

Support Scheme for Renewable Heat SSRH

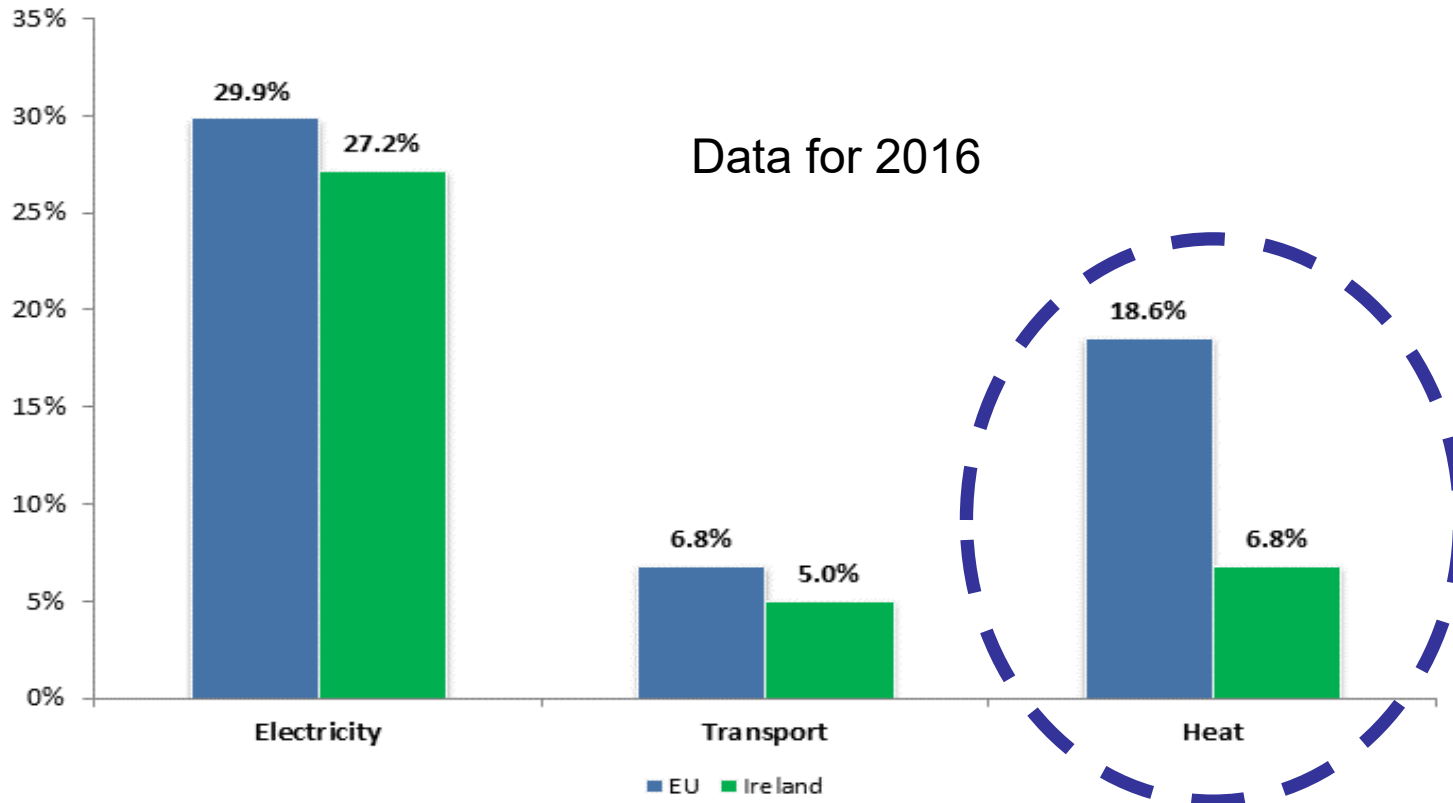
Engineers Ireland.
April 4th 2018

European policy context

- Emissions reduction targets (non-ETS v 2005)
 - 2020 national target of 20%
 - 2030 national target of 30% – agreed in Dec 2017
- Energy Efficiency
 - 2020 national target of 20%
 - 2030 target not yet agreed (30-35% probable)
- Renewable Energy
 - 2020 national target of 16%
 - 2030 target not yet agreed (30% probable)
- National Energy & Climate Plan
 - Draft plan: end of 2018

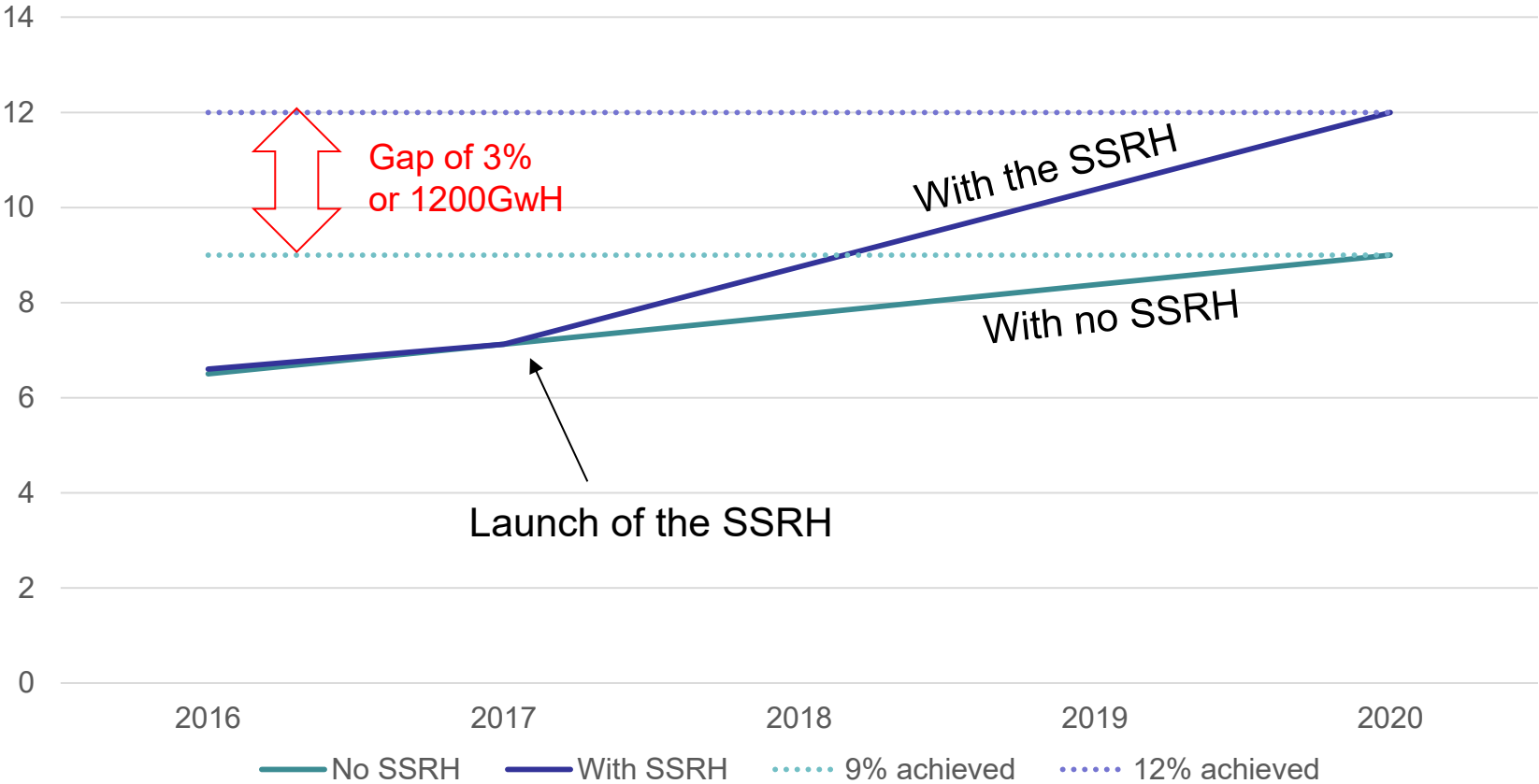
National target of 16% Renewable Energy by 2020

- Sub-targets of;
 - 40% renewable electricity
 - 10% renewable transport and
 - 12% renewable heat



Target impact of the SSRH

Renewable heat percentage



Development of the SSRH

- Two rounds of stakeholder consultation (2016/17)
- Range of options considered (carbon tax, supplier quota obligation, tendering system with exchequer support, investment aid, operating aid)
- SEAI modelling and behavioural insight
- Economic analysis (Element Energy & Frontier Economics)
- Learning from other jurisdictions

- Value for money

Current position

- Scheme approved by Government on 07.12.17.
 - Outlined at ‘high level’ via scheme overview & Gov memo
- SEAI appointed to administer scheme, develop the detail and build the Programme
 - Terms & conditions
 - Setting standards & defining eligibility
 - Turning ‘scheme outline’ into ‘operational process’.
- Budget for 2018
 - €7.0 M
 - €300 M in National Development Plan (2018 – 2027)

SSRH overview

- A hybrid scheme of
 - Investment aid (grant) for heat pumps
 - Operational aid (ongoing quarterly payments for 15 years) for biomass heating systems & anaerobic digestion heating systems
- Investment aid - a grant of up to 30% for
 - i. air source heat pumps
 - ii. ground source heat pumps
 - iii. water source heat pumps
- Operational aid based on eligible heat use
 - A tariff which is tiered (reduces as heat output increases)

Proposed initial tariff rates

Tier	Lower Limit (MWh/yr)	Upper Limit (MWh/yr)	Biomass Heating Systems Tariff (c/kWh)	Anaerobic Digestion Heating Systems (c/kWh)
1	0	300	5.66	2.95
2	300	1,000	3.02	2.95
3	1,000	2,400	0.50	0.50
4	2,400	10,000	0.50	0.00
5	10,000	50,000	0.37	0.00
6	50,000	N/A	0.00	0.00

Tariff rates will be reviewed annually or as required.

How technologies are supported

- Based on useable & eligible heat output;
 - from renewable heating systems
 - existing installations that convert to renewable fuel
 - new installations (that have a counterfactual)
- Some common T's & C's for eligibility for both
 - grant
 - tariff
- Some specific T's & C's related to technology
 - heat pump
 - biomass boiler
 - biogas boiler
 - HE CHP

Terms & Conditions will apply

- Eligible applicants
- Eligible heat
- Heat use in buildings
- Energy efficiency
- Useful heat
- Measuring heat
- Heating technology
- Installation standards
- Sustainability
- Incentive effect
- Project funding & payments
- Ongoing obligations

Terms & Conditions will apply

- Eligible applicants
 - commercial, industrial, agricultural, public sector, district heating
 - not ETS sites
 - not single domestic
- Eligible heat
 - space heating
 - water heating
 - process heating
 - some exclusions e.g. Private swimming pools, defrosting
 - not heat produced for the purpose of receiving SSRH

Terms & Conditions will apply

- Heat use in buildings
 - building regulations classification of buildings will apply
 - group 1 (single domestic dwellings) are excluded – unless by way of district heating
 - must be permanent & fully enclosed building
 - SSRH will not support any heat mandated by regulation
 - fabric first principle
 - will leverage BER

Terms & Conditions will apply

- Energy efficiency
 - EXEED is a good model
 - define the asset using the heat
 - document existing heat performance
 - challenge & identify opportunities to reduce heat
 - prepare an energy management plan
- Useful heat
 - ‘economic test’
 - the heat use must otherwise exist without the SSRH

Terms & Conditions will apply

- Measuring heat
 - metering in place to ensure effective monitoring
 - at point of use
 - renewable heat only
- Heating technology
 - manufactured to relevant standards
 - heat transfer via water, thermal oil, steam (air to air is problematic in terms of measurement)
 - solid & gaseous biomass boiler fuel only
 - heat pump minimum seasonal performance factor (SPF) will apply

Terms & Conditions will apply

- Installation standards
 - good design & quality standards
 - competent installer
 - other standards as appropriate
- Sustainability
 - green gas certification
 - solid fuel standards will apply
 - RED 2* and other standards (forestry, land, wildlife, etc.)
- Air emission standards
 - NOX & PM

*70% GHG saving & forestry/agricultural protection

Terms & Conditions will apply

- Incentive effect
 - a core principle of state aid
 - grant eligibility for ‘over and above counterfactual’
- Project funding & payments
 - annual scheme budget cap
 - project budget cap
 - tariffs paid quarterly
- Ongoing obligations
 - full compliance with T’s & C’s
 - retention of ‘audit trail’ e.g. fuel invoices & certificates
 - subject to inspection

Next steps

- State aid approval
- T's & C's 'operationalised'
- Ministerial approval of T's & C's
- Balance of customer journey & governance
- Open for applications
- New approvals for 3 years

WEDNESDAY 18th APRIL 2018 10:00–18:00
THURSDAY 19th APRIL 2018 09:00–17:00



seai
ENERGY
SHOW

A FREE two day
business event for the
energy sector

- B2B exhibition
- Free expert seminars
- Technology demonstrations
- Electric vehicle test drives
- Multiple networking opportunities

www.seai.ie/energyshow

Thank You



Follow @SEAI_ie



Ireland's EU Structural Funds
Programmes 2007 - 2013

Co-funded by the Irish Government
and the European Union

*The Sustainable Energy Authority of Ireland is partly
financed by Ireland's EU Structural Funds Programme co-
funded by the Irish Government and the European Union.*