

2016

Annual Report and Financial Statements



OUR MISSION

Playing a leading role in transforming Ireland into a society based on sustainable energy structures, technologies and practices.

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Our Achievements in 2016



24

renewable
energy RD&D
projects
supported
with €1 million



€38 million Better Energy
grant aid towards total investment
of €90 million, with **3,060 jobs**
supported

192

Large Industry
Energy Network members
with an energy spend of €1.1
billion and avoided energy
spend of €25 million



22,000

homes
and 383
community
buildings
upgraded



120,000

calls and emails

Nett Promoter Score of 76



80 public bodies now signed up to formal
Energy Agreements with SEAI. 8 public bodies completed ISO 50001
certification with 20 more in progress

€3 million

in EV grants disbursed,
with **667**
more EVs
on the road



**10 statistical
analysis and policy
advisory reports**

17,400

exemplar energy
efficient products
registered from
350 suppliers



Energy GIS

expanded to include heat
demand maps and small-
scale hydro

50,000 pupils
reached through SEAI
schools programme



“

Notwithstanding the progress we are making in meeting our targets as an Authority, the scale of the challenge of transitioning to a low carbon energy future – as set out in the Government’s White Paper published in December 2015 – remains stark.”

Chairperson's Statement



What a difference a year makes. This time last year we were all experiencing a sense of optimism when 196 world leaders signed up to the Paris Agreement. As I write now in June 2017, worldwide disappointment is palpable at the announcement by President Donald Trump that he is pulling the United States out of the same accord.

Despite acute disappointment at this move, what is heartening is the extent to which other world leaders, and indeed American philanthropists, have reiterated their commitment to tackling climate change. What looks at first glance as a significant blow to global efforts may yet turn out to be the spur that galvanises the majority of political leaders into further and deeper action.

Closer to home Minister for Communication, Climate Action and Environment, Denis Naughten has reaffirmed Ireland's commitment to the Paris accord. While we await the publication of the National Mitigation Plan we are pleased to report a year of valuable progress by the Authority in delivering on our objectives for 2016 as outlined by Chief Executive Jim Gannon in his review of the year and detailed in this report.

Looking forward, we particularly welcome the increased funding of €114 million allocated by the Minister to the Authority for 2017 and the confidence this represents in our ability to meet the challenge of increasing energy efficiency and a shift to more sustainable sources of energy.

Notwithstanding the progress we are making in meeting our targets as an Authority, the scale of the challenge of transitioning to a low carbon energy future – as set out in the Government's White Paper published in December 2015 – remains stark. It requires a complex interplay of technology, infrastructure and action by organisations and individuals in order to shape our energy future. The key players range from international to national and right down to communities

and households. They include politicians, community leaders, regulators, energy utilities, innovators, SMEs, big business, public service bodies and each individual citizen.

The provisional energy balance figures for 2016 recently published by the Authority highlight a dramatic rise in the carbon intensity of electricity generation and that the renewable energy contribution to generation is down. They also show that Ireland's energy use increased by 3% while the economy grew by 5%. It remains a concern that we have not seen a stronger decoupling of energy demand from economic growth. Ireland still faces major challenges to reduce both overall consumption and the carbon intensity of energy. This will have to be achieved through redoubled efforts to increase energy efficiency and policies to facilitate low and zero carbon sources of energy.

Whatever the cut and thrust of world politics, we in the Authority recognise both the imperative and the merit of reducing our dependence on fossil fuels. The analysis, research and practical interventions we support demonstrate time and again that the benefits of sustainable energy actions far outweigh the costs. Our proactive engagement as a country with this agenda can help position Ireland to benefit from the spinoffs of new technologies and innovation. It can help build sustainable jobs and communities. We will put the individual citizen at the heart of measures to reduce energy consumption and deliver lower carbon energy. We will assist and engage with individuals and communities to gain their trust and promote an understanding of what can be achieved through collaborative

effort. The challenges Ireland faces in transforming our economy and lifestyles are considerable. Those challenges are matched however by our commitment to change. It is the responsibility of SEAI to facilitate this change and it is the responsibility of each and every one of us as citizens to ensure we deliver. Working together, we will achieve our aim.

I would like to thank my colleagues on the Board of the Authority for their support during 2016 and extend my appreciation to our CEO Jim Gannon, his committed executive team and all the staff in SEAI for their achievements last year. We, the Board, look forward to working with all of the team to build on the success of recent years and move towards a more rapid decarbonisation of our energy system.

Finally, I want to thank the Minister and Department officials for their continued support and encouragement for the Authority as we work together towards our energy and climate change goals. We will continue to play our part as an authoritative and independent voice in support of those goals.

Julie O'Neill
Chairperson
Sustainable Energy Authority of Ireland

Chief Executive's Review



SEAI plays a critical role in Irish society by supporting businesses, communities and individuals to be more energy efficient and make better use of clean renewable energy. We pride ourselves on the successful delivery of large-scale energy efficiency programmes covering both domestic and commercial sectors.

Increased energy efficiency is the most cost effective way to reduce carbon emissions and increase our competitiveness; it also reduces our reliance on imported fossil fuels and the inherent economic exposure that this brings. Each year, we invest a significant proportion of our budget into the Irish economy, through a range of grant and other programmes, in order to deliver increased energy efficiency.

These actions also stimulate vital economic growth and employment in our economy. Last year the Better Energy programmes, administered by SEAI, secured a total investment in building energy upgrades of €131 million, supporting more than 3,000 jobs. An important indirect benefit of this achievement is the significant growth of our Sustainable Energy Communities network as drivers and leaders in Ireland's energy transition. Last year, through this network we continued to engage, inform and provide direct grant support to 90 communities to enable them to harness the benefits of increased energy efficiency.

Along with our capital programmes, SEAI has a mandate to provide policy analysis, forecasting and modelling support to the Department of Communications, Climate Action and Environment (DCCAE). As Ireland approaches 2020, and begins planning our pathway to 2030, it is essential that we continue to strengthen this role in response to both changing European Policy and the climate challenges we face. It is a mandate that is central to what we do. It draws on the unparalleled access we have to energy-related data and forecasting, empirical experience of catalysing change with citizens and industry, and the occasionally challenging area of real-world policy implementation.

In this statutory role, we continue to work hand in hand with DCCAE to support their policy and decision-making processes. As we move forward, we will also continue to interact with the range of public, private sector and academic institutions that generate a variety of changing perspectives, models and scenarios.

During 2016, SEAI was also central to both research and innovation in the energy sector in Ireland. Internationally, we continued in our role as National Delegate to the Horizon 2020 programme, helping to identify new areas of priority for both Ireland and Europe. Alongside this, we have continued to participate in, and in many cases lead, various International Energy Agency, United Nations and EU fora around best practice in the transition to a cleaner energy future.

Domestically, we funded 24 research and development projects across a range of sustainable energy sectors. We also funded 17 prototype ocean-energy projects, alongside the ongoing development of Ireland's ocean-energy test infrastructure. In parallel, we have progressed our work on enterprise development with both Enterprise Ireland and the IDA.

With regard to renewable energy, Ireland has a unique set of resources and opportunities that we need to utilise in an appropriate and mature fashion. Despite good progress on renewable energy deployment in 2016, it is looking more likely that business as usual will not see us achieving our targets. This is supported by detailed analysis which delivers on our national energy forecasting mandate. During 2016, SEAI continued to support the DCCAE in the design of measures to catalyse more activity across renewable electricity, heat and transportation. In each of these areas we have a core focus on the sustainable harnessing of these resources, with due regard for economic, social and environmental factors.

“ Domestically, we funded 24 research and development projects across a range of sustainable energy sectors. We also funded 17 prototype ocean-energy projects, alongside the ongoing development of Ireland's ocean-energy test infrastructure.”



We must facilitate the development of a better engaged and more empowered energy citizen, with a sense of both ownership and responsibility for our energy ecosystem.”

Through SEAI, almost 300,000 homes have undergone some form of heating or insulation upgrade and almost one third of all homes now have a Building Energy Rating. Because of this activity, and with a number of SEAI programmes reaching advanced maturity, a key short-term focus for us is to generate robust data-driven insights into the most cost effective measures across both residential and non-residential buildings. Better use of our extensive datasets can drive best value and help to inform better choices for the new energy citizen.

It is important to note that regardless of the mix of renewable energy technologies in our future, there will be a need for deployment of infrastructure. As a country, we have learned in the past decade that there is a strong desire and need for early dialogue relating to potential deployment of energy related infrastructure. It is vital that this dialogue is conducted on the basis of fact and not prejudiced either way by sensationalist or partisan views. For this to happen, we must facilitate the development of a better engaged and more empowered energy citizen, with a sense of both ownership and responsibility for our energy ecosystem.

Against that backdrop, SEAI will this year publish its Statement of Strategy (2017-2021), the first such strategy to have the EU energy target deadlines within its timeframe. This truly sharpens the focus and crystallises the importance of the work we do in the Authority in supporting the Government to reach its targets. SEAI supports the ambition of our national and international

commitments and our strategy will reflect the very strongest commitment to their achievement. Alongside our outward facing role, I will be placing a strong focus on ensuring value for public monies. This will be achieved by driving organisational excellence and continuing to develop a highly skilled, motivated and positively engaged team who will continue to provide valuable guidance and insight to both the energy citizen and the business community.

In closing, I must acknowledge the full and collaborative support of the Minister for Communications, Climate Action and Environment and all his officials at the Department. I also want to thank the Chair, Board, management and staff of SEAI for their generous welcome and support throughout my first year of office. As we grow and provide even greater value over the coming years, I look forward to leading the vital work of the Authority.

Jim Gannon

Chief Executive Officer
Sustainable Energy Authority of Ireland

Making Homes More Energy Efficient



93,000

residential BERs
published



€38m

grant aid
towards total
investment of
€90 million



22,000

homes
upgraded



3,060

jobs
supported

The Doyle Family from Wicklow

The Doyles are an environmentally conscious family with two young GAA playing boys and an immersion heater that was always on.

They decided to tackle their rising energy bills head on, see how they could save some money and do some good for the environment. They decided to install solar panels and heating controls, availing of a home energy grant to help cover the costs. They very quickly noticed the benefits; the immersion is no longer on and they can manage their heating from their mobile phone, something Mr Doyle does frequently. Overall, they have had a very positive experience and are happy that they met all their goals in the process.





Catherine, a Widow from Sligo

Energy Poverty is real for many people living across the island of Ireland. SEAI's Better Energy Warmer Homes scheme aims to reach out to those living in cold conditions to offer free energy upgrades to their homes.

Catherine lives alone. Her house in Sligo was poorly insulated. She said "You've no idea how cold it was". After receiving a letter from SEAI, she applied to have works done and was absolutely delighted when she realised she would qualify. SEAI contractors went to her home and insulated her attic, pumped insulation into the cavity walls. The difference this work made was huge. She noticed an immediate reduction in her energy bills. Her home is now so cosy that even when her heating is off visitors will always ask "Is the heating on?" Catherine has recommended this scheme to all her friends.

The scheme has impacted many others like Catherine across Ireland and will continue to work towards warmer homes for all.



”

The positive feedback from participants I meet on the street of our town who are now warmer in their homes and have reduced their energy bills, is enormous, I have never seen such a positive response from any other community initiative as I have seen from this.”

Eugene Conlon, Lead for Mid Louth Sustainable Energy Community

Supporting Energy Communities

Better Energy Communities Dunleer, County Louth

This project incorporates three towns in mid-Louth with plans to recruit more. In total 35 homes, 32 of which were energy poor, had insulation, heating controls, window and door upgraded. Air-to-water heat pumps were installed in six homes. A number of other buildings, including Lannleire GAA Club, Dunleer Athletic Club and Glen Dimplex Ireland manufacturing facility were also upgraded. Overall, the project will achieve 8% energy savings. Success hinged on a wide range of partners and stakeholders including Dunleer Community Development Board, The Market House, homeowners and commercial participants. Financing was by means of contributions from homeowners, donation of commercial energy credits to local clubs, energy supplier support and SEAI grant.

Eugene Conlon, Lead for Mid Louth Sustainable Energy Community, said, "The positive feedback from participants I meet on the street of our town who are now warmer in their homes and have reduced their energy bills, is enormous, I have never seen such a positive response from any other community initiative as I have seen from this".

Sustainable Energy Communities National Conference

In 2016 the Sustainable Energy Communities Network had over 60 member communities from right around the country. These communities have the capacity to influence an energy spend of approximately €500 million every year. Many of the communities have already completed energy upgrades to homes, schools, sports and parish facilities and business premises. The more advanced members are investigating options for community led renewable energy projects at small and larger scales. Speaking at the first national conference of the network in Longford Minister for Communications, Climate Action and Environment, Denis Naughten TD said: "The Sustainable Energy Communities Network puts the power firmly in the hands of communities by providing them with the support to take control of lowering their energy use and availing of local renewable energy sources."

Over 70 people attended the event at the Backstage Theatre. There were guest speakers from the Camphill, and Dunleer who shared their different experiences and approaches to community energy, building the confidence and ambitions of newer member groups.



37

community projects supported with €15 million towards €41 million total investment



383

community buildings and 2,000 homes upgraded



61

Sustainable Energy Communities in national network with ability to influence up to €500 million energy spend each year

Mobilising Business and Public Sectors



192

Large Industry Energy Network

members with an energy spend of €1.1 billion and avoided energy spend of €25 million



€38m

EXEED Certified Program

launched and accompanied by pilot grant scheme



80

Public bodies, accounting for €480m energy spend, now **signed up to formal Energy Agreements** with SEAI



8

Public bodies completed ISO50001 certification with 20 more in progress. In 2016 SEAI itself achieved ISO5001 certification

Treasure Hunt at Allergan Clonshaugh Identifies €0.5m Savings Potential

In early November 2016, Allergan Clonshaugh, a member of SEAI's Large Industry Energy Network organised an impressive three-day Energy Treasure Hunt. 55 people were involved and were split into sub-teams that focussed on specific topics such as manufacturing, chilled water, lighting, water, steam, compressed air and HVAC. Their job was to spend the three days combing the plant in their sub-teams to identify any energy reduction opportunities. The Energy Treasure Hunt identified a total of 74 such opportunities, 61 of which had the savings quantified. The total estimated energy savings came to nearly seven million KWh, a total CO₂ reduction of 2,450 Mtonnes and a potential saving of €515,000. These impressive figures show how Allergan's energy team fostered a positive and community based attitude to energy reduction where everyone involved got to see the difference they could make by committing to this hunt for energy treasures. The momentum will no doubt continue as Allergan Clonshaugh start taking action on their finding.

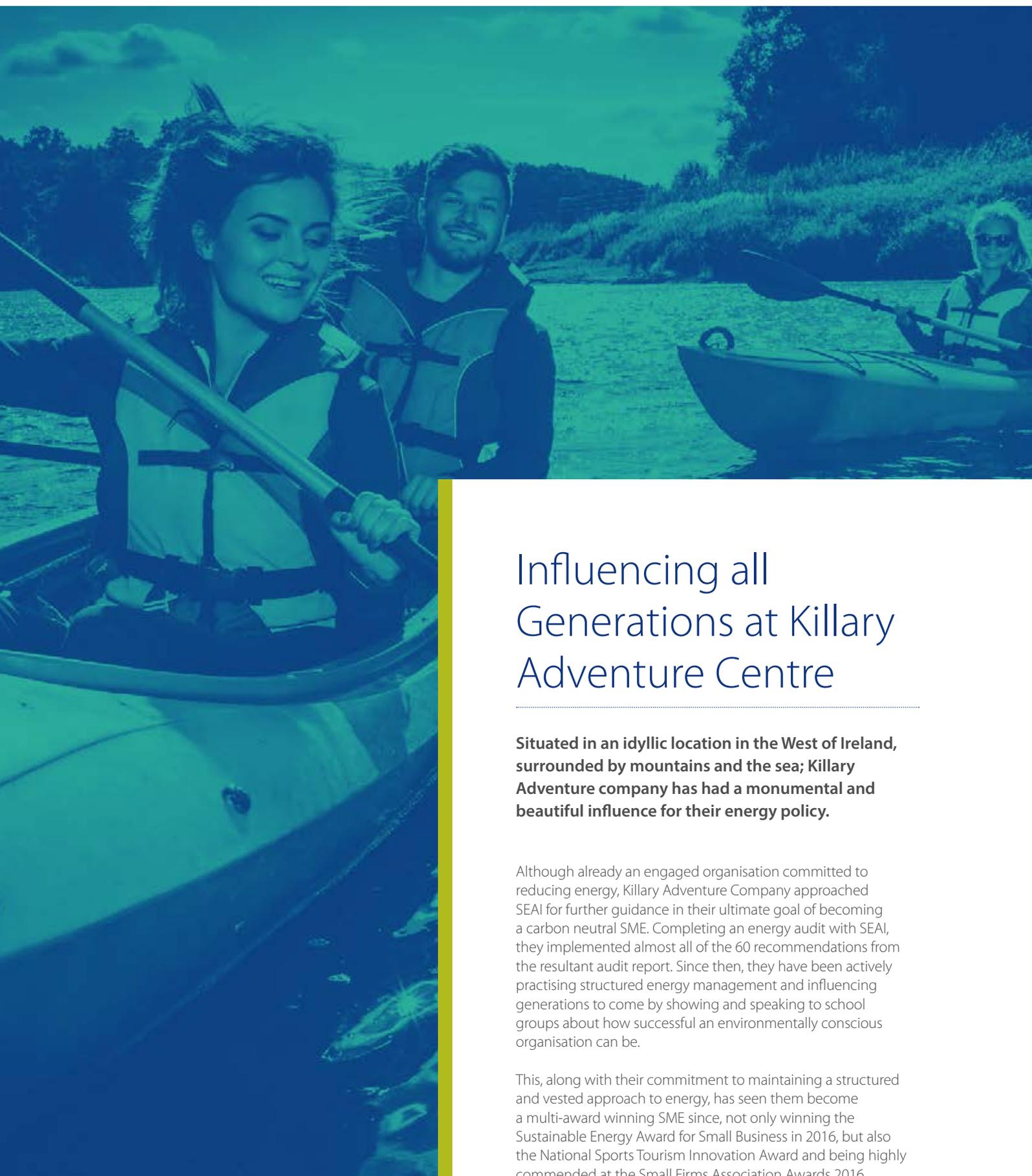


The Energy Treasure Hunt identified a total of 74 such opportunities, 61 of which had the savings quantified. The total estimated energy savings came to nearly seven million KWh, a total CO₂ reduction of 2,450 Mtonnes and a potential saving of €515,000."

Engaging staff at Donegal County Council

Donegal County Council made significant sustainable energy strides by achieving ISO50001 certification this year. The level of commitment to achieve this impressive certification had a ripple effect by encouraging staff to become more conscious not only at work but at home.

Their extremely successful 'Engaging People' campaign, which began July 2016 was rolled out with the help of one of SEAI's Public Sector Programme's targeted workshops. It saw small changes, for example each staff member receiving a USB charger for their phone (to avoid the less efficient plug-in versions), to larger scale incentives such as an Energy Awareness Road Trip which visited six public service centres throughout Donegal. Making Energy Awareness part of everyday habits, the energy team also introduced 'Switch Off Tuesdays' where staff competed to be the most committed by ensuring everything around their desk was unplugged which was subject to unscheduled spot checks by the energy team for confirmation. The eventual winner of 'Switch Off Tuesdays' was pictured looking victorious with her shiny new tablet computer. All of this hard work has seen Donegal County Council not only achieve their main objective of ISO50001 Certification but there has been a visible change in staff's attitude to energy along with a reported 9% reduction in electricity use in the first five months of their campaign.



Influencing all Generations at Killary Adventure Centre

Situated in an idyllic location in the West of Ireland, surrounded by mountains and the sea; Killary Adventure company has had a monumental and beautiful influence for their energy policy.

Although already an engaged organisation committed to reducing energy, Killary Adventure Company approached SEAI for further guidance in their ultimate goal of becoming a carbon neutral SME. Completing an energy audit with SEAI, they implemented almost all of the 60 recommendations from the resultant audit report. Since then, they have been actively practising structured energy management and influencing generations to come by showing and speaking to school groups about how successful an environmentally conscious organisation can be.

This, along with their commitment to maintaining a structured and vested approach to energy, has seen them become a multi-award winning SME since, not only winning the Sustainable Energy Award for Small Business in 2016, but also the National Sports Tourism Innovation Award and being highly commended at the Small Firms Association Awards 2016.



475

SMEs received
energy advice
from SEAI



120

Energy Awards
entrants with
annual energy
savings of €100
million



17,400

exemplar
energy
efficient
products
registered from
350 suppliers



7,000

non-domestic
building
ratings
published

Energy Efficiency Obligation Scheme

SEAI administers the Energy Efficiency Obligation Scheme on behalf for the Department of Communications Climate Action and Environment. Under the scheme, energy suppliers with sales greater than 600 GWh are obliged to deliver savings from the implementation of energy efficiency measures. In the first 3 years of the scheme, 1,869 GWh of energy efficiency savings were made. 75% of those savings came from the non-residential sector, primarily through light, heat and process upgrades. In the residential sector, heating system and fabric upgrades account for more than 87% of all energy efficiency measures carried out. A portion of these savings came from Obligated Parties working in parallel with existing SEAI programmes. Generally, the additional support provided to homeowners can account for up to 10% of the total upgrade costs.

Market Surveillance Authority

Arising from the White Paper "Ireland's Transition to a Low Carbon Energy Future" SEAI was to be designated as Ireland's Market Surveillance Authority (MSA) for the Energy Labelling Directive, the Ecodesign Directive and EU Tyre Labelling Regulations. This process commenced in 2016 and will be completed by the end of 2017. In the meantime, SEAI are acting as an operator for the Department of Communications, Climate Action and Environment (the current MSA) ensuring that Ireland fulfils its EU obligations relating to compliance promotion, compliance monitoring and compliance verification. In 2016, SEAI completed inspections of 90 retailers in relation to the Energy Labelling Directive and found 77% of products covered by the regulations to be compliant. SEAI also carried out market research to help us better understand the awareness and understanding of businesses and consumers in relation to energy and tyre labelling.

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Making Clean Energy Technology Happen

RD&D

In 2016, SEAI supported 24 sustainable energy RD&D projects with €1 million including projects on solar, energy storage, anaerobic digestion, planning, community participation and ownership and GIS. Since 2002 SEAI has provided €26 million funding through its Energy RD&D programme. Recent projects supported include:

- NVP Energy is developing an innovative wastewater treatment technology. Funding was provided to validate NVP Energy's low temperature Anaerobic Digestion technology at full scale to ensure the technology meets expected treatment levels, as seen in pilot studies.
- South Dublin County Council were funded to develop an 'Energy Masterplan' for Clonburris in Dublin, offering the potential to support cost-competitive low carbon heat and electricity alternatives that can be mirrored by other Councils around Ireland.
- Terrag GeoServ Ltd are developing a hybrid ground source and solar thermal system for the Irish market. Funding was provided to develop the system which will introduce a cost competitive alternative to the Irish ground source heat pump market, with greater long term performance and improved operating costs.

Irish research institutions and industry have consistently won funding for energy-related research under the EU Horizon 2020 programme with over €27 million in funding secured to end-2016. As the programme's National Delegate, SEAI has been supporting many of these organisations in their Horizon 2020 bids, as well as providing additional research funding.

Irish researchers from both public and private sector, with SEAI, participated in IEA Technology Collaboration Programmes across wind, biomass, energy system analysis, energy efficiency, smart grids, ocean energy and electric vehicles to further enhance Irish research capacity and pool resources to deliver integrated, cost effective solutions to common challenges.

Geographical Information Systems (GIS)

SEAI's GIS dramatically improves the accessibility of spatial data on renewable energy resources, including wind, geothermal and bioenergy. SEAI received a Special Achievement in Award from Esri, a leading global GIS solutions provider, the only Irish winner among 167 winning organisations from over 300,000 eligible candidate projects.



24

renewable energy RD&D projects

supported with €1 million



17

new prototype ocean energy projects awarded funding



€3.8m

support for **ocean energy development**



7

separate **IEA Technology Collaboration Programmes** have SEAI participation

Ocean Energy – Seapower

An Irish-designed device to generate electricity from ocean wave power is another step closer to breaking into the massive potential on offer in the global ocean energy market.

Seapower concluded a winter survivability testing programme of their prototype wave energy device at the Galway Bay Marine and Renewable Energy Test Site in March 2017. The trial in Galway Bay followed eight years of design, testing and improvement of the Seapower wave energy converter. The project received over €1m funding through SEAI's Ocean Energy Prototype Development fund which has supported 42 R&D projects to date. Seapower worked with a range of Irish supply chain companies to develop the technology, which was fabricated in Foynes, Co. Limerick.

SEAI have collaborated closely with the Marine Institute and SmartBay Ireland to establish the Galway Bay Marine and Renewable Energy Test Site, part of a world-class suite of ocean energy test facilities including the Lir National Ocean Test Facility at University College Cork and the grid-connected Atlantic Marine Energy Test Site off the coast of Belmullet, Co Mayo.

Driving Green

Liam Brady is on his second electric vehicle having recently changed from a Nissan Leaf to a BMW i3. For him, the environment and the technological innovation involved were key considerations.

"I have always loved new technology and gadgets", he says. "I knew about electric vehicles and I knew how good they were. I did a lot of research on them and figured they would suit my lifestyle perfectly. I would typically drive 70 kilometres a day to and from work from Navan to Ashbourne and I knew that an EV would be perfect for that. I'm also quite big on the environment. EVs have zero tailpipe emissions and even with the overall environmental cost of manufacture they are still very good." He has worked out the total running costs of his car at €6 a week or €300 a year. "I drive about 500 kilometres per week and I have calculated that it costs me 1.2 cent per kilometre for that. I was spending €50 a week on diesel before I got the Nissan Leaf." That's a pretty compelling financial argument. "I can safely say that once you have an electric vehicle you would never go back to a petrol or diesel car."

Policy Advice

SEAI published ten statistical analysis and policy advisory reports spanning energy forecasts, security of supply, renewable electricity, energy-related CO₂ emissions and energy prices. In particular, the Energy Security in Ireland study showed that the country remains heavily dependent on imported fossil fuels. In 2014, 15% of our energy came from indigenous resources with renewable energy now starting to make a significant contribution. However, the remaining 85% of our energy requirements came from abroad, costing us more than €15 million every day. This is a lost opportunity in terms of keeping this money here in Ireland and further developing our abundant renewable resources. The transport sector in particular relies almost entirely on imported oil. Options to reduce this dependency include reducing energy demand by being smarter about how we use transport and using clean fuels including bioenergy.

SEAI also advanced its modelling capability and informed evidence-based decision making within the Department of Communications, Climate Action and Environment across energy efficiency, bioenergy, biogas, Renewable Heat Incentive, 2030 climate change negotiations and the National Mitigation Plan.

SEAI updated its Energy Data Portal improving the accessibility and usability of its energy data and statistics.

Local Authority Renewable Energy Planning

SEAI carried out training throughout 2016 on its methodology for Local Authority Renewable Energy Strategies (LARES) for local authority planners who are engaging with spatial planning for renewable energy. These courses were registered with Engineers Ireland for delivery as CPD training and are similarly recognised by the Irish Planning Institute.



€3m

in EV grants
disbursed,
resulting in **667
additional EVs
on the road**



10

**statistical
analysis and
policy advisory
reports
published**

Engaging Society



1.27m

visits to
www.seai.ie



>16,000

social media
connections



120,000

calls and
emails serviced
with Nett
Promoter Score
of 76



50,000

pupils
engaged
through SEAI
schools
programme

One Good Idea Schools Competition

Each year the SEAI One Good Idea competition invites primary and post-primary students to suggest their ideas on energy efficiency and taking action on climate change. And every year we are massively impressed by their sheer enthusiasm and creativity. The lengths they go to spread the word on sustainable energy is really encouraging.

The 2016 winners were Showerlite from St Mogue's College, Cavan who tackled energy saving through water conservation. Focus of their campaign was the showering habits of teenagers who they say "were spending way to long in there". Their campaign had a number of tricks to help their friends and classmates know when they had spent five minutes in the shower, rather than the usual 13 which they determined through research. Speaking at the final the team said "Winning was amazing, we weren't expecting it. There was a lot of other great ideas and we were overwhelmed with the first trophy let alone the second". Teacher Marie Cassidy from Rosemont School in Sandyford reflected on how the competition impacts on the students saying, "They learn huge skills which start in November and continue all the way through to May so you can actually see each of the students grow and mature through the whole campaign which I think is something very special."





Governance

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IPC-EX

Corporate Governance

The Sustainable Energy Authority of Ireland is an autonomous agency established under the Sustainable Energy Act 2002. SEAI operates in accordance with the provisions of the Act and under the aegis of the Minister for Communications, Climate Action and Environment, who is empowered to provide funds to discharge its obligations and issue general policy directives and seek information on the activities of SEAI.

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 2016, therefore, SEAI continues to operate to best practice corporate governance standards.

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 is 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 new 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. In addition, SEAI has its own 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.

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. This Schedule sets out the requirement by the Board to approve all transactions in relation to grants, contracts and procurements whose value exceeds €250,000.

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.

Section 1.17 Statement of Strategy: SEAI is finalising its strategy for the period 2017-2021 and this will be formally published during 2017. 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 Review of Internal Financial Controls. 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.

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 also monitor and review its effectiveness.

Sections 7.4 Review of the Effectiveness of Internal Control: An effective system of internal financial 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 2016. The new requirements in relation to this review, as set out in the new Code of Practice for the Governance of State Bodies, will operate from 2017 onwards. The review of internal financial controls is approved annually 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 34).

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 2016, eight 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

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.

SEAI Board and Committees 2016

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 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 financial 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 SWiFT 3000 certification process, referred to earlier, entailed a comprehensive review of SEAI Board structures, processes and procedures including compliance with SEAI legislation, the SEAI Code of Governance Framework, Declarations of Interests by Board members, operation of Board Committees and compliance with the Code of Practice for the Governance of State Bodies. SEAI has been awarded continued certification under this Programme following completion of the most recent assessment by the National Standards Authority of Ireland (NSAI) in February 2016.

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.

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. New members, on their appointment, are provided with extensive briefing on the agency and its operations.

SEAI Board



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 also 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)

Jim is an Engineering Graduate of NUI Galway, with a Masters in Environmental Assessment from the University of Wales Aberystwyth and 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.



Brian T Carroll

(1 August 2010 – 25 June 2012, reappointed 26 June 2012 – 1 May 2015, and reappointed on 6 May 2015)

Brian was appointed Assistant Secretary in the Department of Communications, Climate Action and Environment in July 2016. Prior to that he worked in the Corporate Finance and Planning Section in DCENR and the Central Expenditure Evaluation Unit of the Department of Finance. He has also worked in the Departments of Justice and Foreign Affairs. He holds a first class Masters in Economic Science from the National University of Ireland.



Michelle Green

(Appointed 29th May 2012, retired 1 May 2014 and re-appointed on 27 May 2014 and retired on 1 May 2016)

Michelle holds a Bachelor of Science in Government & Public Policy and a Professional Diploma in Education, both from University College Cork. She joined Macroom E Enterprise Centre in 2010 as Project Manager for the SMILE Resource Exchange initiative. SMILE is an initiative by Local Authorities, Enterprise Boards, Macroom E and the EPA that encourages resource efficiency between businesses. Prior to this, she worked in leadership development and in second level education.



Anne Farrell

(Appointed 24th April 2012 – retired on 1 May 2014, reappointed on 27 May 2014, retired on 1 May 2016 and was reappointed on 3 October 2016)

Anne is a company director in the family business Squarefit Ltd. She has experience of energy and sustainability issues around transport, e.g. waste within the industry, the management and the recycling of tyres and the increased use of electric cars. She has worked with the Social Economic Unit of GTW (now Partas) developing policies around fuel poverty and retrofitting housing for improved insulation among other strands of activity. She has served on the Tallaght Hospital Board. She has a Degree in Economics and Psychology from UCD and an MA in Interactive Multimedia from DIT.



Michael McGarry

(Appointed 14th May 2013 – retired 1 May 2016 and re-appointed 3 October 2016)

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 (1971) and qualified as a Chartered Accountant with KPMG in 1975.



Pat Gilroy

(Appointed 14th May 2013, retired on 1 May 2015 and was reappointed on 6 May 2015)

Pat is Managing Director in Ireland for Designer Group. He is an Engineering graduate of Trinity College Dublin. He previously held roles in the ESB, Amdahl Ireland Ltd and EEL FM Ltd, before heading up FP2, which was sold to Dalkia in 2001. Following this he was COO of Industrial Customers and UK and Country Director of Veolia. He is a member of the IBEC National Council and the Governing Authority in Dublin City University.



Anne Connolly

(Appointed on 2 May 2013, retired on 1 May 2015 and was reappointed on 6 May 2015)

Anne is CEO of the Irish Smart Ageing Exchange (ISAX), a new initiative aimed at creating jobs and exports in the rapidly growing global older consumer market. This follows on from her role (2006-2013) as the Executive Director of the Ageing Well Network, an independent high level think-tank and catalyst for social change. Previously she ran her own management consultancy practice for 12 years, working with public, private and voluntary organisations developing their strategic plans and implementing change programmes. Other non-executive Board positions have included An Post, RHD VHA, Fabulous Beast Dance Company, ICC Bank and APSO. She is a former Chair of Simon Community Ireland.



Dr Peter Brennan

(Appointed 6 May 2015)

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)

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)

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.



Paddy Phelan

(Appointed 6 May 2015 and resigned on 18 November 2016)

Paddy is a graduate of the School of Engineering (BE Civil) in UCD and spent almost 9 years in construction in various engineering and project management roles for a main contractor. He is a part-time lecturer in Sustainable Energy Engineering in WIT. He is Manager of Carlow Kilkenny Energy Agency Ltd., a not for profit energy consultancy, since September 2012. He has significant experience across all areas of energy in energy efficiency, energy management and land based renewable technologies. Paddy has significant EU project experience spanning over 8 years. He is also a member of the AIEA, IRBEA and Meitheal na Gaoithe management committees since 2012.

Committees of the Board 2016

Audit and Risk Committee

This Committee supports the Board in discharging its legal and accounting responsibilities; communicates with external auditors and evaluates and controls the internal audit function; reviews financial planning, the system of Internal financial controls, the risk management and assessment process, including the SEAI Risk Register, and oversees budgeting and banking arrangements. Seven meetings of the Committee were held in 2016.

Members

Sean Wyse (Chair)

Brian T Carroll (appointed 25 May 2011)*

Gerry Donnelly (external member, appointed 29 May 2013)

Anne Farrell (appointed on 26 February 2014 – retired on 1 May 2016)

Lisa Ryan (appointed on 27 July 2016)

Michael Wall (appointed on 27 July 2016)

*Appointed Assistant Secretary in the Department of Communications Climate Action and Environment – July 2016.

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.

Members

Julie O'Neill (Chair)

2 Vacancies

Board Attendance / Fees

BOARD MEMBER	NOTES	FEEES €	BOARD ATTENDANCE (9 MEETINGS HELD IN 2016)	AUDIT AND RISK COMMITTEE ATTENDANCE (7 MEETINGS HELD IN 2016)
Julie O'Neill Chairperson	Appointed 6 May 2015	11,970	9 out of 9	N/A
Brian T Carroll*	Appointed 1 August 2010. Audit and Risk Committee member	NIL	4 out of 6	2 out of 3
Anne Farrell	Appointed 24 April 2012 – retired on 1 May 2016 and reappointed on 3 October 2016. Audit and Risk Committee member until 1 May 2016	4,518	3 out of 4	2 out of 2
Michelle Green	Appointed 29 May 2012 – retired on 1 May 2016	2,594	2 out of 3	N/A
Jim Gannon CEO	Appointed 23 May 2016 (ex officio)	NIL	6 out of 6	N/A
Pat Gilroy	Appointed 14 May 2013 – 1 May 2015, reappointed 6 May 2015	7,695	7 out of 9	N/A
Anne Connolly	Appointed 2 May 2013 – 1 May 2015, reappointed 6 May 2015	7,695	7 out of 9	N/A
Michael McGarry	Appointed 14 May 2013 retired on 1 May 2016 and reappointed on 3 October 2016	4,518	4 out of 4	N/A
Peter Brennan	Appointed 6 May 2015	7,695	8 out of 9	N/A
Lisa Ryan	Appointed 6 May 2015. Audit and Risk Committee member	7,695	8 out of 9	3 out of 3
Michael Wall	Appointed 6 May 2015. Audit and Risk Committee member	7,695	9 out of 9	3 out of 3
Paddy Phelan	Appointed 6 May 2015 and resigned on 18 November 2016	7,053	6 out of 7	N/A

*Appointed Assistant Secretary in the Department of Communications Climate Action and Environment in July 2016.

Board Expenses

The total expenses paid to SEAI Board members in 2016 was €699 comprising:

	€
Mileage	362
Travel, accommodation and subsistence expenses	337

Chief Executive's Salary

See Note 5.1 to the Financial Statements.

Annual Energy Efficiency Report 2016

SEAI Offices

Overall SEAI as an organisation reduced its energy consumption in 2016 by 1.6% with buildings occupied by the Authority showing a decrease in electricity and thermal fuel consumption. SEAI was certified to the International Energy Management Standard ISO50001 in September 2016 and these improvements are largely as a result of implementation of related practices. While transport fuel consumption increased in 2016 this was due to more frequent use of the SEAI pool car in place of staff own transport.

SEAI personnel occupy 1,398 m² of office space located in Dublin, Dundalk, Cork and Sligo. All the offices are sub-let spaces within larger buildings. Energy use across the four offices is summarised in the table and figure below:

ENERGY USE (DIRECT CONSUMPTION FOR 4 OFFICES AND COMPANY CAR)	2015 (KWH TFC)	2016 (KWH TFC)
Electricity Lighting, ICT, Office Power, Heating Ventilation & Air Conditioning (HVAC)	123,586	120,815
Natural Gas (Heating)	65,779	63,894
Marked Gas Oil (Heating)	10,677	11,602
Petrol (Toyota Prius)	6,666	7,379
TOTALS FOR DIRECT CONSUMPTION	206,708	203,690
CO ₂ Emissions (kg)	88,027	86,474

Energy-Efficiency Actions Proposed for 2017

Actions proposed by SEAI for 2017 include:

- Maintain ISO50001 certification across the organisation which will ensure continual focus on energy performance improvement.
- Implement an EXEED (Excellence in Energy Efficient Design) pilot exemplar project at their head office building in Wilton Park House, Dublin 2. This will act as a demonstration project for SEAI's new EXEED Certified program launched in April 2016 while also delivering an energy saving project for SEAI's existing ISO 50001 energy management system.





Finance

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Statement of Responsibilities of the Board

For the Year Ended 31 December 2016

The Sustainable Energy Authority of Ireland (SEAI) was established under the Sustainable Energy Act 2002 and came into existence on the 1st May 2002.

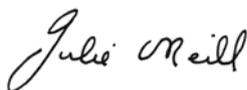
Section 24(2) of the Sustainable Energy Act 2002 requires the Authority to prepare financial statements in such format as may be approved by the Minister for Department of Communications, Climate Action and Environment with the consent of the Minister for Public Expenditure and Reform.

In preparing these financial statements the Board is required to:

- Select suitable accounting policies and apply them consistently.
- Make judgments and estimates that are reasonable and prudent.
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Authority will continue in operation.
- 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, the Authority's financial position and which enable it to ensure that the financial statements comply with Section 24 of the Sustainable Energy Act 2002. The Board is also responsible for safeguarding all assets under its operational control and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the Board



Julie O'Neill
Chairperson
Sustainable Energy Authority of Ireland

June 2017

Report of the Comptroller and Auditor General

Report for Presentation to the Houses of the Oireachtas

Sustainable Energy Authority of Ireland

I have audited the financial statements of the Sustainable Energy Authority of Ireland for the year ended 31 December 2016 under 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. The financial statements have been prepared in the form prescribed under Section 24 of the Act, and in accordance with generally accepted accounting practice.

Responsibilities of the Authority

The Authority is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and to report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- Whether the accounting policies are appropriate to the Authority's circumstances, and have been consistently applied and adequately disclosed
- The reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- The overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

In addition, I read the Authority's annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on the Financial Statements

In my opinion, the financial statements:

- Give a true and fair view of the assets, liabilities and financial position of the Authority as at 31 December 2016 and of its income and expenditure for 2016; and
- Have been properly prepared in accordance with generally accepted accounting practice.

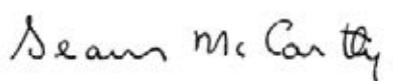
In my opinion, the accounting records of the Authority were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the accounting records.

Matters on which I Report by Exception

I report by exception if I have not received all the information and explanations I required for my audit, or if I find:

- Any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- The information given in the Authority's annual report is not consistent with the related financial statements or with the knowledge acquired by me in the course of performing the audit, or
- The statement on internal financial control does not reflect the Authority's compliance with the Code of Practice for the Governance of State Bodies, or
- There are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.



Seamus McCarthy
Comptroller and Auditor General

June 2017

Statement on Internal Financial Control

On behalf of the Board of Sustainable Energy Authority of Ireland (SEAI), I acknowledge our responsibility for ensuring that an effective system of internal financial control is maintained and operated.

The system can 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 would be detected in a timely period.

Key Control Procedures

The Board has taken steps to ensure an appropriate control environment by clearly defining management responsibilities including that of reporting significant control failures and ensuring appropriate corrective action.

The Board has established processes and practices to identify and evaluate business risks by:

- Identifying the nature, extent and financial implication of risks.
- Assessing the likelihood of identified risks occurring.
- Assessing the body's ability to manage and mitigate the risks that do occur.

As disclosed in previous years' financial statements, during 2011 the Authority identified a number of irregularities associated with one contractor under the Better Energy Homes Scheme. SEAI management informed the Board, the Comptroller and Auditor General, the Gardaí and the Department of Communications, Climate Action and Environment (DCCAE) of the irregularity. Demand letters for grant repayment have been issued by SEAI's legal advisors. The Authority has also taken legal proceedings in relation to these matters. The contractor was deregistered from the scheme and all related payments were suspended. At the end of 2016, the total amount of irregular claims relating to this contractor was €434,420. Recovery of a small number of claims is ongoing. However, no further action to pursue recovery of the majority of the claims is proposed.

At the end of 2016 SEAI was pursuing 202 refunds from homeowners to the value of €210,538 arising from breaches in the terms and conditions. This is in addition to the case outlined above. 181 of these cases relate to pre 2013. Of these 202 cases, 111 cases have been notified to the Garda Bureau of Fraud Investigation. No further action to pursue recovery of these refunds is proposed.

The total number of grants issued to date since the start of this Programme in 2009 is 190,637. The Authority has since significantly strengthened the controls of the Better Energy Homes Scheme including the implementation of a risk based approach to inspection selection whilst ensuring a minimum inspection coverage of 10% across all contractors.

The system of internal financial control is based on a framework of regular management information, administrative procedures including segregation of duties, and a system of delegation and accountability. In particular it includes:

- A comprehensive budgeting system with an annual budget which is reviewed and agreed by the Board.
- Regular reviews by the Board of periodic and annual financial reports which indicate financial performance against forecasts.
- Setting targets to measure financial and other performance.

SEAI's internal audit function is contracted out to a firm of accountants. The annual internal audit plan is informed by an analysis of the risks to which the authority is exposed. This approach is endorsed by the Audit and Risk Committee and approved by the Board. An annual Internal Audit Plan is approved by the audit committee. The internal auditors provide the Committee with reports on assignments carried out. These reports highlight deficiencies or weaknesses, if any, in the system of internal financial control. These weaknesses are addressed by Management on a timely basis. A report is presented by Management to the Audit committee on an annual basis addressing the implementation of internal audit findings.

SEAI's internal Fraud 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 Fraud 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.

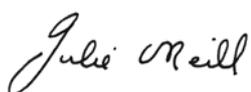
Where SEAI identify grants/scheme amounts repayable to it arising from irregularities or breaches in grants terms and conditions grant refunds/repayments are pursued from the relevant homeowners/contractors. No further action to pursue recovery is proposed.

The Board has monitored and reviewed the effectiveness of the system of internal financial control having regard to the reports and work undertaken by management, updates to the policies and procedures, the Audit and Risk Committee and the internal auditors, together with the risk management process currently in place by the organisation.

Annual Review of Financial Controls

I confirm that in respect of the year ended 31st December 2016, the Board conducted a review of the effectiveness of the system of internal financial controls.

Signed on behalf of the Board



Julie O'Neill
Chairperson
Sustainable Energy Authority of Ireland

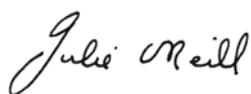
June 2017

Statement of Income and Expenditure and Retained Revenue Reserves

For the Year Ended 31 December 2016

	NOTES	2016 €'000	2015 €'000
INCOME			
State Grants	2	78,615	68,309
Building Energy Rating	8	2,523	2,658
EU Contract Income	3	(71)	34
Other Income	4	209	226
Net Deferred Funding for Pensions for the Year	14(c)	1,434	1,750
Pension Contributions Remitted to DCCAIE	5.1	(185)	(186)
Net Transfer from / (to) Capital Account	12	(49)	27
Total Income		82,476	72,818
EXPENDITURE			
Administration Expenditure	5	8,331	8,619
Programme Expenditure	6	69,787	64,483
Building Energy Rating	8	3,851	2,550
Total Expenditure		81,969	75,652
Surplus / (Deficit) for the Year before Appropriations		507	(2,834)
APPROPRIATIONS			
Movement in amounts due to DCCAIE	7	62	(38)
Surplus / (Deficit) for the Year after Appropriations		569	(2,872)
Surplus at 1 January		424	3,296
SURPLUS AT 31 DECEMBER		993	424

The Statement of Cash Flows and Notes 1 to 21 form part of these financial statements.



Julie O'Neill
Chairperson
Sustainable Energy Authority of Ireland

June 2017



Jim Gannon
Chief Executive Officer
Sustainable Energy Authority of Ireland

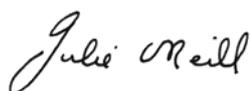
June 2017

Statement of Comprehensive Income

For the Year Ended 31 December 2016

	NOTES	2016 €'000	2015 €'000
STATEMENT OF COMPREHENSIVE INCOME			
Surplus / (Deficit) for the Year after Appropriations		569	(2,872)
Experience Gain on Retirement Benefit Obligations		725	187
Changes in Assumptions underlying the present value of Retirement Benefit Obligations		(5,555)	5,630
Actuarial (Loss) / Gain in Year	14	(4,830)	5,817
Adjustment to Deferred Retirement Benefit Funding	14	4,830	(5,817)
TOTAL RECOGNISED SURPLUS / (DEFICIT) FOR THE YEAR		569	(2,872)

The Statement of Cash Flows and Notes 1 to 21 form part of these financial statements.



Julie O'Neill

Chairperson
Sustainable Energy Authority of Ireland

June 2017



Jim Gannon

Chief Executive Officer
Sustainable Energy Authority of Ireland

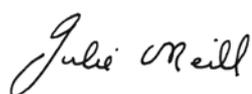
June 2017

Statement of Financial Position

As at 31 December 2016

	NOTES	2016 €'000	2015 €'000
ASSETS			
Property, Plant and Equipment	9	228	150
Current Assets			
– Bank	13	3,967	5,357
– Receivables & Prepayments	10	797	961
		4,764	6,318
CURRENT LIABILITIES			
Payables & Accruals	11	(3,771)	(5,894)
Net Current Assets		993	424
Retirement Benefit Obligation	14	(27,709)	(21,445)
Deferred Retirement Benefit Funding Asset	14	27,709	21,445
TOTAL NET ASSETS		1,221	574
REPRESENTING			
Capital Account	12	228	150
Retained Revenue Reserves		993	424
		1,221	574

The Statement of Cash Flows and Notes 1 to 21 form part of these financial statements.



Julie O'Neill
Chairperson
Sustainable Energy Authority of Ireland

June 2017



Jim Gannon
Chief Executive Officer
Sustainable Energy Authority of Ireland

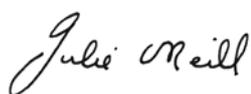
June 2017

Statement of Cash Flows

For The Year Ended 31 December 2016

	2016 €'000	2015 €'000
NET CASH FLOWS FROM OPERATING ACTIVITIES		
Excess Expenditure / Income over Income / Expenditure	569	(2,872)
Transfer From Capital Account	49	(27)
Bank Interest Received	(1)	(1)
Depreciation and Impairment of Fixed Assets	165	165
Decrease / (Increase) in Accounts receivable	163	6
Increase / (Decrease) in Accounts payable	(2,123)	2,667
Net Cash Flow from Operating Activities	(1,178)	(62)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments to Acquire Property, Plant & Equipment	(213)	(138)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank Interest Received	1	1
Increase in Cash and Cash Equivalents	(1,390)	(199)
Net (Decrease) / Increase in Cash and Cash Equivalents	(1,390)	(199)
Cash and Cash Equivalents at 1 January	5,263	5,462
CASH AND CASH EQUIVALENTS AT 31 DECEMBER (NOTE 13)	3,873	5,263

The balance of €3,872,523 does not include an amount of €93,935 held in a separate bank account relating to the Dundalk 2020 Holistic project (See Note 13). Notes 1 to 21 form part of these financial statements.



Julie O'Neill
Chairperson
Sustainable Energy Authority of Ireland

June 2017



Jim Gannon
Chief Executive Officer
Sustainable Energy Authority of Ireland

June 2017

Notes to the Financial Statement

Year Ended 31 December 2016

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 2016.

(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"). 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. The Authority adopted FRS 102 in the comparative year.

(C) State Grants

State Grants (Note 2), grant refunds and Workshop Income (Note 4) shown 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.

(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:

Motor Vehicles	20%
Fixtures and Fittings	33.33%
IT Equipment & Software	33.33%
Office Equipment	33.33%
Ocean Programme	33.33%

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.

Fit Out Costs are depreciated over the term of the lease.

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 Pension 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 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

Payments under operating leases are charged to the Statement of Income and Expenditure and Retained Revenue Reserves as they fall due.

(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. As such funds are remitted back to DCCAE a corresponding liability is recognised on recognition of the income.

(K) Significant Accounting Judgements and Estimates

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.

	2016 €'000	2015 €'000
PROGRAMME		
C3: SEAI Administration		
– Current	7,185	6,771
C4: Sustainable Energy Programmes		
– Current	6,298	6,213
– Capital	59,898	49,633
C5: Energy Research Programmes		
– Current	849	836
– Capital	4,385	4,856
TOTAL PROGRAMME EXPENDITURE	78,615	68,309

All programmes under sub-heads C3, C4 and C5 above are fully funded under Vote 29 by the DCCAE.

3. EU Contract Income

The funds from EU contracts of -€70,926 (2015: €33,580) are from activities in Energy Efficiency and Renewable Energy including technology promotion, information dissemination, research and event co-ordination and management.

The income is accrued on an annual basis based on assumptions pertaining at that time. The amounts fluctuate from year to year based on the updated progress of the contract. This may result in an increase or decrease in income from year to year. During 2016 assumptions changed for a number of contracts and resulted in a reduction in the accrual from the prior year. This has led to a debit balance in the Income and Expenditure account for 2016.

Any payments received during the year are remitted back to DCCAE.

4. Other Income

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

	2016 €'000	2015 €'000
Sponsorship Sustainable Energy Awards	68	70
Bank interest	1	1
Other income	42	57
One Good Idea Schools Programme	98	98
	209	226

5. Administration Expenditure

Administration Expenditure is made up of the following items:

	NOTES	2016 €'000	2015 €'000
Salaries & related charges	5.1	4,284	4,262
Pension costs	14	1,421	1,736
Recruitment, Training & Education	5.2	116	114
Advertising and Promotion	5.3	180	274
General Professional fees	5.4	364	422
Market Surveillance	5.5	146	–
General Administration	5.6	1,820	1,811
		8,331	8,619

5.1 Salaries and Related Charges

	NOTES	2016 €'000	2015 €'000
Salaries		3,390	3,317
Employer's PRSI		324	315
Agency / Contract Staff		501	564
Board Member Emoluments	17	69	66
		4,284	4,262

The Authority deducts employee superannuation contributions which are remitted to the DCCA in respect of SEAI's benefit scheme and DPER in respect of Single Scheme members. Included in the salaries cost is €184,760 (2015: €185,260) in respect of employee superannuation contributions. The Authority is not required to make employer contributions to the scheme.

Chief Executive's Remuneration

The former Chief Executive Officer (CEO) resigned from his post on 2nd December 2015. The total value of his remuneration in 2015 was €105,394. His contract of employment did not include a Performance Related Award Scheme. The former CEO's pension entitlement did not extend beyond the standard entitlements in the model public sector defined benefit superannuation scheme. His expenses for 2015 amounted to €3,085.

An Interim CEO was appointed on 3rd December 2015 and ceased on the 22nd May 2016. The value of the Interim CEO remuneration in 2016 was €45,895 (2015: €9,547). The interim CEO's retirement benefit entitlement did not extend beyond the standard entitlements in the model public sector defined superannuation scheme. The Interim CEO was paid expenses of €549.

The current CEO was appointed on 23rd May 2016. The value of his remuneration in 2016 was €71,739 and expenses were €2,481. The current CEO pension entitlement does not extend beyond the standard entitlements in the public sector single pension scheme. His contract of employment does not include a performance related award scheme or any benefit-in-kinds/perquisites.

Pension Levy

€195,513 (2015: €227,415) of pension levy has been deducted from salaries and has been paid over to the Department of Communications, Climate Action and Environment during the year.

Table of Employee Benefits (Based on Contract Amount)

BENEFIT BAND €	NUMBER OF FTE EMPLOYEES AT 31 DECEMBER 2016	NUMBER OF FTE EMPLOYEES AT 31 DECEMBER 2015
60,001-70,000	9.8	9.8
70,001-80,000	13	17
80,001-90,000	7	7
90,001-100,000	3	3
100,001-110,000	0	0
110,001-120,000	1	1

Board Fees

Board fees are disclosed in Note 17.

5.2 Recruitment, Training and Education

	2016 €'000	2015 €'000
Staff Training & Recruitment	104	102
Staff Subscriptions & Publications	12	12
	116	114

5.3 Advertising and Promotion

	2016 €'000	2015 €'000
Advertising Costs	3	14
Print & Design	29	48
Sponsorship	17	34
Communications and public relations	105	119
Workshop Materials and Event Costs	17	43
Other	9	16
	180	274

5.4 General Professional Fees

	2016 €'000	2015 €'000
Schools programme	322	369
Company Secretarial Fees	42	53
	364	422

5.5 Market Surveillance

	2016 €'000	2015 €'000
Market Surveillance ¹	146	–
	146	–

¹ SEAI carries out market surveillance functions relating to the EU Ecodesign Directive, the EU Energy Labelling Directive and the EU Tyre Labelling Regulations on behalf of the Minister for Communications, Climate Action and Environment who is the Market Surveillance Authority (MSA). Activities include compliance promotion, monitoring and verification. SEAI took on these responsibilities from DCCAE on 31 March 2016 and the majority of work undertaken during 2016 related to programme development.

5.6 General Administration

	2016 €'000	2015 €'000
Rent, Rates and Service charges	595	618
Travel & Subsistence – Staff	7	11
Travel & Subsistence – Board	1	1
IT General expenditure	7	23
IT Maintenance	227	314
IT Systems development	63	129
IT Licences	161	70
IT Consumables	15	16
IT Helpdesk	155	60
Depreciation	165	165
Audit fees – external	32	32
Audit fees – internal	20	25
Insurance and Legal	58	58
Telephone & Data Lines	169	175
Stationery	9	7
Staff related expenditure ²	13	11
Other	123	96
	1,820	1,811

² Included in staff related expenditure for 2016 is an amount of €3,519 (2015: €3,519) relating to SEAI's contribution to the staff Christmas event. Staff also contribute to this event.

6. Programme Expenditure

Programme expenditure is made up of the following items:

	NOTES	2016 €'000	2015 €'000
ENERGY EFFICIENCY			
Better Energy Warmer Homes	6.1	20,885	18,752
Better Energy Warmth Wellbeing	6.2	851	–
Industry & Business Programme	6.3	1,623	967
Better Energy Homes	6.4	18,657	16,077
Public Sector Energy Efficiency	6.5	1,905	1,713
Retrofit Development Programme	6.6	1,081	892
Better Energy Communities	6.7	15,196	16,448
Better Energy Smart Metering	6.8	88	125
Better Energy Financing	6.9	619	407
RENEWABLE ENERGY			
Renewable Energy Research, Development & Deployment	6.10	1,228	1,672
Ocean Energy	6.11	3,848	4,023
INNOVATION & INTEGRATION			
Renewable Energy Information	6.12	39	63
Sustainable Energy Communities	6.13	207	229
Energy Statistics and Modelling	6.14	424	346
Electric Vehicles	6.15	3,136	2,769
		69,787	64,483

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

6.1 Better Energy Warmer Homes

	2016 €'000	2015 €'000
Grants Issued	43	356
Private Contractors	18,595	17,370
Technical Services & Inspections	1,100	44
Customer Management & Quality Assurance	817	587
Client Advisory	–	9
Other Costs	145	134
IT Systems Development & Maintenance	179	245
Travel Costs	6	7
	20,885	18,752

The Better Energy Warmer Homes scheme supports upgrading the efficiency of privately owned homes experiencing fuel poverty.

6.2 Better Energy Warmth and Wellbeing

	2016 €'000	2015 €'000
Grants Issued	786	–
Programme Operation / Promotion	65	–
	851	–

The Better Energy Warmth and Wellbeing Programme was a new pilot in 2016 aimed at citizens with chronic illness.

6.3 Industry and Business Programme

	2016 €'000	2015 €'000
EXEED	382	–
Energy Agreements and LIEN	615	309
Promoting Energy Efficiency in Business	242	160
ACA / Triple E Operational Costs	139	111
SME & Other Industry Costs	206	315
IT Systems Development & Maintenance Costs	29	66
Travel Costs	10	6
	1,623	967

This programme supports efforts across all business sectors to improve energy efficiency and competitiveness through networks and services which promote structured energy management to world class standards, while developing markets for energy efficiency advice and services.

EXEED Certified is a programme with oversight by SEAI that provides independent certification of assets – either created new by design or retrospectively by upgrade achieving optimised energy performance and with energy management capability.

6.4 Better Energy Homes

	2016 €'000	2015 €'000
Grants Issued	17,030	14,325
Technical Services & Inspections	415	351
Operational Delivery	693	856
Other Costs	160	204
IT Costs	319	296
Advertising	30	37
Travel Costs	10	8
	18,657	16,077

The Better Energy Homes Programme is a national Programme open to all homeowners including landlords of dwellings built prior to 2006. It incentivises homeowners to make their homes more energy efficient and reduce their dependence on fossil fuels. This is achieved through the provision of grants for a suite of measures such as insulation, heating upgrades and solar panels.

During 2011 the Authority identified a number of irregularities associated with one contractor under the Better Energy Homes Scheme. At the end of 2016, the total amount of irregular claims relating to this contractor was €434,420. Recovery of a small number of claims is ongoing. However, no further action to pursue recovery of the majority of the claims is proposed.

At the end of 2016 SEAI was pursuing 202 refunds from homeowners to the value of €210,538 arising from breaches in the terms and conditions. This is in addition to the case outlined above. 181 of these cases relate to pre 2013. Of these 202 cases, 111 cases have been notified to the Garda Bureau of Fraud Investigation. No further action to pursue recovery of these refunds is proposed.

6.5 Public Sector Energy Efficiency

	2016 €'000	2015 €'000
Grants	448	383
Client Advisory Services	994	895
Energy in Education Schools Resource	34	57
Other Operational Costs	182	256
IT Systems Development & Maintenance	240	118
Travel Costs	7	4
	1,905	1,713

This programme promotes structured energy management practices and delivers direct energy efficiency advice, mentoring, training and specialist technical supports to public sector organisations.

6.6 Retrofit Development Programme

	2016 €'000	2015 €'000
Programme Development	151	75
IT Systems Development	181	318
Other Costs	573	404
Strategic Advice	71	53
Client Advisory	94	30
Travel Costs	11	12
	1,081	892

The Retrofit programme supports the development of the wider national Better Energy Programme towards achievement of energy saving targets articulated in the National Energy Efficiency Action Plan and the Energy Efficiency Directive 2012.

6.7 Better Energy Communities

	2016 €'000	2015 €'000
Grants Issued	14,650	16,074
Programme Operation / Promotion	546	374
	15,196	16,448

In 2016 SEAI launched the Better Energy Communities call to support 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.

6.8 Better Energy Smart Metering

	2016 €'000	2015 €'000
Commissioned Studies / Reports	15	59
Programme Operation / Promotion	44	5
Other operational costs	29	61
	88	125

SEAI participate in the national smart metering project which is co-ordinated by the Commission for Energy Regulation and are responsible for the co-ordination of Customer Engagement aspects of this work programme. SEAI are also co-ordinators of the National Smart Grid Implementation Group and have responsibility for delivery of Smart Grid test bed infrastructure under the Government's Action Plan for Jobs.

6.9 Better Energy Financing

	2016 €'000	2015 €'000
Grants Issued	400	105
Commissioned Research Studies	54	93
Travel Costs	4	2
Other operational costs	161	207
	619	407

The Better Energy Financing (BEF) project is a Government initiative to transition to a more market-orientated approach to realising energy efficiencies and is a key element in the Government's Action Plan for Jobs, which recognises the considerable scope for construction-related employment arising from a comprehensive national energy efficiency programme.

6.10 Renewable Energy Research, Development & Deployment

	2016 €'000	2015 €'000
Grants Issued	702	945
Supported Research	6	76
Research Engagement & Partnerships	304	239
IT Development & Maintenance	38	146
Commissioned Studies / Reports	158	241
Travel Costs	20	25
	1,228	1,672

This programme supports 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.

6.11 Ocean Energy

	2016 €'000	2015 €'000
Grants Issued	1,329	1,810
Sub Contracted Works	1,803	1,644
Commissioned Research / Studies	12	–
Other Costs	267	254
Mayo Test Site Work	433	307
Travel Costs	4	8
	3,848	4,023

The Ocean Energy Programme is administered by SEAI to implement the Government's policy decision to accelerate the development of Ocean Energy in Ireland, as set out in the Offshore Renewable Development Plan.

6.12 Renewable Energy Information

	2016 €'000	2015 €'000
Programme Operation / Promotion	39	63
	39	63

This programme provides independent advice and information on technical, financial and social issues relating to renewable energy development and deployment.

6.13 Sustainable Energy Communities

	2016 €'000	2015 €'000
Operation Delivery	127	207
Strategic advice	67	10
Travel Costs	13	12
	207	229

This programme involves building capacity in communities to enable delivery of large scale sustainable energy project and the transition to sustainable energy communities (SEC) and has developed a national SEC network with currently over 60 members.

6.14 Energy Statistics and Modelling

	2016 €'000	2015 €'000
Energy Modelling Strategic Advice	3	13
Other Costs	156	128
Commissioned Reports / Research	183	90
Travel Costs	19	30
IT Development and Maintenance	63	85
	424	346

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.

6.15 Electric Vehicles

	2016 €'000	2015 €'000
Grants Issued	3,039	2,644
Other Costs	85	116
IT Development & Maintenance	5	4
Travel Costs	7	5
	3,136	2,769

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 funded an additional 665 electric cars in 2016 (2015: 555 cars) which were grant aided under this programme in 2016.

7. Appropriations

	2016 €'000	2015 €'000
EU Contract Income	(76)	(49)
Grant Refunds	2	81
Other	12	6
	(62)	38

Non Exchequer funds received by SEAI are remitted back to the DCCAE. As such funds are recognised as income, a corresponding liability to DCCAE is also recognised.

The above note details the movement in the amount due to the DCCAE during 2016.

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. During 2016 assumptions changed for a number of contracts and resulted in a reduction in both the income and liability from the prior year.

8. Building Energy Rating

	2016 €'000	2015 €'000
Outsourced Programme Operation	610	548
Programme Delivery and Development	1,128	381
Quality Assurance	218	461
IT Support & Maintenance	254	383
IT System Development	1,633	771
Travel Costs	8	6
	3,851	2,550

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 €2,523,430 (2015: €2,657,575) resulting in a loss in the year of €1,327,698 (2015: €107,432).

9. Property, Plant and Equipment

	IT EQUIPMENT & SOFTWARE €'000	OCEAN PROGRAMME €'000	OFFICE EQUIPMENT €'000	FIXTURES & FITTINGS €'000	MOTOR VEHICLES €'000	TOTAL €'000
COST						
Balance @ 1st January 2016	867	1,028	11	243	28	2,177
Adjustment	–	666	–	–	–	666
Disposals	(9)	–	–	–	–	(9)
Additions	190	23	–	–	–	213
Balance @ 31 December 2016	1,048	1,717	11	243	28	3,047
DEPRECIATION						
Balance @ 1st January 2016	(775)	(1,028)	(11)	(184)	(28)	(2,027)
Adjustment ³	–	(637)	–	–	–	(637)
Disposals	9	–	–	–	–	9
Charge for Current year	(120)	(26)	–	(19)	–	(165)
Balance @ 31 December 2016	(886)	(1,691)	(11)	(203)	(28)	2,819
NET BOOK VALUE BALANCE @ 31 DECEMBER 2016	162	26	0	40	0	228
Balance @ 31 December 2015	92	0	0	58	0	150

³ The adjustment relates to Ocean Energy Programme assets costing €666,000 (accumulated depreciation of €637,000) which were expensed in the Statement of Income and Expenditure and Retained Revenue Reserves (Note 6.11 Ocean Energy Programme) in the period 2010 to 2015 (inclusive). These assets should have been recorded as fixed assets and capitalised on the Statement of Financial Position in line with the SEAI fixed asset policy. The impact of this adjustment is an increase of €29,000 in the net book value of SEAI's fixed assets at end of 2016.

10. Receivables & Prepayments

	2016 €'000	2015 €'000
Dundalk Concerto Bid	32	32
EU Contracts	41	151
EPBD Receivables	175	212
Prepayments	534	515
Other Receivables	15	51
	797	961

11. Payables & Accruals

	2016 €'000	2015 €'000
Payables	671	852
Accruals	1,453	3,239
Dundalk 2020 Holistic Project	94	94
VAT	708	557
PSWT	439	339
PAYE / PRSI	106	110
Other Payables	201	533
Deferred Income	99	170
	3,771	5,894

12. Capital Account

	2016 €'000	2015 €'000
Opening balance	150	177
Transfer (to) / from Statement of Income and Expenditure and Retained Revenue Reserves:		
Amount capitalised in respect of purchased assets	213	138
Amortisation in line with asset depreciation	(165)	(165)
	49	(27)
Adjustment	29	0
BALANCE AT END OF YEAR	228	150

13. Bank

	2016 €'000	2015 €'000
Current Bank Account	10	10
Savings Account	1,689	2,105
EPBD Account	2,174	3,148
	3,873	5,263
Dundalk 2020 Holistic Project	94	94
	3,967	5,357

The Dundalk 2020 Holistic project is an EU project funded under FP6 (Sixth Framework Programme for Research and Technology Development). SEAI acts as the project co-ordinator, which consists of 23 partners in 6 European countries. SEAI receives funding on behalf of the project and distributes this funding to the relevant partners. Accordingly the income and expenditure is not included in SEAI's income and expenditure account. The funds on hand are included in the bank balance and also in creditors. The amounts received and paid are set out below:

	2016 €'000	2015 €'000
Funds on hand at 1 January	94	1,718
Receipts in year	–	–
Payments in year	–	(1,624)
FUNDS ON HAND AT 31 DECEMBER	94	94

14. 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 2016. 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

	2016 €'000	2015 €'000
Current Service Costs	1,008	1,361
Interest on pension scheme liabilities	598	561
Staff Superannuation Deductions	(185)	(186)
PENSION COST IN THE PERIOD	1,421	1,736

(B) Analysis of the Movement in Liability During the Year

	2016 €'000	2015 €'000
Scheme liability at 1 January	21,445	25,512
Current service cost	1,008	1,361
Interest cost	598	561
Actuarial loss / (gain)	4,830	(5,817)
Benefits paid in the year	(172)	(172)
SCHEME LIABILITY AT 31 DECEMBER	27,709	21,445

(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

	2016 €'000	2015 €'000
Funding recoverable in respect of current year pension costs	1,606	1,922
State Grant applied to pay pensions	(172)	(172)
	1,434	1,750

The deferred funding asset for pensions as at 31 December 2016 amounted to €27,709,000 (2015: €21,445,000).

(D) History of Experience Gains and Losses

Experience Gains / (Losses) on Scheme Liabilities

	2016 €'000	2015 €'000	2014 €'000
Amount (€)	725	187	75
Percentage of present value of the scheme liabilities	2.6%	0.9%	0.3%
Total amount recognised in Statement of Comprehensive Income	(4,830)	5,817	(7,801)
Percentage of present value of the scheme liabilities	(17.4%)	27.1%	(30.6%)

The cumulative actuarial loss recognised in the Statement of Comprehensive Income amounts to €11,196,000 (2015: €6,366,000).

(E) General Description of the Scheme

The 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 15 February 2017 by a qualified independent actuary taking account of the requirements of the FRS in order to assess the scheme liabilities at 31 December 2016.

The main financial assumptions used were:

	AT 31/12/16	AT 31/12/16	AT 31/12/14
Discount rate	1.96%	2.80%	2.20%
Rate of increase in salaries	3.25%	3.25%	3.50%
Rate of increase in pensions	3.00%	3.00%	3.25%
Inflation	1.95%	1.75%	1.25%

Mortality Tables used are as follows:

Active & Deferred

	PRE- RETIREMENT	POST- RETIREMENT	PENSIONERS
Male	62% of PNML00	58% of ILT15	58% of ILT15
Female	70% of PNFL00	62% of ILT15	62% of ILT15

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

	CURRENT PENSIONER (IN 2016) AT AGE 65	FUTURE PENSIONER (IN 2036) AT AGE 65
Male	21.1 years	23.6 years
Female	23.6 years	25.7 years

15. Grant Commitments and Grant Repayments/Refunds

Grant Commitments

It is estimated that future payments likely to arise from commitments entered into under various support schemes will amount to €26,729,994 (2015: €17,928,289).

	COMMITTED AS AT 1 JAN 2016 €'000	COMMITTED DURING THE PERIOD €'000	DE- COMMITTED €'000	PAYMENTS €'000	COMMITTED AS AT 31 DEC 2016 €'000
ENERGY EFFICIENCY					
Better Energy Warmer Homes	203	6	(70)	(42)	97
Better Energy Finance Pilot	232	1,010	–	(336)	906
Energy Agreements Special Investigation	26	67	–	–	93
Exemplars	545	273	(223)	(174)	421
Warmer Homes Areas	185	38	(77)	(38)	108
Better Energy Homes	8,826	23,302	(5,985)	(17,030)	9,113
Better Energy Communities	4,633	21,288	(2,027)	(13,871)	10,023
EXEED	–	681	–	(382)	299
RENEWABLE ENERGY					
Renewable Energy Research, Development & Deployment	440	1,147	(129)	(702)	756
Electric Vehicles	604	3,160	(133)	(3,039)	592
Ocean	2,233	3,537	(97)	(1,352)	4,321
	17,927	54,509	(8,741)	(36,966)	26,729

Grant Repayments/Refunds

As outlined in the Statement of Internal Financial Control, SEAI identifies scheme/grant amounts repayable to it through its audit and inspection procedures, processes and Inspection Unit Protocol. The amounts repayable are not recorded as a debtor

but are reported by way of a note to the financial statements. All grant repayments during 2016 arose in regard to the Better Energy Homes Scheme.

16. Related Parties Disclosures

Key management personnel in SEAI consist of the CEO and members of the Board of Directors. Total compensation paid to key management personnel, including Board members' fees and expenses and total CEO remuneration amounted to €189,944 (2015: €185,623). For a breakdown of the remuneration and benefits paid to key management personnel, please refer to note 5.1 and note 17.

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 Finance 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, on two occasions during the year, two Board members excused themselves from a Board decision in order to avoid any potential or perceived conflict of interest in relation to the Better Energy Communities Programme.

17. 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 expenses of €669 were paid in 2016 (2015: €1,209).

Board Fees

	2016 €'000	2015 €'000
Julie O'Neill (a)	11	8
Brian T. Carroll (b)	–	–
Anne Farrell (c)	4	7
Michelle Green (d)	2	7
Edgar Morgenroth (e)	–	–
Paddy Phelan (f)	7	5
Micheal Wall (a)	8	5
Lisa Ryan (a)	8	5
Peter Brennan (a)	8	5
Anne Connolly (b)	8	8
Micheal McGarry (c)	5	8
Patrick Gilroy (b)	8	8
Brian Motherway (g)	–	–
Jim Gannon (h)	–	–
TOTAL	69	66

- (a) Appointed 6 May 2015
 (b) Reappointed 6 May 2015
 (c) Reappointed 1 May 2015 and reappointed 3 October 2016
 (d) Retired 1 May 2016
 (e) Retired 23 April 2015
 (f) Appointed 6 May 2015 and resigned 18 November 2016
 (g) Resigned 2 December 2015
 (h) Appointed (CEO) 23 May 2016

Board Members Expenses

	2016 €'000	2015 €'000
Domestic mileage	–	–
Domestic subsistence	–	–
Domestic other	1	1
Overseas airfares	–	–
TOTAL	1	1

18. Operating Leases – Premises

SEAI head office is located in Wilton Park House, Dublin 2 with sub-offices in Dundalk, Cork, Sligo and Belmullet, Co. Mayo. SEAI has a temporary convenience lease running from 1st July 2009 to 28th October 2019 on its the Head Office in Wilton Park House. The Authority has the following future non-cancellable minimum lease payments under operating leases for each of the following periods:

Operating Leases

	2016 €'000	2015 €'000
Within 1 Year	467	447
During 2 to 5 Years	839	1,325
Over 5 Years	–	–
TOTAL	1,306	1,772

Operating lease payment recognised as an expense was €459,186 (2015: €476,309)

19. 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.

20. Employees

Permanent & Long Term Contract

The average number of permanent and long term contract employees for the period was 54 (2015: 53).

21. Approval of Financial Statements

The Board approved the financial statements on 1st March 2017.





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