Energy Efficiency in Europe

Assessment of Energy Efficiency Action Plans and Policies in EU Member States

2013



Country Report

IRELAND

ENERGY EFFICIENCY WATCH

Supported by *
INTELLIGENT ENERGY EUROPE

Summary Assessment

Introduction

This report is one of 27 country reports published within the Energy-Efficiency-Watch project and assesses both ambition and quality of EU Member States´ energy efficiency action plans and policy implementation (see more at www.energy-efficiency-watch.org).

The Irish NEEAP has its strengths especially in the industry and buildings sector. Cross-sectoral grant schemes are available that provide funding for different sectors (buildings, industry, public sector). The Irish policy has furthermore set up **networks for large industrial companies and SMEs**. Within these networks advice, information and training is offered.

The majority of domestic experts interviewed in the context of the EEW project (61%) rate the overall ambition of Irish energy efficiency policies as rather high or state that **a range of sectors are ambitious** while few others are rated as less ambitious. The NEEAP analysis is rather in line with this assessment. While many policy packages address the most important aspects of energy efficiency promotion without being ambitious, the policy packages for industry and buildings are rated as relatively ambitious. The survey respondents emphasized that energy efficiency policy in Ireland was affected by the **economic crisis** (less funding, shifting policy focus).

Sectoral Assessment

The sectoral assessment is as follows:

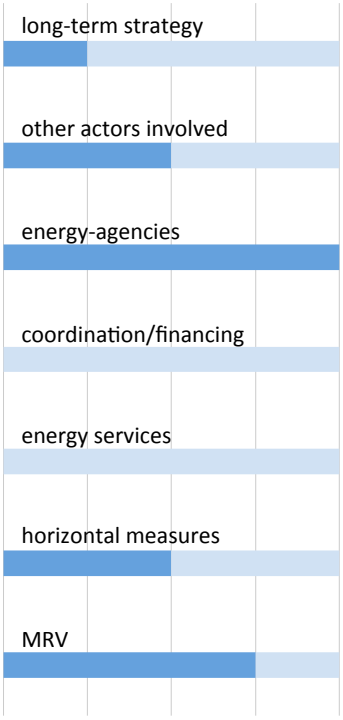
- The **public sector** has drafted a list of highly energy efficient equipment and technologies. Purchasers of this equipment can write off the full cost of their purchase against their profit for that year. As this list is also used for public procurement, it links public and private sector purchases and creates a greater market for the eligible energy efficient products.
- The energy performance standards for **buildings** have gradually been tightened and are planned to be upgraded again in 2016 which should lead to a 70% improvement compared with the standard of 2002.
- In **other sectors,** a clear target is missing. For instance, neither the **public sector** has a specific target nor have targets for **industrial sectors** or companies been defined. The lack of specific targets is also visible at national level for which, according to the information provided in the NEEAP, no overarching energy efficiency target has been set.
- For instance, in the absence of a target and mandatory measures at national level, the policy package for the **industry and tertiary sector** is mainly characterized by several schemes that provide grants for businesses and by company networks. These networks provide advice and mentoring for large industry and SME and thus promote energy management. The policy package comprises therefore good elements but is, in the absence of specific targets, incomplete.

Conclusions

Improvements could be the following:

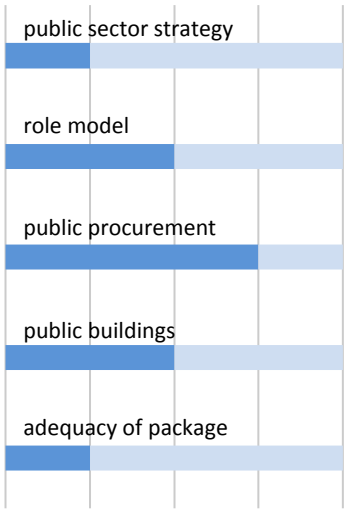
- The policy packages for **industry and buildings** are comparatively ambitious; the policy packages for the remaining sectors could all be clearly improved
- The Irish **governance** framework lacks in particular an overall target for energy efficiency and specific sectoral targets
- The financial crisis has negatively affected the Irish energy efficiency policy by leading to dwindling political focus and reduced financial resources
- The reform of the **car taxation** scheme which is now only based on CO_2 emissions can be perceived as a good practice example
- It is recommended to define energy saving targets for **all sectors** and to establish overall coordination and/or financing mechanisms

Screening of the NEEAP



Overarching Energy Efficiency Governance Framework

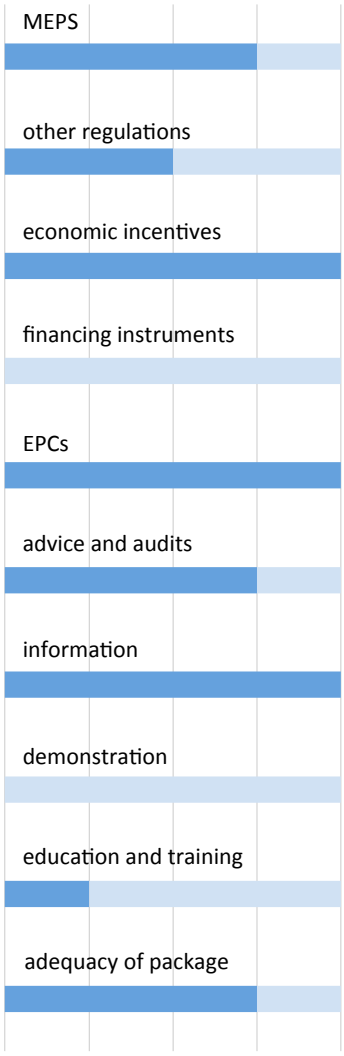
Comprehensiveness of policy package	
Long-term EE target(s) and strategy	• Savings until 2020 are calculated for each measure; • No overarching target for 2020 or 2050
Involvement of non-governmental and market actors, and sub-national authorities	• Industrial and non-profit associations as well as energy contractors are involved in the programme
Energy agencies and climate protection agencies	• Energy agencies at national, regional and local level
EE mechanisms for overall coordination and financing	• No overall coordination mechanism mentioned in the NEEAP
Favourable framework conditions for energy services	• No mention of support for energy services
Horizontal measures	• Energy taxation is higher than EU minimum rates for gas but not for electricity; • Voluntary agreements with businesses
Monitoring, reporting and verification	• Monitoring, reporting and verification is detailed for each measure and often based on bottom-up methods



Public Sector

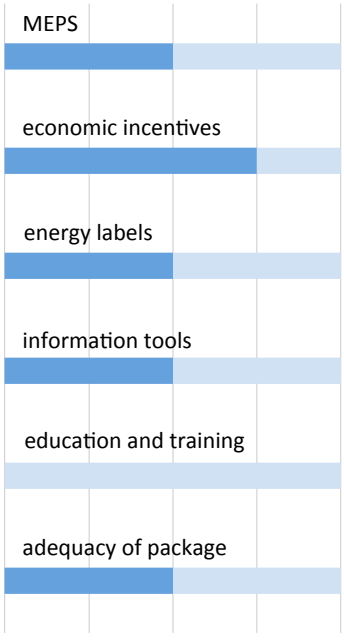
Comprehensiveness of policy package	
Public sector strategy	• Only little information on the strategy of the public sector provided
Role model, transparency, and demonstration	• Demonstration programme for the buildings sector • Specific PR measures are not included
Public procurement	• Many public bodies use list of equipment/technologies considered as best practice for public procurement; • Not clear how many public bodies are using it
Public buildings	• Demonstration programme; • CHP and renewable heat funding programmes; • No targets mentioned
Adequacy of policy package	• Demand and supply side of EE markets addressed

Residential Sector - Buildings



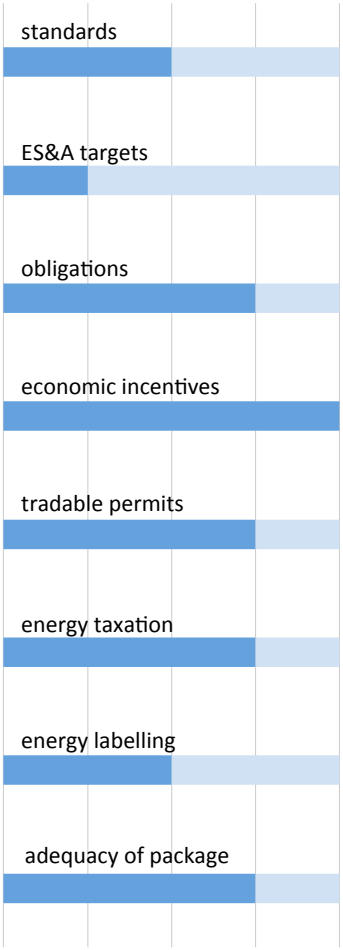
Comprehensiveness of policy package	
Minimum Energy Performance Standards (MEPS)	• Minimum Energy Performance Standards have been set for residential and non-residential buildings; the standard for residential buildings is to be tightened in 2016; • No information on compliance control and enforcement
Other regulations	• Energy efficient boiler regulation
Economic incentives	• Several grant aid schemes have been set up and are partly also linked to other instruments
Financing instruments	• Not included
Energy performance certificates (EPCs)	• Building Energy Rating has been established and is also linked to funding schemes; • Rating based also on BPIE study
Energy advice and audits	• The programme “Better Energy Homes” combines advice, subsidies and obligation schemes
Information tools	• Even though the NEEAP itself does not include information activities for buildings, MURE lists several information measures (e.g. Power of One campaign, the national energy agency Sustainable Energy Ireland, Boiler Efficiency Campaign).
Demonstration projects	• Not included
Education and training for stakeholders	• Albeit not mentioned in the NEEAP, MURE lists the 2007 Best Practice Guidelines – Quality Housing for Sustainable Communities as measure targeting building professionals
Adequacy of policy package	• The policy package is relatively well balanced, different actors are considered, demand and (to a lesser extent) supply side of energy efficiency markets is addressed

Residential Sector - Appliances



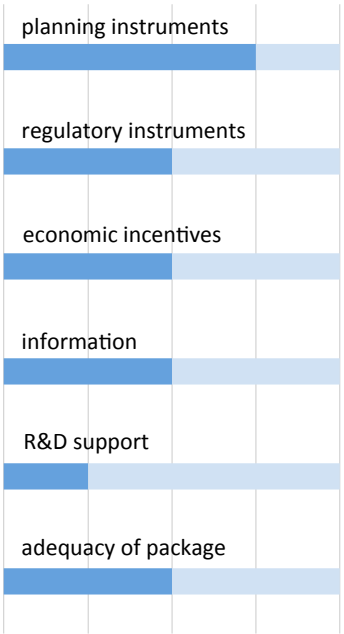
Comprehensiveness of policy package	
Minimum Energy Performance Standards (MEPS)	• Ecodesign Directive
Economic incentives	• Tax incentive for companies to purchase energy efficient equipment
Energy labels	• EU Energy Labelling (2010/30/EU)
Information tools	• An information tool exists
Education and training for retail staff and other supply chain actors	• Not included
Adequacy of policy package	• The policy package considers the demand side as well as different actors

Industry and Tertiary Sector



Comprehensiveness of policy package	
Standards for equipment, production process, products	• Ecodesign only
Energy savings and action targets for individual companies	• Industry networks exist but no specific savings target mentioned
Obligations / commitments	• Networks providing advice, mentoring and training for large industry and SMEs
Economic incentives	• Several grant aid schemes have been set up
Tradable permits	• A market based mechanism is planned to be introduced for CHP; • EU ETS
Energy or CO_2 taxation	• Energy taxes partly above minimum rates
Energy labelling	• Partly included in all MS due to EU energy labelling regulation, which does not cover all appliances though
Other sectors	• Measures in the field of energy supply (not rated)
Adequacy of policy package	• The policy mix is relatively well balanced; it considers different actors as well as the demand and supply side; some aspects could be strengthened

Transport Sector



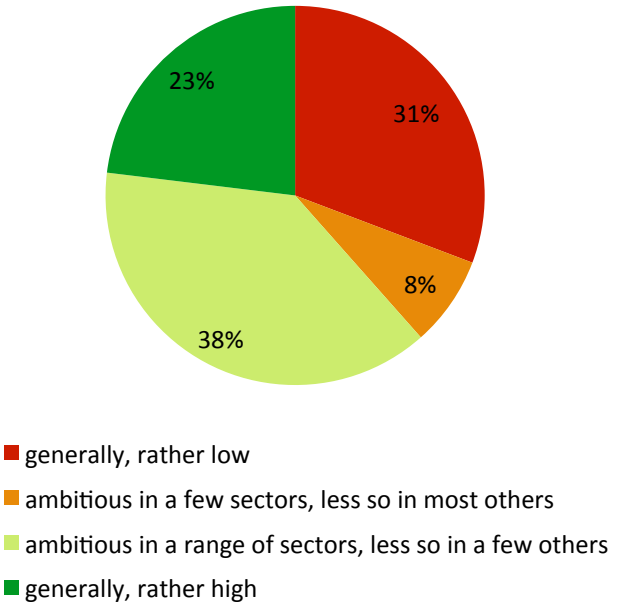
Comprehensiveness of policy package	
Planning instruments	• Planning instrument for aviation; other planning instruments are not very ambitious and deal only with technical solutions
Regulatory instruments	• Only EU regulation and one other instrument
Economic incentives	• Incentives targeting cars (purchase decision) have been established
Information and advice	• Mandatory labelling system mentioned in MURE
R&D support	• Only one project dealing with EV mentioned
Adequacy of policy package	• The policy targets especially road transport; No multimodal approach; Positive: target on aviation

Findings from the Expert Survey

In 2011 and 2012, Energy-Efficiency-Watch conducted a quantitative and qualitative survey with national experts on implementation of energy efficiency policies in EU Member States.

Around 60% of the respondents (in total 13 completed the questionnaire) rate the Irish policy as **ambitious in a range of sectors** or even generally ambitious. Around 60% of the experts furthermore state that in the last three years a range of additional policies were set up. However, more than 60% of the Irish experts also expected that the **national ESD target would not be reached**. This is the highest percentage of all Member States. More than 50% of the experts referred to financing as the greatest barrier to energy efficiency. The greatest **gaps were identified in the transport and industry sector**.

Ireland: overall ambition of the energy efficiency policies

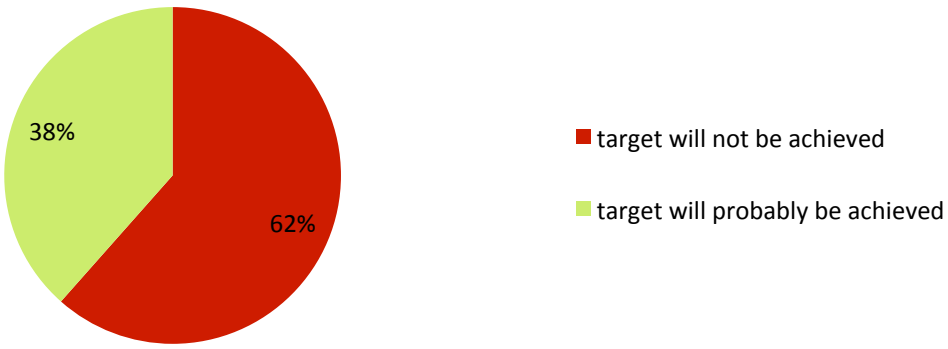


According to the respondents the **financial crisis** resulted in dwindling political focus on energy efficiency in Ireland. Experts point to budget cuts and little progress in developing and introducing financial instruments for energy savings. The reduction of the public budget has furthermore affected the capacity of the Irish government to support market developments and to implement and enforce laws.

On the positive side, experts refer to the **revision of the car taxation scheme** in 2008. The new system is based only on CO_2 emissions per kilometre and has thus moved away from the assessing vehicles based on engine size. This change is perceived by experts as a strong incentive to buy smaller and more efficient cars. From 2007 to 2011, the average CO_2 emissions dropped from 164 g/km to 133 g/km. Notwithstanding this positive changed, great gaps were still identified in the transport sector.

The **assessment of the buildings sector is mixed**. Experts state that building regulations had been improved, as had building certification and rating. Professionals are available for renovation and other energy efficiency activities. However, in the economic downturn, there was a risk that specialised companies go out of business. The national retrofit programme for residential buildings had recently been extended also to commercial and public buildings. The programme is now switching from a grant scheme to financing via supplier obligations. Experts were concerned as to whether the new mechanism would deliver. With regard to public buildings, experts missed a specific strategy as well as dedicated funding.

Ireland: achievement of national energy savings target



Questioned about the **effectiveness of different policy instruments**, the experts referred to energy audits (69% thought of the as partly effective, 8% as very effective), energy efficiency funds (54% rated them as partly effective, 8% as effective), qualification, accreditation and certification schemes (46% partly effective, 8% very effective) as well as voluntary agreements (39% partly effective, 15% very effective).

Good Practice Examples

The Irish **industry sector** can be considered as a good practice example due to strong measures especially concerning obligations, economic incentives, tradable permits, and energy taxation. Concerning other measures it would be necessary to further strengthen through policies that go beyond EU requirements.

The **appliances sector** shows balanced results and could be improved by mentioning education & training activities, which is important for a proper assessment, and implement policies that go beyond EU requirements for the cases of minimum energy performance standards, and energy labelling. Information activities could be strengthen as well. Here, different NEEAPs could be used as good practice examples to give orientation. For instance information is provided through labels that uses standards and therefore give orientation which can be found in the **Netherlands**. As well information centres, websites and web based tools e.g. for calculating energy savings provide help and orientation. Those can be found in the **Netherlands** and especially in **France**. Concerning the governance framework the implementation of the Ecodesign Directive on national level can be seen as first step. In **France** there is additionally a co-operation with the lighting trade union to remove the least efficient products from the market.

The weakest point in the Irish policy framework in the NEEAP lies in the **public sector**. Except of public procurement all measures could be improved. This may be a result of few information on specific strategies and targets. However, the NEEAPs of **Denmark** and **Belgium** provide good practice examples that can be used for improvement. Experts and results from the **Danish** NEEAP screening are coherent that the policy package is well balanced and adequate to address the public sector`s needs. The NEEAP provides measures for public buildings and procurement as well as measures to ensure that energy consumption and energy savings are transparent. Also the public sector in **Belgium** may be seen as a role model in some fields. For instance, the public sector has designed strict criteria for procurement and buildings, information and pilot projects, and a comprehensive mobility management system.

Disclaimer

 The analysis performed here is based almost exclusively on the information provided in the NEEAPs. Consequently, a low score for any of the criteria analysed could also be the result of a NEEAP lacking detailed information. The purpose of this assessment is not an absolute ranking among Member States but is focusing on each Member State's individual conditions.

The Project

In 2006, the European Union adopted the Directive on energy end-use efficiency and energy services ("ESD"). The Directive sets an indicative energy saving target of 9 % by 2016 as well as obligations on national authorities regarding energy savings, energy efficient procurement and the promotion of energy efficiency and energy services. It requires Member States to submit three National Energy Efficiency Action Plans (NEEAPs), scheduled for 2007, 2011 and 2014.

The Energy-Efficiency-Watch Project aims to facilitate the implementation of the Energy Service Directive and the Energy Efficiency Directive. This Intelligent Energy Europe project tried to portray the progress made in implementation of energy efficiency policies since the Energy Service Directive via NEEAPs screening and an extensive EU wide expert survey.

www.energy-efficiency-watch.org

The Authors

Ralf Schüle, Thomas Madry, Vera Aydin, Jonas Fischer, Jan Kaselofsky, Thorsten Koska, Carolin Schäfer- Sparenberg, Lena Tholen (Wuppertal Institute)
Daniel Becker, Nikolas Bader (Ecofys)
Christiane Egger (O.Ö. Energiesparverband)

with contributions by
Reinhold Priewasser, Michaela Kloiber (University of Linz) Nils Borg (eceee),
Dominique Bourges (Fedarene), Peter Schilken (Energy Cities)

List of Abbreviations

EE – Energy Efficiency, **EED** – Energy Efficiency Directive, **EPC** – Energy Performance Certificates, **EPDB** – Energy Performance of Buildings Directive, **ES&A Targets** - Energy Savings and Action Targets, **ESCO** – Energy Service Company, **ESD** – Energy Service Directive, **EU** – European Union, **EEW** – Energy-Efficiency-Watch, **MEPS** – Minimum Energy Performance Standards, **MRV** – Monitoring, Reporting and Verification, **MURE** – Mesures d'Utilisation Rationelle de l'Energie, **NEEAP** – National Energy Efficiency Action Plan, **R&D** – Research and Development

Photography Credits: PhotoDisc, iStock, www.openclipart.org

Wuppertal Institute for Climate, Environment and Energy

ECOFYS sustainable energy for everyone

OÖENERGIESPARVERBAND