



Energy Efficiency Obligation Scheme Guidance Note for Public Bodies

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Contents

1.	Energy Efficiency Obligation Scheme.....	3
2.	Working with Obligated Parties	4
3.	How does the EEOS process work?.....	4
4.	Public procurement.....	6
5.	How to obtain support from an Obligated Party	6
6.	Checklist for agreement with Obligated Parties	7
7.	Opportunities and benefits of EEOS for public bodies.....	8
8.	Disclaimer.....	9
9.	Glossary.....	10
	Appendix 1: Examples of real supports provided for public projects.....	11

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For any queries, contact ecms@seai.ie

EEOS Guidance Note for Public Bodies

1. Energy Efficiency Obligation Scheme

Overview

- 1.1. The Energy Efficiency Obligation Scheme (“EEOS”) was established under S.I. 131 of 2014.¹ It places legally binding energy efficiency targets on the largest energy suppliers in Ireland (the “Obligated Parties”). As the administrator of EEOS, SEAI publishes a list of the Obligated Parties on its website² and monitors their compliance with the targets.
- 1.2. Obligated Parties achieve their targets by supporting businesses, public sector bodies and homeowners to improve the energy efficiency of their organisations, operations and properties. The energy saved through these energy efficiency improvement measures (“Measures”) can be counted towards their targets. Obligated Parties notify SEAI of Measures they have supported and SEAI records their progress.
- 1.3. The combined annual target of all Obligated Parties has increased over time and is currently 700 GWh. Table 1 shows the overall annual target for each year from 2014-2020.

Table 1 Overall annual target (including breakdown by sector)

Year	Overall annual target (GWh)	Breakdown by sector (GWh)		
		75% non-residential	20% residential	5% energy poverty
2014	550	412.5	110	27.5
2015	550	412.5	110	27.5
2016	550	412.5	110	27.5
2017	625	468.75	125	31.25
2018	700	525	140	35
2019	700	525	140	35
2020	700	525	140	35

- 1.4. The overall annual target is divided between all Obligated Parties in accordance with their share of energy sales. Their individual targets are then divided into three sectoral targets:
 - i. Non-residential (75%)
 - ii. Residential (20%)
 - iii. Energy poverty (5%)
- 1.5. EEOS commenced in 2014 and will continue until the end of 2020. A subsequent phase of EEOS (from 1 January 2021) is currently undergoing development and some changes are anticipated.

¹ Available at: <http://www.irishstatutebook.ie/eli/2014/si/131/made/en/pdf> and amended by S.I. 634 of 2016, available at: <http://www.irishstatutebook.ie/eli/2016/si/634/made/en/pdf>

² This list is available at: <https://www.seai.ie/energy-in-business/energy-efficiency-obligation-scheme/obligated-parties/>

2. Working with Obligated Parties

Obligated Party vs energy supplier

- 2.1. Energy suppliers are designated as Obligated Parties based on the volume of their final annual energy sales across all fuels, including gas, electricity, oil and solid fuel (*i.e.* greater than 600GWh of energy per annum). Some Obligated Parties are not gas and/or electricity suppliers. Similarly, some energy suppliers are not Obligated Parties.
- 2.2. There is no requirement for Obligated Parties to work exclusively or at all with their own customers. This means that a public body can seek support from any Obligated Party, irrespective of which energy supplier supplies their gas, electricity or other energy fuels.

Types of support available

- 2.3. In order to count the energy savings from a Measure towards their target, an Obligated Party must be able to show that they and their contribution were **material** to the works carried out, and that they were **involved before the works began**. For EEOS, materiality means the works would not have been carried out at all, as soon, or to the same extent without the involvement of the Obligated Party.
- 2.4. The support an Obligated Party provides may be technical, financial, or a mixture of both – see table 2 below for an illustrative list of supports. [Appendix 1](#) sets out examples of supports from real Measures.

Table 2 Types of support from Obligated Parties

Financial support	Technical support
<ul style="list-style-type: none"> • A direct monetary contribution towards a project • Facilitating low interest loans • Negotiating discounts on materials (e.g. lighting supplies, high efficiency pumps, and motors) • Reduced energy prices or tariffs 	<ul style="list-style-type: none"> • Providing a certified energy practitioner to carry out energy audits • Implementing energy management systems • Identifying energy efficiency opportunities • Measuring and verifying savings once opportunities have been realised

EEOS Evidence requirements

- 2.5. Obligated Parties are responsible for measuring and verifying the energy savings that they claim towards their targets, to ensure that they are accurate and that the savings will be sustained over time (generally for at least 10 years).
- 2.6. SEAI will review the measurement and verification report for a sample of the Measures submitted. For a sub-set of those measures, SEAI may also conduct a site inspection.

3. How does the EEOS process work?

- 3.1. Diagram 1 below gives an example of the process of working with an Obligated Party.

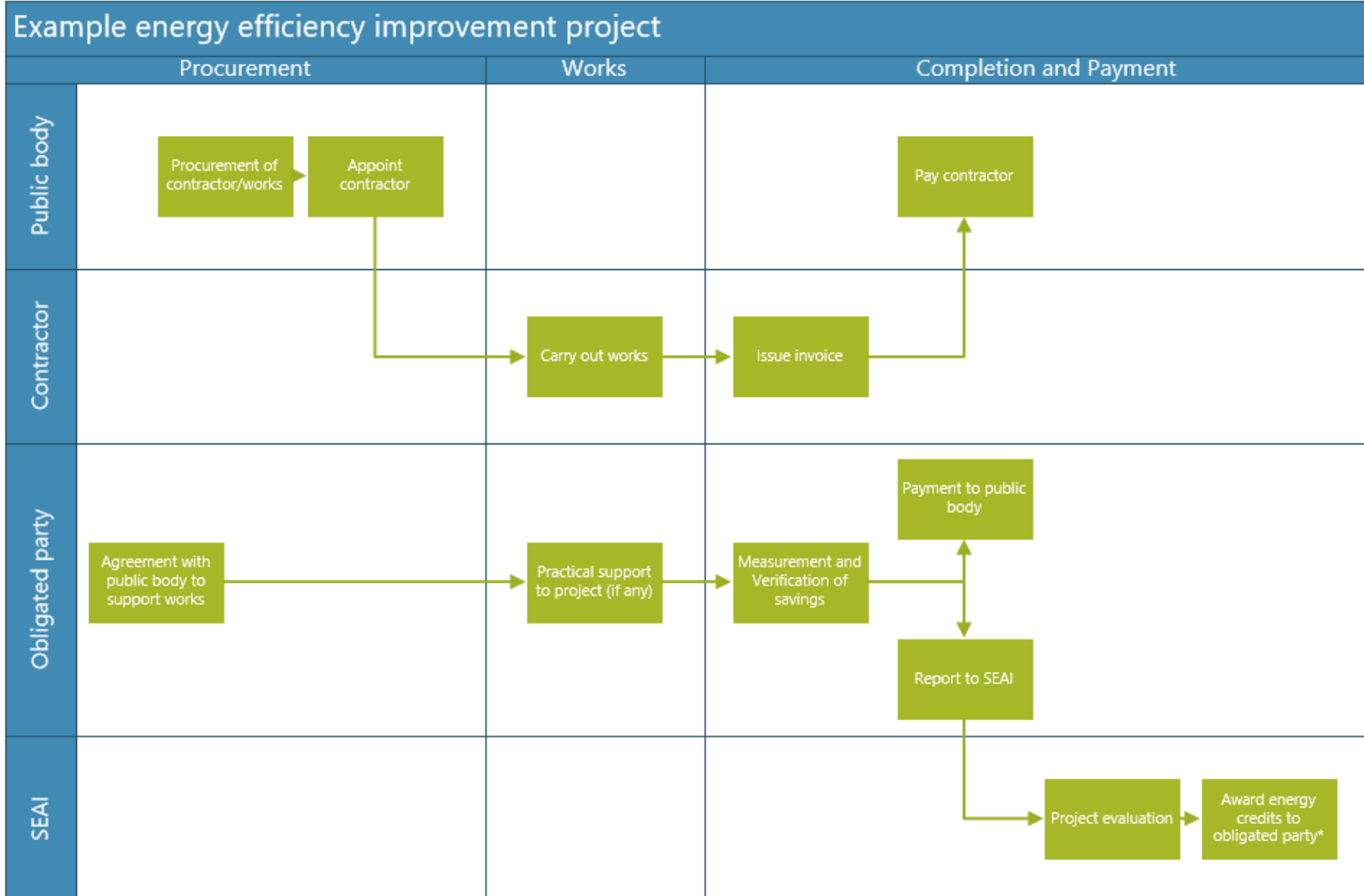


Diagram 1 Example energy efficiency improvement project

*Energy savings achieved will also be reflected in the public body's annual M&R return.

Is any money paid to Obligated Parties under EEOS?

- 3.2. Under EEOS, Obligated Parties support organisations and households to achieve energy efficiency improvement measures. They provide financial or practical support to incentivise these Measures (see table 2 above). This does not involve payment to the Obligated Party of any public money.

What is the Obligated Party's motivation for supporting a project?

- 3.3. In exchange for their support, an Obligated Party will count the energy savings achieved by the Measures in the public body's project towards their legally binding annual energy efficiency targets.

What is an Energy Credit?

- 3.4. For every one kilowatt hour of Primary Energy saved through Measures, Obligated Parties achieve one Energy Credit towards their targets.
- 3.5. Energy Credits are created when an Obligated Party³ supports a Measure in the Republic of Ireland. Energy efficiency works which have not been supported by an Obligated Party from the beginning do not generate Energy Credits. There are no other companies (either in Ireland or in any other countries) whose support towards these projects will generate Energy Credits.
- 3.6. Energy Credits are not of value to any entity other than an Obligated Party. If they are not claimed by an Obligated Party towards their target, they cannot be used for any other purpose.

4. Public procurement

Do public procurement guidelines and rules apply?

- 4.1. Public procurement rules do not apply to instances where a public body seeks financial support from an Obligated Party under EEOS towards a Measure.
- 4.2. Where a public body seeks support in the form of services from an Obligated Party, public procurement rules may apply.
- 4.3. SEAI has prepared this guidance note to help public bodies understand and access the supports available under EEOS. A public body's legal obligations in relation to public procurement are not affected by this guidance note. Compliance with public procurement rules remains the responsibility of the contracting public body.

5. How to obtain support from an Obligated Party

- 5.1. There are multiple ways a public body can request support from the Obligated Parties:
 - i. Complete the EEOS Support Request form⁴ and send it to us at ECMS@seai.ie. We will then post it in the SEAI Obligated Party portal, where all Obligated Parties will all have an equal opportunity to read it.⁵ If an Obligated Party is interested in offering support(s) towards the project, they will contact you directly.

³ All Obligated Parties are included in the list on SEAI's website, available at: Available at: <https://www.seai.ie/energy-in-business/energy-efficiency-obligation-scheme/obligated-parties/>

⁴ Available at: <https://www.seai.ie/resources/publications/EEOS-Support-Request-Form.docx>

⁵ This portal is not accessible to other parties. It is exclusively used by SEAI and the Obligated Parties.

- ii. Contact the Obligated Parties directly. Their contact details are available on the SEAI website.⁶ You may wish to contact multiple Obligated Parties, so you can compare the offers of support received (if any).
 - iii. It may be appropriate to follow other procurement procedures, depending on the specific project and types of support sought by the public body.
- 5.2. The Obligated Parties will need some information about the type of Measures that you are considering and the type of supports that would be of benefit towards it. The checklist in [section 6 below](#) sets out the key information that would be helpful to include when you are contacting the Obligated Parties.
 - 5.3. It is for the Obligated Party to decide whether they would be interested in supporting a Measure. If they are interested, they can provide details of the types of support they would be able to offer. For direct financial supports, they will typically offer a certain price per Energy Credit achieved.
 - 5.4. It should be noted that Obligated Parties have different targets and different approaches to meeting their targets. For this reason, it is likely that Measures would receive interest from only a few Obligated Parties; some Measures may not attract any offers of support.
 - 5.5. To formalise the agreement, a contractual agreement should be signed by the public body and the Obligated Party. SEAI has no involvement in any agreement between a public body and an Obligated Party.
 - 5.6. Public bodies will typically receive any agreed financial contribution from the Obligated Party following completion of the works and measurement and verification of the Energy Credits achieved.
 - 5.7. We encourage public bodies to share their documentation, approaches and stories on Energy Link⁷.

6. Checklist for agreement with Obligated Parties

- 6.1. When contacting Obligated Parties to request support for your Measure(s), it is important to include the information below (in particular points a to d). This will help the Obligated Parties to decide whether to offer supports towards a Measure.
 - a) What type of energy efficiency works are you considering?
 - b) What level of energy savings are expected?
 - c) When are you hoping to undertake the project?
 - d) Are there any types of practical support that you need?
 - e) Have you received EEOS support previously?
 - f) What quality assurance measures do you expect to have in place?
 - g) How will the energy savings be measured and verified?
- 6.2. The Obligated Party will need to reach an agreement with the client organisation before the works begin.

⁶ Available at: <https://www.seai.ie/energy-in-business/energy-efficiency-obligation-scheme/obligated-parties/>

⁷ Available at: <https://energylink.seai.ie/>

- 6.3. The Obligated Party and/or SEAI (or their agents) may undertake a site inspection as part of their quality assurance activities.

7. Opportunities and benefits of EEOS for public bodies

- 7.1. There are numerous requirements on public bodies to reduce energy consumption and improve energy efficiency. Supports from Obligated Parties under EEOS can provide a valuable additional funding stream and/or expertise towards Measures. These supports can be provided in addition to SEAI grants.

- 7.2. Public sector monitoring and reporting requirements are not affected by EEOS support.

Existing partnerships between public bodies and Obligated Parties

- 7.3. Since the scheme began, Obligated Parties have worked in partnership with public bodies to achieve Energy Credits.

- 7.4. Some public bodies have received grant support from SEAI towards their Measures (for example, through Better Energy Communities⁸, EXEED⁹ or the Deep Retrofit pilot¹⁰). In many cases, they have received additional support towards these projects from an Obligated Party, in exchange for the Energy Credits achieved.

- 7.5. Many local authorities have agreements with an Obligated Party in relation to housing upgrade works (in particular insulation and heating system upgrades)¹¹. Obligated Parties support these Measures in exchange for the Energy Credits achieved.

- 7.6. The Energy Credits awarded to date for non-residential public body projects have ranged from approximately 50 MWh to over 1 GWh, with an average of approximately 1 GWh per project.

- 7.7. The types of public bodies that have benefitted from EEOS supports to date include (but are not limited to) hospitals, education facilities, county council facilities (including leisure centres and car parks, for example) and major infrastructure (such as rail, bus, water, airports).

- 7.8. The types of technologies that have been supported to date are listed in table 3 below.

Table3 Type of technologies / improvements

Type of technologies/improvements		
Boiler and controls upgrade	Lighting upgrade	Process improvements
Fuel consumption reduction	New BEMS	Pump upgrade
HVAC optimisation	New electric heaters, time clocks and thermostats	Transport fleet upgrade
ISO 50001		VSD on fans

⁸ More information is available at: <https://www.seai.ie/grants/community-grants/>

⁹ More information is available at: <https://www.seai.ie/grants/business-grants/exeed-certified-grant/>

¹⁰ More information is available at: <https://www.seai.ie/grants/home-energy-grants/deep-retrofit-grant/>

¹¹ The energy credits available for domestic measures are available at: https://www.seai.ie/resources/publications/Energy_Saving_Credits_Table.pdf

8. Disclaimer

- 8.1. SEAI has prepared this guidance note to assist public bodies understand EEOs and the options available to obtain support from Obligated Parties. The information contained in this guidance note is provided for information purposes only and does not purport to be legal, professional or commercial advice or a definitive interpretation of any law. Any person considering action in respect of matters set out herein should obtain advice from a suitably qualified professional adviser based on their unique requirements.
- 8.2. While every care has been taken to provide accurate information in this guidance note, SEAI gives no guarantees, undertakings or warranties in this regard. SEAI accepts no liability for the content or accuracy of the information provided herein or for any loss or damage caused arising directly or indirectly in connection with reliance on the use of such information.
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- 8.4. Where SEAI provides links to external websites, these are provided for convenience only and such provision does not constitute an endorsement of any company, product, process or content. Please note that SEAI has no control over external websites and assumes no responsibility or liability for same.

9. Glossary

EEOS	Energy Efficiency Obligation Scheme;
Energy Credit	When an Obligated Party supports an energy efficiency project, they can count every kilowatt hour of Primary Energy saved as one Energy Credit towards their annual targets. Energy Credits have no value to any other entity;
Energy efficiency	the ratio between an output of performance, service, goods or energy and an input of energy;
Energy efficiency improvement	the increase in energy efficiency as a result of technological, behavioural and/or economic changes;
Measure	any action, including provision of information that amounts to an energy efficiency improvement measure and which leads to verifiable and measurable or estimable energy efficiency improvement;
Measurement and verification (M&V)	Obligated Parties must ensure that all Energy Credits are subject to measurement and verification to ensure that they are accurate before they are submitted to SEAI. This should align with the International Performance Measurement and Verification Protocol (IPMVP) and is typically conducted by Chartered Measurement and Verification Practitioners. This is a more rigorous and robust process than Monitoring and Reporting (M&R) typically used by public bodies, and gives SEAI confidence in the accuracy of the Energy Credits achieved by Measures;
Obligated Party	There are currently 11 energy suppliers designated as Obligated Parties, in accordance with S.I. 131 of 2014. Obligated Parties are obligated to support homes and businesses to achieve energy efficiency improvements;
Primary Energy	Primary Energy includes all of the energy consumed in producing 1 kWh of final energy. For example, one kWh of electricity is currently 2.5 kWh of primary energy, as this accounts for the energy consumed in generation and transmission of the electricity. Most other energy sources (e.g. gas, oil) have a primary energy factor of 1.

Appendix 1: Examples of real supports provided for public projects

Description	Y/N	Cost*	Details
Financial Contribution	Yes	€ 6,734	Financial Contribution
Materials	No	€	
Project Management	No	€	
Installation Works	No	€	
Monitoring and Verification	Yes	€ 1,000	Estimate: M&V Plan Assessment and M&V report
Energy Audits	No	€	
Project Advice/Investment Information	No	€	
Other (Describe)	Yes	€ 3,526	assurance, technical verification and internal res
Total Cost of Value Add		€ 11,260	

Description	Y/N	Cost*	Details
Financial Contribution	Yes	€ 1,506	€/kWhPEE
Materials	No	€	
Project Management	No	€	
Installation Works	No	€	
Monitoring and Verification	Yes	€ 1,500	M&V Plan, compilation, EEOS Submission
Energy Audits	No	€	
Project Advice/Investment Information	No	€	
Other (Describe)	Yes	€ 1,500	Relationship management, project identification,
Total Cost of Value Add		€ 4,506	

Description	Y/N	Cost*	Details
Financial Contribution	Yes	€ 67,500	Financial contribution to capital cost
Materials	No	€	
Project Management	No	€	
Installation Works	No	€	
Monitoring and Verification	No	€	
Energy Audits	No	€	
Project Advice/Investment Information	No	€	
Other (Describe)	No	€	
Total Cost of Value Add		€ 67,500	