



## 2015 Project Snapshot

LEAD APPLICANT

**Energy Communities Tipperary Co-operative**

PROJECT CO-ORDINATOR

**Marcella Maher-Keogh MEM-BER**

PROJECT

**Retrofit of 135 homes and 3 community buildings across eight communities in North Tipperary**

FINAL PROJECT COST

**€2,021,757**

BEC GRANT

**€1,426,413**

ENERGY SAVINGS

**1,191,980 kWh**

## Background

Energy Communities Tipperary was first conceived in 2010 by a group in the village of Drombane who were concerned about social and economic decline in their area. A key barometer of decline for the community was the ongoing loss of members of the local hurling team to emigration. On the request of the village improvement group, the [North Tipperary Leader Partnership](#) (NTLP) facilitated a broad-ranging discussion at a community meeting held in the village hall, and energy emerged as one of a number of development options, initially because of an interest in using locally grown timber as a possible alternative to oil.

In 2011, with the help of Limerick Institute of Technology (LIT) and their local [energy agency](#), Tipperary Energy Agency ([TEA](#)), an energy survey of the 400 households in Drombane established that the annual energy spend in the community was €1,000,000 or an average of €2,500 per household, which was well above the then national average annual energy spend of €1,770. They identified the opportunity to achieve efficiencies at a community level, by clustering houses by age, type and upgrades required, with a target of achieving a 20% reduction in energy spend, which would be worth €200,000 to the local community. By highlighting the scale of the financial opportunity, this information became an important motivating tool for the local community.

The completion of this survey analysis coincided with the launch of the pilot BEC grant scheme by SEAI in 2012 which then became a catalyst for the group to access

funding in order to implement the first phase of home retrofit works. The structure of the group was formalised into the Drombane Upperchurch Energy Team (DUET) in 2012 to carry out a small pilot project of 22 homes and a single community centre and was supported by a project co-ordinator, who was initially appointed in 2013 on a NTLP internship. Three other North Tipperary community groups came on board in 2013; Kilcommon/Rearcross, Birdhill and Lorrha Rathcabbin each with its own local representative. In late 2014 they formed a co-operative company, Energy Communities Tipperary Co-operative (ECTC), as an umbrella organisation of these four local energy teams with the purpose of creating a business model that would allow the project to grow and meet broader community and funder requirements. Four additional communities joined in 2015; Carrig/Riverstown, Borrisokane, Loughmore and Cloughjordan.

The ECTC now includes eight parishes spread across an area of some 2000 sq.km in North Tipperary. It is set up as a non-profit company, limited by guarantee without share capital and receives start-up funding and financial management support from NTLP through the Social Inclusion Community Activation Programme. In 2015 there were nine directors on the board of the ECTC including representatives from NTLP and TEA and the four 2014 communities. The additional communities were involved in the regular ECTC meetings throughout 2015 with an option to nominate members to the Board at the end of the year.

## Project Overview

Since 2012, the group's focus has been primarily residential energy retrofits. Initially, the group started by retrofitting between 20 and 30 dwellings each year. In total some 300 homes have now been retrofitted and the energy credits achieved have helped fund the upgrade of community buildings including churches, community halls and GAA clubs. The most common residential measures implemented were attic and cavity wall insulation, installation of high efficiency oil boilers and heating control upgrades resulting in a typical BER uplift from an F to a D1. The average cost of works was €12,000. Increasingly, external wall insulation has been carried out in conjunction with window and door replacements and the installation of room heating stoves. In 2015, the 'can-pay' home owners received grants of 35% while those in receipt of fuel allowance received up to 80% grant funding. They use three contractors, who each work with a number of communities and carry out all the works for each house in their area except for the stoves, which are installed by a single contractor. By building relationships with these local contractors, standards have really improved as they learn exactly what the SEAI requirements are, helped by inspections and SEAI workshops.

In addition to the residential projects, a total of eight community buildings have also been retrofitted, including five community halls, the parochial house in Drombane, Rearcross Church and Carrick GAA clubhouse. The typical measures implemented were attic and cavity wall insulation, window and door replacements and boiler upgrades.

The project has depended heavily for its success on the significant number of volunteer hours provided by the key members of each community, however at times this level of commitment has been hard to maintain. The support of a part time Project Manager employed by the group, who is a qualified BER Assessor and Technologist, was also key to the success of the project over the past four years.

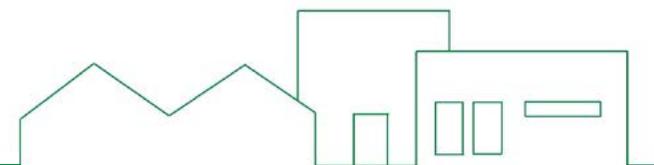
## Innovation Organisational Model and Financing Approach

The ECTC project demonstrates innovation in both its organisational model and its financing approach. Since setting up the energy co-operative in 2014, the ECTC has streamlined the entire BEC process for the member communities and acted as the Lead Applicant and the sole beneficiary for the SEAI grant award. Once the Letter of Offer has been issued, 'can pay' householders are required to pay 100% of their individual costs upfront to the ECTC and they receive their grant payment at year end. Fuel Allowance homeowners pay 20% upfront and the ECTC cover the remaining 80% until the SEAI grant is paid. As a legal entity, the ECTC has been able to partner with the social investment fund [Clann Credo](#), to access bridging finance to match the value of the energy credits until this is paid to them by the Participating [Energy Supplier](#) (PES) at the end of the project. Bridging the gap of the 80% for Fuel Allowance homes and the project management fees has required careful management of the grant milestone

payments process in order to minimise their Clann Credo borrowings which are capped at €500,000.

Within the umbrella of the ECTC funding model, individual communities receive a percentage of the total value of the energy credits which is directly related to the number of participating homes and the energy savings generated within their community and this money goes into local community funds. This has helped to establish a circular economy where money left over from one year is then used to contribute to the upfront costs required for community projects the following year. Financial oversight is provided by a part time financial manager who is an employee of the NTLF, in addition to the project manager who is employed by the ECTC.

The ECTC structure is not without its challenges. Although the umbrella approach simplifies the grant process for both member communities and SEAI, it can be challenging to maintain the levels of community engagement that are required to make it work at the local parish level, as people don't identify with the bigger implementation vehicle so easily.



## Spotlight on... the ECTC communities – real stories of impact

The starting point for the [ECTC](#) was to do something for job creation to address rural decline, and as a result, the group place a great importance on the wider benefits which have accrued to the community beyond energy savings. ECTC director Gearoid Fitzgibbon points to the increased awareness of energy across the community, firstly as a result of the engagement process which reached deep into the parishes and secondly because the community halls themselves have become showcases for energy efficiency as a result of the retrofits.

The community stress the importance of trust and buy-in to the success of the project, in contrast to something being imposed from outside. In the words of one member: **“Rather than someone coming from Dublin and promoting something, it’s I’m promoting it and I live up the road and they know me”**. In Birdhill, they used the network of the Tidy Towns to start because **“we were known locally, people trusted us to run it”**. The community-led approach was credited with successfully accessing hard-to-reach households, such as the elderly, who either didn’t know about the individual SEAI grants for retrofitting their homes or found the paperwork off-putting. As one community member remarked, despite living in extreme fuel poverty **“the attitude (of the elderly person) would have been ah, we’re alright, leave us alone”**. In addition to reducing utility bills in the community

halls, the retrofits have also had unanticipated impacts. In Birdhill, art classes, children’s sit down activities, cards, keep fit and concerts are now on offer. Social dancing nights attracting up to 200 people have taken off in Drombane because of the improved comfort levels in the hall. People are willing to come out and engage in community activities rather than feeling that: **“I don’t want to go down there because I’ll be frozen”**. As a result, the increased business in the hall in Birdhill is now providing sufficient revenue to pay the utility bills.

In Drombane, driven by an increased sense of confidence and self-belief, the group have undertaken further village improvement works. In the words of one member, **“Drombane was basically dead enough community-wise but when you get a project like that starting off other things spread out of it”**. Spin-off projects have also happened in Birdhill including a ‘stop food waste’ initiative and the installation of solar lights in the park.

## Where to Next?

Aware that the requirement to find 20% of the project costs is a significant barrier for many fuel poor households, the ECTC are actively looking at ways to address this. In 2017 they hope to partner with local businesses, using their energy credits to assist the more vulnerable in the communities who might otherwise not be able to participate in the project.

The encouragement and support that the NTLF, in the role of facilitator, provided to community groups was a key factor in the development of the ECTC and was made possible under the Local Community Development Programme (LCDP). The successor programme to LCDP is the [Social Inclusion Community Activation Programme](#) (SICAP), however this can only support designated communities of disadvantage – only three of the eight member communities. A key challenge for the ECTC will be finding a means of supporting the other communities, and new communities, so that they can maintain the current momentum.



**Insider's Tips...** Below are some tips and advice from the ECTC project leaders for preparing and carrying out a BEC project:

**1. Start small and allow time to prepare your application:**

Applications take time (up to a month) to prepare and you will require assistance from a professional who is familiar with the technical aspects of energy retrofits in order to complete the application paperwork. In addition to the sample BER certificates for residential works, you will need an energy assessment for all non-residential buildings in the form of an energy audit or non-domestic BER. An established community may have held over funds to cover these upfront costs, however those starting out will be dependent on this work being done 'at risk' until grant moneys are paid and this will not always be possible depending on the scale of the application. For this reason it makes sense to start off small.

**2. Consider allocating a finance manager to manage cash flow and payments processes:**

Clann Credo provides an essential means for community organisations to access bridging finance however their reporting requirements are onerous and you must be prepared for a significant level of paperwork which will be subjected to detailed scrutiny. As the ECTC annual project costs have increased to over €2 million, it has become necessary to have a Finance Manager, in addition to the project coordinator, to oversee their cash flow and payments processes.

**3. Focus energy on encouraging community buy-in:**

By using local networks such as the Tidy Towns, the GAA or village group representatives to recruit individual householders to the energy project it is possible to reach deep into communities and attain high levels of participation. However, you should expect that there will be a certain level of drop off in the number of projects between the initial 'expression of interest' stage and signing up with a contractor following grant approval. When seeking volunteers in the community it is important to emphasise the tangible benefits such as increased comfort and local employment as these are the primary motivators. Village hall meetings are a good way of providing this information to potential participants but these need to be followed up with individual approaches to recruit homeowners.

**4. Be prepared to initiate your project straight after grant approval:**

Following grant approval, the time frame for completion of BEC works is only four or five months and your projects need to be ready to start immediately. Homeowners will generally need time to consider their personal finances before committing to carrying out retrofit works and it may be necessary to request contractors to prepare individual quotations at risk, before SEAI issues a Letter of Offer. This would have to be agreed with the contractors in

advance but the ECTC have found that this approach has helped to reduce their householder drop-out rate. The packages of works are tendered each year, but as the community has developed relationships with a number of trusted contractors in their area, this has allowed them to get this process started in advance of issue of the SEAI Letter of Offer.

**5. Maintain frequent meetings amongst the group:**

Regular monthly meetings are key to good communications within the group. Consider using Skype or other online resources to reduce the need for extensive travel time and cost of travel to meetings, particularly in geographically spread rural communities. It is essential to keep the local contact and Energy Team members up to date with the project schedule as they are the direct link with homeowners.

