Ann Markey

Chair

Appointed 6 February 2019

Gerry Donnelly

External member

Appointed 29 May 2013

Lisa Ryan

Appointed on 27 July 2016

Michael Wall

Appointed on 27 July 2016

Martina Maher

External member

Appointed 31 July 2019

Sean Wyse

Chair

1 January 2019 – 6 February 2019

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. There were no meetings of the Committee during 2019.

Members

Julie O'Neill

Chair

Kevin Brady

Michael Mc Garry

Retired on 2 October 2019

SUPPORT SCHEME FOR RENEWABLE HEAT (SSRH) COMMITTEE

The Committee is responsible for ensuring appropriate oversight and monitoring of the risks associated with the SSRH including policy objectives, achievement, market behaviour, value for money and cost effectiveness. It is also responsible for overseeing recommended decisions by SEAI in the context of the Memorandum of Understanding (MOU) between SEAI and the Minister for Communications Climate Action and the Environment. The Committee has also delegated authority for certain grant levels from the Board.

Members

all appointed by the Board on 1 May 2019

Andrew Ennis

Chair

Ann Markey

Joe O'Carroll

Kate Ruddock

SEAI BOARD 2019 – CONTINUED

BOARD AND COMMITTEE ATTENDANCE

Board Member	Board Attendance (11 meetings held in 2019)	Audit & Risk Committee Attendance (9 meetings held in 2019) (a)	Performance Management and Remuneration Committee attendance (NIL meetings held in 2019)	SSRH Committee (4 meetings Held in 2019)	Board Fees 2019 (€)	Expenses 2019 (€)
Julie O'Neill	11	N/A	N/A	N/A	11,970	
Jim Gannon (d)	9	N/A	N/A	N/A	NIL	
Michael McGarry (b)	8	N/A	N/A	N/A	5,827	318
Peter Brennan	10	N/A	N/A	N/A	7,695	
Lisa Ryan	11	9	N/A	N/A	7,695	
Michael Wall	10	7	N/A	N/A	7,695	
Kevin Brady	9	N/A	N/A	N/A	NIL	
Kate Ruddock	10	N/A	N/A	4	7,695	
Andrew Ennis	11	N/A	N/A	4	7,695	
Ann Markey	11	9	N/A	4	7,695	
Léan Doody	10	N/A	N/A	N/A	7,695	
Joe O'Carroll (c)	9	N/A		2	6,444	
Werner Kruckow (e)	NIL	N/A	N/A	N/A	–	
Total					78,106	318

Expenses paid to Board member Michael McGarry relate to travel expenses incurred in attending Board meetings in 2019.

- (a) This Committee has two external members
- (b) Retired on 2 October 2019 at end of term
- (c) Appointed on 28 February 2019
- (d) Resigned 27th September 2019
- (e) Appointed 31 October 2018 – resigned 17 January 2019

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

Three members of the Board resigned during 2019. Michael McGarry, on 2 October 2019 at the end of his term, Werner Kruckow resigned on 17 January 2019 and Jim Gannon (CEO) resigned on 27th September 2019.

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	2019 €'000	2018 €'000
Legal Advice	590	580
Public Relations/ Marketing	19	70
Human Resources	99	1
Programme/ Organisational Improvement	356	386
Scheme Development	738	732
Total	1,802	1,769

	2019 €'000	2018 €'000
Consultancy Costs capitalised	–	–
Consultancy costs charged to the Income and Expenditure and Retained Revenue Reserves	1,802	1,769
Total	1,802	1,769

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 2019 (2018: Nil).

Detail	2019 €'000	2018 €'000
Legal Advice	556	501
Legal Fees – Legal Proceedings	34	79
Total	590	580

HOSPITALITY AND STAFF WELFARE EXPENDITURE

The Statement of Income and Expenditure and Retained Revenue Reserves includes the following hospitality expenditure, no client related hospitality was incurred.

Detail	2019 €'000	2018 €'000
Staff Welfare and Hospitality	36	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 2019.

Signed on behalf of the Board



Peter Brennan

Senior Independent Board Member
Sustainable Energy Authority of Ireland

24 June 2020

Statement on Internal Control

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 as published by the Department of Public Expenditure and Reform in August 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 2019 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 nine times in 2019.

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 a bi-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; and
- 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 2019 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. During 2019 €340k was incurred across two recruitment agencies. Approximately €50k of this related to the agency fee while the balance of €290k 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. Costs incurred in the current and prior year relate to agency contracts in place in advance of completion of the framework agreement.

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 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 control framework.

I confirm that the Board conducted an annual review of the effectiveness of the internal controls for 2019 on 27th March 2020.

INTERNAL CONTROL ISSUES

No weaknesses in internal control were identified in relation to 2019 that require disclosure in the financial statements with the exception of the procurement instance referred to above.

Signed on behalf of the Board



Peter Brennan

Senior Independent Board Member
Sustainable Energy Authority of Ireland

24 June 2020

Report of the 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 2019 as required under the provisions of section 24 of the Sustainable Energy Act 2002. 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 2019 and of its income and expenditure for 2019 in accordance with Financial Reporting Standard (FRS) 102 — The Financial Reporting Standard applicable in the UK and the Republic of Ireland.

BASIS OF OPINION

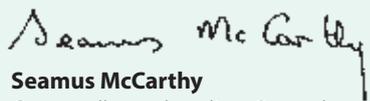
I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of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

26 June 2020

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 2002
- 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 2002 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 of Income and Expenditure and Retained Revenue Reserves

For the Year Ended 31 December 2019

	NOTES	2019 €'000	2018 €'000
INCOME			
State Grants	2	176,734	146,858
Building Energy Rating	9	3,271	2,429
EU Contract Income	3	75	43
Other Income	4	572	110
Net Deferred Funding for Pensions for the year	15(c)	2,067	1,809
Pension Contributions Remitted to DCCAE and DPER	5.1	(308)	(283)
Net Transfer to Capital Account	13	(4,321)	(46)
Total Income		178,090	150,920
EXPENDITURE			
Administration Expenditure	5	15,034	12,462
Programme Expenditure	6	158,131	135,396
Building Energy Rating	9	3,078	2,625
Total Expenditure		176,243	150,483
Surplus for the Year before appropriations		1,847	437
APPROPRIATIONS			
Movement in amounts due to DCCAE	8	(56)	(70)
Surplus for the Year after appropriations		1,791	367
Surplus at 1 January		564	197
Surplus at 31 December		2,355	564

The Statement of Cash Flows and Notes 1 to 22 form part of these financial statements.



Peter Brennan
Senior Independent Board Member
Sustainable Energy Authority of Ireland

24 June 2020



William Walsh
Chief Executive Officer
Sustainable Energy Authority of Ireland

24 June 2020

Statement of Comprehensive Income

For the Year Ended 31 December 2019

	NOTES	2019 €'000	2018 €'000
STATEMENT OF COMPREHENSIVE INCOME			
Surplus for the Year after Appropriations		1,791	367
Experience Gain/(Loss) on Retirement Benefit Obligations		553	(554)
Actuarial (Loss)/Gain arising from Changes in Assumptions underlying the present value of Retirement Benefit Obligations		(6,746)	588
Actuarial (Loss)/Gain in Year	15	(6,193)	34
Adjustment to Deferred Retirement Benefit Funding	15	6,193	(34)
Total Comprehensive Income for the Year		1,791	367

The Statement of Cash Flows and Notes 1 to 22 form part of these financial statements.



Peter Brennan

Senior Independent Board Member
Sustainable Energy Authority of Ireland

24 June 2020



William Walsh

Chief Executive Officer
Sustainable Energy Authority of Ireland

24 June 2020

Statement of Financial Position

As at 31 December 2019

	NOTES	2019 €'000	2018 €'000
ASSETS			
Property, Plant and Equipment	10	4,650	328
CURRENT ASSETS			
Cash and Cash Equivalents	14	4,916	4,700
Receivables & Prepayments	11	2,061	1,476
		6,977	6,176
CURRENT LIABILITIES			
Payables & Accruals	12	(4,622)	(5,612)
Net Current Assets		2,355	564
Retirement Benefit Obligation	15 B	(39,891)	(31,631)
Deferred Retirement Benefit Funding Asset	15 B	39,891	31,631
Total Net Assets		7,005	892
REPRESENTING			
Capital Account	13	4,650	328
Retained Revenue Reserves		2,355	564
		7,005	892

The Statement of Cash Flows and Notes 1 to 22 form part of these financial statements.



Peter Brennan
Senior Independent Board Member
Sustainable Energy Authority of Ireland
24 June 2020



William Walsh
Chief Executive Officer
Sustainable Energy Authority of Ireland
24 June 2020

Statement of Cash Flows

For the Year Ended 31 December 2019

	NOTES	2019 €'000	2018 €'000
NET CASH FLOWS FROM OPERATING ACTIVITIES			
Excess Income over Expenditure		1,791	367
Transfer to Capital Account	13	4,321	46
Bank Interest Paid		44	31
Depreciation of fixed assets	10	864	433
(Increase)/Decrease in Accounts receivable	11	(585)	(341)
Increase/(Decrease) in Accounts payable		(990)	362
Net Cash Flow From Operating Activities		5,445	898
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to Acquire Property, Plant & Equipment	10	(5,185)	(479)
CASH FLOWS FROM FINANCING ACTIVITIES			
Bank Interest Paid		(44)	(31)
Increase in Cash and Cash Equivalents		216	388
Net Increase/(Decrease) in Cash and Cash Equivalents		216	388
Cash and Cash Equivalents at 1 January		4,700	4,312
Cash and Cash Equivalents at 31 December (Note 14)		4,916	4,700

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 2019.

(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"), as promulgated by Chartered Accountants Ireland. 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) 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:

Building Fitout Costs	10%
Motor Vehicles	20%
IT Equipment & Software	33.33%
Office Equipment	33.33%
Ocean Programme	33.33%

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 Pensions 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 and corresponding asset 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

Lease 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. Funds are either remitted to DCCAE on receipt, or retained within SEAI, based on the terms of the contract.

(K) Other Income

Other income is recognised on an accruals basis in line with the timing of the performance requirements.

(L) 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).

	Vote Subhead	2019 €'000	2018 €'000
SEAI ADMINISTRATION			
– Current	C3	12,387	10,297
– Capital	C3	4,998	737
SUSTAINABLE ENERGY PROGRAMMES			
– Current	C4	11,437	11,297
– Capital	C4	139,737	116,481
ENERGY RESEARCH PROGRAMMES			
– Current	C5	825	754
– Capital	C5	7,350	7,292
Total Programme Expenditure		176,734	146,858

3. EU Contract Income

	2019 €'000	2018 €'000
Concerted Action IV EPBD (a)	22	–
Concerted Action V EPBD (a)	(37)	37
AFLOWT (b)	17	–
OPIN (b)	9	–
RERD&D Era Net (b)	56	–
Odyssey Mure (a)	(6)	6
Ocean Era Net (a)	14	–
	75	43

- (a) These projects are considered appropriations in aid and therefore all receipts are remitted to DCCAE as received.
- (b) These projects are out of vote and therefore funds received are retained within SEAI.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

4. Other Income

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

	2019	2018
	€'000	€'000
Sponsorship Sustainable Energy Awards	–	30
Other income	37	46
RERD&D Co-funding income	535	34
	572	110

Renewable Energy Research, Development & Deployment co-funding income is received from other government agencies to partially fund research grants. Income is recognised in line with the value of the grant issued and the percentage of co-funding attributed to each research award.

5. Administration Expenditure

Administration Expenditure is made up of the following items:

		2019	2018
		€'000	€'000
Salaries & related charges	5.1	7,372	6,634
Pension costs	15(a)	2,093	1,825
Recruitment, Training & Education		263	248
Advertising and Promotion		255	426
General Professional fees	5.2	141	109
Rent, Rates and Service Charges	5.3	2,121	860
Information Technology	5.4	1,255	1,304
General Administration	5.5	1,534	1,056
		15,034	12,462

5.1 Salaries and Related Charges

	2019	2018
	€'000	€'000
Staff short-term benefits	5,835	5,331
Employers PRSI	592	526
Agency/Contract Staff	867	703
Board Member Emoluments	18 78	74
	7,372	6,634

No termination payments were paid in the year (2018: €0)

No overtime payments were paid in the year (2018: €0)

The Authority remitted €159,899 (2018: €160,257) in employee superannuation contributions to its parent department (DCCAE) in 2019 in respect of the SEAI's superannuation scheme. It also remitted €147,674 (2018: €122,618) to DPER in respect of Single Scheme members. The Authority is not required to make employer contributions under the schemes.

Chief Executive's Remuneration

The former CEO resigned on 27th September 2019. The value of his remuneration in 2019 was €101,268 (2018: €122,941) and expenses were €1,254 (2018: €4,597).

The Interim CEO was appointed on 27th September 2019. The value of his remuneration as Interim CEO was €31,972 and expenses were €644.

The CEO pension entitlement does not extend beyond the standard entitlements in the public sector single pension scheme. The 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 2018 and 2019 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:

	2019	2018
	€'000	€'000
Salaries	897,504	894,096

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.

Additional superannuation Contribution (ASC)

€240,289 (2018: €275,621) of additional superannuation contribution (ASC) has been deducted from salaries and has been paid over to the Department of Communications, Climate Action and Environment during the year. This replaced the pension related deduction (PRD) at the beginning of 2019.

Employee Short-Term Benefits Breakdown

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

Benefit Band €	Number of Employees at 31 December 2019	Number of Employees at 31 December 2018
60,000 – 69,999	9	10
70,000 – 79,999	9	5
80,000 – 89,999	21	20
90,000 – 99,999	2	2
100,000 – 109,999	3	3
110,000 – 119,999	1	0
120,000 – 129,999	0	1

Note: For the purposes of this disclosure, 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 92 (2018: 89). The number of full-time equivalent employees at the end of the period was 90.6 (2018: 89.4).

5.2 General Consultancy and Professional Fees

	2019 €'000	2018 €'000
Strategic Advice	91	68
Secretarial Fees	50	41
	141	109

5.3 Rent, Rates and Service Charges

	2019 €'000	2018 €'000
Rent	1,760	576
Rates	67	59
Service Charges	253	210
Utilities	41	15
	2,121	860

During 2019 SEAI relocated to a new head office, with additional floor area, more suited to organisational needs. The premises is located at Three park place, Hatch street, Dublin 2.

5.4 Information Technology

	2019 €'000	2018 €'000
IT General expenditure	292	222
IT Maintenance and Support	621	591
IT Systems development	100	166
IT Licences	242	325
	1,255	1,304

5.5 General Administration

	2019 €'000	2018 €'000
Travel & Subsistence – Staff	23	21
Travel & Subsistence – Board	1	1
Depreciation	864	437
Audit fees – external	35	32
Audit fees – internal	29	36
Insurance and Legal	183	128
Other	399	401
	1,534	1,056

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

6. Programme Expenditure

Programme expenditure is made up of the following items:

		2019 €'000	2018 €'000
Energy Efficiency			
Better Energy Warmer Homes	6.1	40,528	35,682
Better Energy Warmth & Wellbeing	6.2	8,230	12,056
Better Energy Homes	6.3	25,654	19,904
Solar PV	6.4	4,833	230
Deep Retrofit Pilot	6.5	6,092	5,294
Industry & Business Programme	6.6	5,387	4,081
Public Sector Energy Efficiency	6.7	10,546	14,222
Schools Programme	6.8	501	443
Market Surveillance	6.9	341	405
Retrofit Development Programme	6.10	1,222	1,194
Community Energy	6.11	20,660	20,625
Better Energy Financing	6.12	802	673
RENEWABLE ENERGY			
Renewable Energy Research, Development & Deployment	6.13	4,165	3,532
Ocean Energy	6.14	3,753	4,218
Support Scheme for Renewable Heat	6.15	1,105	969
INNOVATION & INTEGRATION			
Strategic Policy Analysis	6.16	1,198	792
Energy Statistics and Modelling	6.17	386	351
Transport			
Electric Vehicles	6.18	22,728	10,725
		158,131	135,396

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

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

	2019 €'000	2018 €'000
Private Contractors	37,311	32,393
Technical Services & Inspections	2,398	2,619
Customer Management & Quality Assurance	266	364
Other Costs	95	81
IT Systems Development & Maintenance	456	224
Travel Costs	2	1
	40,528	35,682

The Better Energy Warmer Homes scheme supports upgrading the energy efficiency of privately-owned homes experiencing fuel poverty. In 2019 3,077 (2018: 5,237) upgrades were carried out under the Better Energy Warmer Homes scheme. 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 & Wellbeing

	2019 €'000	2018 €'000
Private Contractors	7,850	11,546
Technical Services & Inspections	301	387
Programme Operation/Promotion	79	123
	8,230	12,056

The Warmth and Wellbeing Scheme aims to improve the living conditions of vulnerable people living with chronic respiratory conditions. In 2019, 347 (2018: 437) upgrades were carried out and paid for under the Warmth & Wellbeing Scheme. The additional measures referred to in Note 6.1 were also rolled out to the Warmth and Wellbeing scheme in 2018. The scheme was developed as a pilot to understand the positive impacts of retrofits for people living with respiratory conditions.

6.3 Better Energy Homes

	2019 €'000	2018 €'000
Grants Issued	22,563	17,221
Technical Services & Inspections	885	781
Operational Delivery	1,366	940
Other Costs	157	100
IT Costs	587	510
Advertising	87	341
Travel Costs	9	11
	25,654	19,904

The Better Energy Homes Programme is a national retrofitting programme that is available to all homeowners, including landlords, without means testing. 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, or in combination and on a step basis to achieve a more comprehensive retrofit over time. In 2019 grants were paid on 18,218 homes (2018: 14,301).

6.4 Solar PV

	2019 €'000	2018 €'000
Grants Issued	4,276	–
Technical Services & Inspections	125	–
Operational Delivery	229	49
Travel Costs	3	–
IT Costs	200	182
	4,833	231

Solar PV Scheme provides support towards the purchase and installation of a solar photovoltaic (PV) system and/or battery energy storage system (BESS). This is a once-off payment to a homeowner based on the installation of products which meet the requirements of the scheme. The grant amount payable is based on the capacities of the solar PV and BESS systems installed.

6.5 Deep Retrofit Pilot

	2019 €'000	2018 €'000
Grants Issued	5,837	4,753
Technical Services & Inspections	41	33
IT Systems Development	29	283
Travel Costs	3	7
Other operational costs	182	218
	6,092	5,294

Deep Retrofit Pilot programme was created to tackle housing energy efficiency challenges in Ireland. It investigates 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 111 deep retrofit homes in 2019, with a total of 325 homes completed to date since the programme launch in 2017. 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.

6.6 Industry and Business Programme

	2019 €'000	2018 €'000
EXEED	2,877	1,731
Energy Agreements and LIEN	311	499
SME Capital Pilots	1,301	1,173
Promoting Energy Efficiency in Business	155	192
ACA/Triple E Operational Costs	155	238
SME & Other Industry Costs	347	184
IT Systems Development & Maintenance Costs	224	52
Travel Costs	17	12
	5,387	4,081

This programme supports efforts across all business sectors to accelerate adoption of energy efficiency. This is achieved through networks, training and services promoting structured energy management to world class standards, while developing markets for energy efficiency advice and services.

SEAI EXEED Certified is an asset certification scheme addressing lifetime energy and carbon performance through Energy Efficiency Design management. EXEED Certified can be applied in any business within commercial, industrial and public sectors. EXEED supports energy efficient design (EED) management through grants for design challenges and arising capital investments which require an incentive for investment. Grants for SMEs (Lighting and Dairy Farms) were continued in 2019 to support this sector of business.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

6.7 Public Sector Energy Efficiency

	2019 €'000	2018 €'000
Public Sector Capital Grants	8,417	12,328
Client Advisory Services	1,219	1,162
IT Development & Maintenance	369	239
Other Operational Costs	157	164
Technical Bureau	360	315
Travel Costs	25	14
	10,546	14,222

This programme promotes structured energy management practices and delivers direct energy efficiency advice, mentoring, training and specialist technical supports to public sector organisations. It includes a comprehensive structure for public bodies to report and track energy consumption. In 2019 pathfinder actions were continued to test approaches and build scale for retrofit actions in central government buildings, schools, water and waste, and health.

6.8 Schools Programme

	2019 €'000	2018 €'000
Schools Programme	501	443
	501	443

SEAI's education 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 teach resources, interactive pupil workshops, student competitions and teacher training.

6.9 Market Surveillance

	2019 €'000	2018 €'000
Market Surveillance	288	372
IT Costs	40	24
Travel Costs	13	9
	341	405

SEAI acts as Managing Agent and carries out market surveillance activities on behalf of the Minister for Communications, Climate Action and Environment who is the Market Surveillance Authority. Market Surveillance includes 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).

6.10 Retrofit Development Programme

	2019 €'000	2018 €'000
Programme & Systems Development	901	919
Other Costs	286	247
Strategic Advice	16	16
Client Advisory	–	–
Travel Costs	19	12
	1,222	1,194

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.

An amended Directive on Energy Efficiency (2018/2002) will commence a new phase of the Energy Efficiency Obligation Scheme (EEOS) in 2021 subject to policy decision. The design and implementation of the new scheme commenced in 2019, establishing the conditions and governance of the EEOS, pursuant to Article 7 and is funded through the Retrofit Development Programme.

6.11 Community Energy

	2019 €'000	2018 €'000
Grants Issued	18,953	19,235
Technical Services & Inspections	156	130
Travel Costs	29	20
IT Costs	46	38
SEC Mentoring Support	815	612
Other Operational Costs	661	590
	20,660	20,625

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.

The Sustainable Energy Communities (SEC) programme involves building capacity in communities to enable delivery of large scale sustainable energy projects and the transition to sustainable energy communities and has developed a national SEC network with over 345 members. The panel of Mentors for SECs ended in mid-2019 and procurement completed at the end of 2019 for a new panel of Mentors to support the network. (2018: 230).

6.12 Better Energy Financing

	2019 €'000	2018 €'000
Grants Issued	621	281
Commissioned Reports	44	250
Other Programme Operations / Promotion	54	113
IT Systems	77	26
Travel and Subsistence	6	3
	802	673

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.

6.13 Renewable Energy Research, Development & Deployment

	2019 €'000	2018 €'000
Grants Issued	3,972	3,280
Other Programme Operation	122	138
IT Development & Maintenance	22	47
Commissioned Studies/Reports	21	37
Travel Costs	28	30
	4,165	3,532

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 improving their implementation in the Irish market.

6.14 Ocean Energy

	2019 €'000	2018 €'000
Grants Issued	1,740	2,083
Sub Contracted Works	1,859	1,838
Other Costs	136	287
Travel Costs	18	10
	3,753	4,218

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. In 2019 the programme integrated a call for Ocean Energy projects into the RERD&D call.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

6.15 Support Scheme for Renewable Heat

	2019 €'000	2018 €'000
Technical Advice	288	469
Programme Operation	488	268
IT systems Development	328	232
Travel and Subsistence	1	–
	1,105	969

The Support Scheme for Renewable Heat (SSRH) supports the switching of fossil fuel heating systems to eligible renewable energy technologies, including biomass boiler, heat pump and biofuel (anaerobic digestion) heating systems. The Scheme provides two forms of support mechanisms – a tariff payment as operating-aid for biomass and anaerobic heating systems and a grant payment as investment-aid for heat pump systems. The Scheme opened in 2019 for applications following the State-Aid notification and approval process.

6.16 Strategic Policy Analysis

	2019 €'000	2018 €'000
Programme Operation	975	514
Travel Costs	3	6
IT Costs	220	272
	1,198	792

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.

6.17 Energy Statistics and Modelling

	2019 €'000	2018 €'000
Commissioned Research/Research	73	148
Other Costs	185	141
Travel Costs	29	35
IT Development and Maintenance	99	27
	386	351

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.

6.18 Electric Vehicles

	2019 €'000	2018 €'000
Grants Issued	22,339	9,796
Other Costs	306	310
Advertising	(6)	526
IT Development & Maintenance	88	90
Travel Costs	1	3
	22,728	10,725

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 4,700 electric cars in 2019 (2018: 2,000 cars) and over 2,000 home chargers which were grant aided under this programme in 2019. On September 30th 2019 SEAI also launched the Electric Vehicle Public Charger grant programme for Local Authorities.

7. 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:

	2019 €'000	2018 €'000
Domestic – Employee	103	122
International – Employee	58	32
	161	154

8. Appropriations

	2019 €'000	2018 €'000
EU Contract Income	14	43
Grant Refunds	37	10
Other	5	17
	56	70

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

The above note details the movement in the amount due to the DCCAIE during 2019.

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

	2019 €'000	2018 €'000
Outsourced Programme Operation	590	596
Programme Delivery and Development	287	91
Quality Assurance	1,050	1,002
IT Support & Maintenance	515	398
IT System Development	624	531
Travel Costs	12	7
	3,078	2,625

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 €3,270,675 (2018: €2,429,063) resulting in a profit in the year of €193,225 (2018: (€196,436)).

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

10. Property, Plant and Equipment

	IT Equipment & Software €'000	Ocean Programme €'000	Office Equipment €'000	Building Fit out €'000	Motor Vehicles €'000	Land & Buildings €'000	Total €'000
COST:							
Balance at 1 January 2019	1,282	1,726	11	547	59	120	3,745
Additions	530	–	487	4,171	–	–	5,188
Disposals	(336)	–	–	(507)	–	–	(843)
Balance at 31 December 2019	1,476	1,726	498	4,211	59	120	8,090
DEPRECIATION:							
Balance at 1 January 2019	(1,147)	(1,703)	(11)	(544)	(12)	–	(3,417)
Disposals	334	–	–	507	–	–	841
Charge for Current year	(256)	(17)	(162)	(417)	(12)	–	(864)
Balance at 31 December 2019	(1,069)	(1,720)	(173)	(454)	(24)	–	(3,440)
Net Book Value Balance at 31 December 2019	407	6	325	3,757	35	120	4,650
Net Book Value at 31 December 2018	135	24	–	3	47	120	328

During 2019 SEAI relocated to a new head office at Three Park Place, Hatch street, Dublin 2. Additions to fit out costs and office equipment are related to this relocation. Additions to IT equipment are related to both costs associated with the relocation and ongoing costs to upgrade IT equipment.

Disposals of building fit out relates to the previous head office at Wilton Park House, Dublin 2.

11. Receivables & Prepayments

	2019 €'000	2018 €'000
Dundalk Concerto Bid	32	32
EU Contracts	73	47
EPBD Receivables	252	175
Prepayments	1,420	1,001
Other Receivables	284	221
	2,061	1,476

12. Payables & Accruals

	2019 €'000	2018 €'000
Payables	589	606
Accruals	1,095	1,859
Dundalk 2020 Holistic Project	92	93
VAT & RCT	1,210	1,578
PSWT	609	664
PAYE/PRSI	179	172
Other Payables	104	110
Deferred Income	744	530
	4,622	5,612

13. Capital Account

	2019 €'000	2018 €'000
Opening balance	328	282
TRANSFER (TO)/ FROM STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES:		
Amount capitalised in respect of purchased assets	5,188	479
Net amount released on disposal	(2)	–
Amortisation in line with asset depreciation	(864)	(433)
	4,321	46
Balance at end of year	4,650	328

14. Cash and Cash Equivalents

	2019 €'000	2018 €'000
Current Bank Account	10	10
Savings Account	2,665	3,563
EPBD Account	1,574	1,034
	4,249	4,607
EU Funds Account	667	93
	4,916	4,700

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

SEAI is either partner or lead for a number EU funded projects. In cases where SEAI acts as project lead funds are received and advanced to other agencies. All funds contained within this account relates to these EU projects.

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 2019. 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

	2019 €'000	2018 €'000
Current Service Costs	1,759	1,507
Interest on pension scheme liabilities	642	601
Staff Superannuation Deductions	(308)	(283)
Pension Cost in the period	2,093	1,825

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

B. Analysis of the movement in Liability during the year

	2019 €'000	2018 €'000
Scheme liability at 1 January	31,631	29,856
Current service cost	1,759	1,507
Interest cost	642	601
Actuarial loss / (gain)	6,193	(34)
Benefits paid in the year	(334)	(299)
Scheme Liability at 31 December	39,891	31,631

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.

Net Deferred Funding for Pensions for the Year	2019 €'000	2018 €'000
Funding recoverable in respect of current year pension costs	2,401	2,108
State Grant applied to pay pensions	(334)	(299)
	2,067	1,809

The deferred funding asset for pensions as at 31 December 2019 amounted to €39,891,000 (2018: €31,631,000).

D. History of experience gains and losses

Experience Gains/ (Losses) on scheme liabilities	2019 €'000	2018 €'000	2017 €'000
Amount (€)	553	(554)	(996)
Percentage of present value of the scheme liabilities	1.4%	(1.7%)	(3.3%)
Total amount recognised in Statement of Comprehensive Income	(6,193)	34	(516)
Percentage of present value of the scheme liabilities	15.5%	0.1%	1.7%

The cumulative actuarial loss recognised in the Statement of Comprehensive Income amounts to €17,871,000 (2018: €11,678,000).

E. General Description of the Schemes

The SEAI 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 29th January 2020 by a qualified independent actuary taking account of the requirements of the FRS in order to assess the scheme liabilities at 31 December 2019.

The main financial assumptions used were:

	At 31/12/19	At 31/12/18	At 31/12/17
Discount rate	1.00%	1.94%	1.96%
Rate of increase in salaries	2.80%	3.10%	3.25%
Rate of increase in pensions	1.50%	3.10%	3.25%
Inflation	1.50%	1.80%	1.95%

Mortality Tables used are as follows:

Active & Deferred	Pre-Retirement	Post-Retirement
Male	73.0% of ILT15	58.0% of ILT15
Female	77.0% of ILT15	62.0% of ILT15

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

	Current pensioner (in 2019) at age 65	Future pensioner (in 2039) at age 65
Male	21.7 years	24.0 years
Female	24.1 years	26.1 years

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

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 €73.37m (2018: €49.851m)).

	Committed As at 1 Jan 2019 €'000	Committed During the period €'000	De-committed €'000	Payments €'000	Committed As at 31 Dec 2019 €'000
ENERGY EFFICIENCY					
Better Energy Homes	10,610	34,460	(7,204)	(22,563)	15,303
Deep Retrofit	4,195	13,869	(68)	(5,895)	12,101
EXEED	2,462	3,591	(638)	(2,513)	2,902
SME Grants	1,221	1,417	(708)	(1,468)	462
Public Sector Energy Efficiency	1,464	9,686	(1,536)	(8,686)	928
Community Energy	16,786	27,797	(10,717)	(19,491)	14,375
Better Energy Finance	–	904	–	(621)	283
RENEWABLE ENERGY					
Renewable Energy Research, Development & Deployment	7,587	10,501	(74)	(3,581)	14,433
Ocean	2,551	760	(144)	(1,741)	1,426
Support Scheme for Renewable Heat	–	4,987	–	–	4,987
TRANSPORT					
Electric Vehicles	4,146	26,199	(1,813)	(22,362)	6,170
	51,022	134,171	(22,902)	(88,921)	73,370

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 €211,346 (2018: €201,653). 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, six Board members excused themselves from Board decisions, in relation to various SEAI grant proposals, in order to avoid any potential or perceived conflict of interest.

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 €318 were paid in 2019 (2018: €438).

Board Fees	2019 €'000	2018 €'000
Julie O'Neill (a)	12	12
Anne Farrell (b)	–	6
Michael Wall (a)	8	8
Lisa Ryan (a)	8	8
Peter Brennan (a)	8	8
Joe O'Carroll (c)	6	–
Michael Mc Garry (d)	6	8
Kate Ruddock (f)	8	8
Kevin Brady (f)	–	–
Andrew Ennis (g)	7	7
Ann Markey (g)	7	7
Lean Doody (j)	8	1
Werner Kruckow (i)	–	1
Jim Gannon (h)	–	–
Total	78	74

- a) Appointed 6th May 2015
- b) Retired 2nd October 2018
- c) Appointed 28th February 2019
- d) Retired 2nd October 2019
- e) Retired 30th September 2017
- f) Appointed 16th February 2017
- g) Appointed 14th July 2017
- h) CEO Ex officio resigned 27th September 2019
- i) Resigned 17th January 2019
- j) Appointed 31st October 2018

Board Members Expenses	2019 €'000	2018 €'000
Domestic mileage	–	–
Domestic subsistence	–	–
Domestic other	1	1
Overseas airfares	–	–
	1	1

19. Operating Leases – Premises

During 2019 SEAI relocated their head office to 3 Park Place, Hatch Street, Dublin 2. SEAI have signed a lease 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 also has sub offices located in Cork, Dundalk, Sligo and Belmullet.

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

	2019 €'000	2018 €'000
Operating Leases		
Within 1 Year	1,951	1,599
During 2 to 5 Years	7,794	7,011
Over 5 Years	33,658	33,959
Total	43,403	42,569

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 in 2019 was €1,759,700 (2018: €576,036).

€827,294 of the €1,759,700 recognised as an expense in 2019 relates to rent paid covering the fit-out period 14th May to 18th October 2019 for 3 Park Place. This period was required to fully fit-out this newly constructed office space, ensure business continuity and facilitate an orderly transition to a new head office. SEAI finalised its relocation to 3 Park Place in late October 2019 in line with anticipated project timelines.

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.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

21. Events after the reporting period

Like all public and private enterprises SEAI has been impacted by the COVID-19 pandemic and the subsequent measures to manage public health. SEAI has continued to engage and maintain all key services and supports, where possible. All staff are continuing to work to full capacity remotely and advice has been issued to staff and key stakeholders which has been informed by the most up to date public health information. Evidently, the public health measures restrict the ability of some sectors to progress SEAI supported activities. Although difficult to quantify at present, these measures, along with the likely economic disruption, will result in a lower than forecasted spend in some areas in 2020. SEAI is evaluating each programme as government guidance is changed and updating projections by reference to available data.

SEAI is engaging with and receiving ongoing support from the Department of Communications, Climate Action and Environment, from which the Authority is wholly funded. SEAI management are providing spend projections as government guidance changes and are currently engaging in the annual estimates process for 2021 with DCCAE. The Board and management team are confident that once conditions allow, SEAI will be able to continue our work in stimulating and supporting the sustainable energy sector in Ireland.

22. Approval of Financial Statements

The Board approved the financial statements on 27th March 2020.





Sustainable Energy Authority of Ireland

Three Park Place
Hatch Street Upper
Dublin 2
Ireland
D02 FX65

e info@seai.ie
w www.seai.ie
t +353 1 808 2100

 |  |  @seai_ie



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