

# ERDT National Consultation

**Report Sub Title:** Submission to DCENR on ERDT Consultation

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**Prepared by:** Seamus Hoyne, Managing Director



Tipperary Energy Agency Limited,  
Craft Granary,  
Church Street, Cahir,  
Co. Tipperary

t: 353 (52) 43090  
f: 353 (52) 43012

e: [Info@tea.ie](mailto:Info@tea.ie) - w: [www.tea.ie](http://www.tea.ie)



## 1.1 Question 1 – EDRT Programme Impact and Beneficiaries

The objective of the EDRT programme is to promote energy end-use efficiency and services. A number of impacts and beneficiaries are discussed (see Chapter 1 of this consultation paper). **Please use the Table below for any comments you might have on the following impacts and beneficiaries.**

IMPACT	YOUR COMMENTS
<p>Create new employment through increased demand for energy efficient products and services</p>	<p><i>1(a) Please indicate here your thoughts on the potential of the EDRT programme to create new employment and, where possible, indicate the scale of same</i></p> <p>The ERDT programme has the potential to maintain and create employment. Maintain employment for current providers of energy efficiency services and products is key. New employment will require a significant training programme, combined with continued training or existing supplier, to ensure that quality standards are met.</p>
<p>Improve energy affordability, and health and comfort levels, in vulnerable sections of society</p>	<p><i>1(b) Please indicate here your thoughts on the potential of the EDRT programme to improve the energy affordability for vulnerable sections of society and, where possible, indicate the scale of same</i></p> <p>No comment to make on this area only to say that in general this would involve the EDRT working with Local Authorities in particular to address social housing provision and upgrading. The EDRT will only work with this sector of buildings if it is either 100% supported or spread over a long term price plan</p>
<p>Contribute to the reduction of Ireland's GHG emissions in line with our Kyoto and 2020 targets</p>	<p><i>1(c) Please indicate here your thoughts on the potential of the EDRT programme to contribute to Ireland's GHG emissions targets and, where possible, indicate the scale of same</i></p> <p>Clearly energy efficiency measures will reduce GHG emissions. It is vital however that it is a cross sectoral approach (residential, commercial and industry) to spread the savings.</p>
<p>Encourage innovation in energy efficiency products, leading to market transformation</p>	<p><i>1(d) Please indicate here your thoughts on the potential for the EDRT programme to encourage innovation and, where possible, refer to any international examples with which you are familiar</i></p> <p>Heating controls has been shown, as part of the SERVE project (<a href="http://www.servecommunity.ie">www.servecommunity.ie</a>) to be a major issue in terms of retrofitting residential sector. Issues involved include lack of knowledge of installers, poor standards of work and lack of low cost high quality products on the market. An Irish company, Comeragh</p>

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	<p>Controls, has developed a highly cost effective and efficient heating controls product which should be developed further.</p> <p>Further research is needed on cost effective metering technology linked to the internet, for the residential sector, which can provide energy data and awareness tools to the homeowner. The TEA is working with CO<sub>2</sub> Online to develop an energy analysis and resource tool which can be linked to energy meters thus allowing the homeowner to see clearly how their home is performing and how the upgrades that they make are affecting their energy consumption.</p>
<b>BENEFICIARIES</b>	
Energy Companies	<p><i>1(e) Please indicate here your views on the benefits of the EDRT programme for energy companies</i></p> <p>Clearly the Energy Company need to change to be come Fully Integrated Energy Service Companies. This will be a new business line for them.</p>
Energy Service Companies	<p><i>1(f) Please indicate here your views on the benefits of the EDRT programme for Energy Service Companies and if you think the EDRT can help develop the market for ESCOs?</i></p> <p>The EDRT can help develop ESCOs but this will depend on the option chosen for operation of the programme. Energy Companies may seek to link, or create their own, ESCOs. ESCOs and the approach of Third Party Financing (TPF) or Energy Performance Contracting (EPC) models should emerge as mechanism which will work in Ireland but clear guidance on regulation, financing, contracting models etc will be required.</p>
Energy Service Providers	<p><i>1(g) Please indicate here your views on the benefits of the EDRT programme for energy service providers</i></p>
Energy Savings Product Retailers	<p><i>1(h) Please indicate here your views on the benefits of the EDRT programme for energy-saving product retailers</i></p>
Others	<p><i>1(i) Please indicate here your views on any other benefits of the EDRT programme</i></p> <p>Local Energy agencies and Local Authorities have the potential to benefit from being involved in the programme, and also to benefit the programme. The increasing role of the public sector in energy efficiency</p>

	and climate change means that they are actively involved in implementing best practice projects. Local Energy Agencies could be a mechanism, via the EDRT, for local and independent advice to be provide to the relevant sectors on what measures should be implemented. Also the LEAs could be activie in promotion, monitoring and quality control of the programmes which are rolled out. Local authorities have significant activity in the housing sector and also in enery use themselves ( water services, lighting, buildings etc). This could be catalyst for implementation, promoters and actual implementors of actions.
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## 1.2 Question 2 – Programme Design and Delivery Options for Ireland

A number of international programmes are discussed (see Section 3.3 and Annex 1) and the relevant parameters for the EDRT programme in Ireland are described in 3.4 and 4.4. The three delivery options are discussed in Chapter 4. **Please use the Table below for your comments on the most appropriate scheme design for an EDRT programme in Ireland.**

PROGRAMME ATTRIBUTES	PROGRAMME OPTIONS	YOUR COMMENTS
<b>DELIVERY OPTIONS</b>	<ol style="list-style-type: none"> <li>1. Voluntary agreement and/or</li> <li>2. Fund/levy programme and/or</li> <li>3. Market-oriented obligation scheme</li> </ol>	<p><i>2(a) Please indicate here your preferred delivery option and reasons why you think it is more appropriate than the other options</i></p> <p>Options 2 or 3 are the most appropriate. Voluntary agreements in Ireland do not work very effectively. They provided to much scope for softer measures which do not actually achieve savings.</p> <p><i>2(b) Is there another approach that could realise similar benefits?</i></p> <p>The Pay as You Save approach is a an innovative mechanism which has been developed in the US. In any roll out of the EDRT this has to be a mechanism which is used.</p> <p><i>2(c) Are there any barriers associated with any of the delivery options?</i></p> <p>The key barrier which the TEA sees to getting the savings required are ensuring that the scheme is designed to allow participants to do the maximum number of measures for their home/business/industry which will maximise the savings in the shortest time frame. The main</p>

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<b>PROGRAMME ATTRIBUTES</b>	<b>PROGRAMME OPTIONS</b>	<b>YOUR COMMENTS</b>
<b>PROVIDERS</b>	<ol style="list-style-type: none"> <li>1. Network-connected distribution system operators and/or</li> <li>2. Network-connected energy supply companies and/or</li> <li>3. Non-network-connected energy supply companies</li> </ol>	<p><i>2(d) Indicate here which energy companies you consider should deliver the programme</i></p> <p>Energy Supply Companies (network and non-network connected)</p>
<b>SAVINGS TARGETS</b>	2020 gap: 800GWh/annum	<p><i>2(e) With reference to the 8,000 GWh NEEAP and Table 3, include details here on the energy savings you think the EDRT programme can deliver and whether or not the programme should also include a GHG target</i></p> <p>Yes but only if the programme is designed to have participants to do the maximum no of measures. E.g. A house should have to do all of the HES measures, where practicable, at once.</p>
<b>THRESHOLD</b>	Energy companies excluding: those that sell <75GWh energy per year, or employ fewer than 10 people, or whose turnover does not exceed €2 million per annum	<p><i>2(f) The ESD allows Member States to exclude from the application of the Directive those energy companies that sell &lt;75GWh energy per year, or employ fewer than 10 people, or whose turnover does not exceed €2 million per annum. Do you feel that it is appropriate for Ireland to do so?</i></p>

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PROGRAMME ATTRIBUTES	PROGRAMME OPTIONS	YOUR COMMENTS
<b>ELIGIBLE SECTORS</b>	<ul style="list-style-type: none"> <li>• Residential</li> <li>• Business</li> <li>• Public</li> <li>• Transport</li> </ul>	<p><i>2(g) Please indicate the sectors that should benefit from the EDRT programme.</i> All of these</p> <p><i>2(h) Do you think that funds should be ring-fenced for the fuel poverty sector? If so what is an appropriate percentage?</i> Fuel poverty should have a particular approach. The percentage should be appropriate to the most recent data on the % of people in the fuel poverty sector.</p>
<b>ELIGIBLE TECHNOLOGIES</b>	List of measures (Table 5 and Annex 1)	<i>2(i) Comment on the list of potential measures and include any others that you feel are appropriate</i>
<b>MONITORING AND VERIFICATION</b>	<p>Ex-ante: Based on assumptions about savings from each measure;</p> <p>Ex-post: Direct measurement of actual saving;</p>	<p><i>2(j) Which method of monitoring and verification is most appropriate to Ireland and why?</i> This has to be a mixture of both, with a high level of Ex Post assessment. Through the SERVE project the TEA has found that installers are not installing products correctly, over stating the measures that they have installed and installing inferior products. Therefore, any Ex Ante system is likely to over estimate the savings achieve. The EDRT must put the quality of implementation as a key indicator and verify installations and actual savings. <del>An innovative cheap and cost effective method of measurement</del></p>
<b>ADDITIONALITY</b>	Targets assume all measures are additional. Any measures considered not to be additional will be removed from target.	<i>2(k) Comment here on the potential the EDRT programme has to offer additional savings over and above those already included in the NEEAP</i>

PROGRAMME ATTRIBUTES	PROGRAMME OPTIONS	YOUR COMMENTS
<p><b>SCHEME FINANCING</b></p>	<p>A percentage of the programme providers' turnover/revenue streams</p> <p>Final customers (e.g. in the form of a general levy/kWh charge on all customers or individual bill-based repayment options based on the energy service provided to a particular address)</p> <p>Third-party contribution (e.g. energy service providers, energy saving product retailers, local authorities etc.)</p> <p>Funds made available by the Exchequer</p>	<p><i>2(l) Give details on how you think the EDRT programme should be financed, bearing in mind that the list here is not exhaustive and that funds for the programme may be provided by a number of sources (see 3.4.8)</i></p> <p>A Green Fund should be created with a mix of Exchequer, Programme Provider and other funding. This fund can be used as a Green Bank to allow the energy providers to fund the energy services they provide to the customers. This Fund would become a Revolving Fund as recipients of measures would pay back the cost of the measures, over time, via their bills. It should always be the case that the total bill after the measures, should not be more than it was before the measures were implemented.</p> <p><i>2(m) If you think that a levy fund is the best option, please indicate what you feel is an appropriate charge on each sector</i></p>

