SUSTAINABLE ENERGY AUTHORITY OF IRELAND

Annual Report and Financial Statements

2015

Leading Ireland's sustainable energy transition

CONTENTS

OUR MISSION

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

seai SUSTAINABLE ENERGY AUTHORITY OF IRELAND

ACHIEVEMENTS IN 2015

€47m

€47 million Better Energy grant support towards €113 million building energy efficiency upgrades, with 2,650 jobs supported

21,600

21,600 homes and 360 community buildings upgraded

€4.7m

€4.7 million support to ocean and renewable energy R+D projects

20

SEAI published 20 energy policy analysis reports

16,000

16,000 energy-efficiency products from 300 suppliers on Triple E Register

€2.7m

€2.7 million grants for 562 new electric vehicles registered

180

180 Large Industry Energy Network members with €1.3 billion energy spend saved €36 million

€121m

Public sector organisations made €121 million energy savings. 71 public sector organisations signed up to formal agreements, with 17 commenced on ISO 50001 certification

68,000

68,000 pupils were engaged through SEAI schools programme

73,000

SEAI managed 73,000 phone calls with 92% satisfaction rating

GIS

SEAI launched an online renewable Geographical Information System (GIS) portal

“”

The programme achievements and analysis by SEAI show time and again that the multiple economic, societal and environmental benefits of sustainable energy action far outweigh the costs. In truth, inaction is quite simply not an option.

CHAIRPERSON'S STATEMENT

THE BENEFITS OF SUSTAINABLE ENERGY ACTION FAR OUTWEIGH THE COSTS

The year 2015 proved to be a very significant one for the sustainable energy agenda and the related challenge of climate change. History will surely record the agreement reached in Paris at COP21 in December as one of the defining moments in the climate debate. Speaking at an SEAI seminar, Dr Kevin Anderson of the University of Manchester described COP21 as "an important diplomatic triumph with 196 world leaders accepting the science of climate change, if not the implications".

Closer to home, in December 2015, Minister Alex White, the then Minister for Communications Energy and Natural Resources published the White Paper: "Ireland's Transition to a Low Carbon Energy Future 2015 - 2030". It set out the vision of a transition to a clean, low carbon and climate friendly energy system by 2050 and placed the energy citizen at the heart of the policy framework, both as actor and beneficiary.

More recently, with the formation of a New Partnership Government in May 2016, our parent department became the Department of Communications, Climate Action and Environment. For the first time Ireland has a single government department with overarching responsibility for collective policies and actions to mitigate the risk of climate change. The emphasis on the word "action" in the new Department's title bodes well for the future. We in the Authority look forward to working with Minister Denis Naughten TD, Ireland's first Minister for Climate Action. I was very struck by his comments at the opening of the International Energy Workshop 2016, where he said "Only by bringing people with us – not just with scientific evidence, not just with policy, but with practical pathways that have people at its centre – can we move towards a decarbonised future".

So there is much to be positive about in recent developments but the challenges remain stark. The provisional energy balance figures for 2015 recently published by the Authority show mixed results in terms of Ireland's transition to a low-carbon energy economy. Ireland's overall energy use and related CO2 emissions have both increased by roughly 5%. While this increase was lower than economic growth at nearly 8% it signals a re-coupling of energy and economic growth. In the same period Ireland's use of renewables for power, heat and transport increased by 13%.

These figures highlight the complexity of our energy system and the interplay of economic growth, renewable energy deployment and fossil fuel prices. Progress made in renewable energy deployment could be easily undone if we fail to decouple energy use from economic growth and accelerate the move away from fossil fuels, in particular high emissions-intensive fuels such as coal and peat. We need continued progress in energy efficiency in our homes and businesses and an increase in the use of renewables across all technologies in our energy system.

The programme achievements and analysis by SEAI show time and again that the multiple economic, societal and environmental benefits of sustainable energy action far outweigh the costs. In truth, inaction is quite simply not an option. It is no longer a question of should we get out of fossil fuels but rather how, and how fast. We in the Authority relish the opportunity to play our part and support our Minister and parent department in meeting that challenge.

The year 2015 saw us say goodbye to our colleague and former Chief Executive Dr Brian Motherway. Can I thank Brian for his leadership of the Authority since 2012 and wish him every success in his exciting new role as Head of the Energy Efficiency Division at the International Energy Agency.

I also want to warmly welcome Jim Gannon as the Authority's new CEO. Jim is an energetic and widely respected energy professional with a wealth of experience across all aspects of energy policy implementation. Working with the executive team, he will build on the successes of recent years and lead the organisation into the next phase which demands a rapid decarbonisation of our entire 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.

Julie O'Neill
Chairperson
Sustainable Energy Authority of Ireland

CHIEF EXECUTIVE'S REVIEW

THESE ARE EXCITING TIMES, NATIONALLY AND INTERNATIONALLY, IN SUSTAINABLE ENERGY

Working in the energy sector for the past fifteen years I have long known the valuable work of SEAI and its reputation for strong delivery across multiple sectors. I am honoured to have been recently appointed Chief Executive of the Authority, taking charge of a great organisation, at a significant inflection point in its life.

SEAI prides itself on successful delivery of large scale energy efficiency programmes covering both domestic and commercial sectors. Increased energy efficiency is the most cost effective method of reducing carbon emissions and increases our competitiveness; it also reduces our reliance on imported fossil fuels and the inherent economic exposure that this brings. These actions also stimulate vital economic growth and employment in our economy. Last year the SEAI administered Better Energy programmes secured a total investment in building energy upgrades of €113 million, supporting approximately 2,600 jobs. A significant indirect benefit of this achievement is the continuing growth and evolution of Sustainable Energy Communities as key drivers, even leaders, in Ireland's energy transition. The power of local community groups growing their awareness and voice in relation to sustainable energy cannot be underestimated, and in the medium to long term will increase dividends at both a local and national level.

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. As a result 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 and combinations 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.

Robust analysis is a vital tool for both the Authority and Government to identify the least cost pathways towards a low carbon society for Ireland. In 2015 SEAI published 'Unlocking the Energy Efficiency Opportunity' which highlighted the significant benefits available from concerted action on energy efficiency across the economy. The analysis suggests that the economic benefits of energy efficiency continue to far outweigh the costs. However it also shows that while early adopters have acted, the majority have not fully engaged to date and there is huge potential remaining to do so. It is time for homeowners and businesses to actively engage with energy efficiency as a way of reducing their energy bills and bringing wider benefits, including health and wellbeing, to society.

With regard to renewable energy, Ireland has a unique set of resources and opportunities which we need to utilise in an appropriate and mature fashion. While there will remain a short to medium term focus on the deployment of more mature wind, bioenergy and solar technologies with appropriate support and planning considerations, we must also consider the future use of our ocean energy resources. In 2015 SEAI gave €4.7 million support to ocean and renewable energy research and development projects. The Authority also launched a significantly enhanced and award winning GIS platform, which hosts maps of Ireland's bioenergy, geothermal, wind and ocean resources. These rich environmental and spatial data resources will support critical decisions about the development of new sustainable energy schemes providing openly available decision-making tools for policy makers, developers and communities alike.

2,600

In 2015 SEAI administered Better Energy programmes supported approximately 2,600 jobs

BER

One third of all homes now have a Building Energy Rating

€113m

€113m has been invested in building energy upgrades in 2015

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.

These are exciting times, nationally and internationally, in sustainable energy. The Paris climate agreement reached at the end of 2015 may not be the complete answer but it is nonetheless a watershed in the climate change debate. The Energy White Paper published subsequently by Government reflected the ambition of the Paris agreement. Most notably it emphasised the emergence and importance of the energy citizen, reflecting the incremental democratization of the energy ecosystem through technology with smart grids putting power back into hands of individuals.

Against that backdrop, SEAI will this year publish its next five year strategy, 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 group of staff who will continue to provide valuable guidance and insight to both the energy citizen and the business community.

In closing I want to thank the Chair, Board, management and staff of SEAI for their generous welcome and support from my arrival, and I look forward to leading the vital work of the Authority for the next five years.

Jim Gannon
Chief Executive Officer
Sustainable Energy Authority of Ireland

> 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.

2015 ACTIVITY TIMELINE SUMMARY

2015 has been busy for SEAI, executing well against a clear and consistent strategy and delivering strong operational results.

Students from St. Aloysius College, Cork win **SEAI's One Good Idea** schools competition.

A subsea cable is laid in Galway Bay marking a major upgrade of national marine R&D infrastructure to drive Ireland's ocean energy potential.

January | February | March | April | May | June

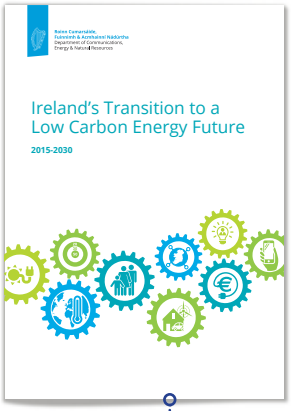
Better Energy Communities is launched offering €13m in support for community energy upgrades.

SEAI's Energy Show takes place showcasing the latest sustainable energy technologies and bringing together over 3,800 attendees.

Minister White visits **Aran Islands** where two thirds of the islands' buildings have had energy upgrades completed.

Apple signs a Memorandum of Understanding with SEAI to promote the development of ocean energy in Ireland and offers €1million in support.

Paris Agreement on climate change is reached at **COP21** and Ireland's Energy White Paper is published.



July | **August** | **September** | **October** | **November** | **December**

SEAI report **'Unlocking the Energy Efficiency Opportunity'** is launched showing that cutting energy waste will save €1.8bn for Ireland each year.

RTÉ signs up to SEAI Energy Partnership to deliver 33% energy savings by 2020.

EPS wins Leadership category in the 2015 Sustainable Energy Awards with entrants delivering €48 million in energy savings.

2015 REVIEW

HELPING CITIZENS BE MORE EFFICIENT

BETTER ENERGY HOMES

Better Energy Homes gives grants to homeowners and landlords to make their properties more energy efficient. 2015 saw a sharp upturn in the number of applications and grants drawn down. A total of 30,354 measures were implemented in 12,200 homes, including insulation, heating system and solar panel upgrades. This is 23% more homes year-on-year, primarily attributable to higher grant levels introduced in March, making the grants more attractive to homeowners and contractors.

BETTER ENERGY WARMER HOMES

The Better Energy Warmer Homes scheme delivered insulation services at no cost to 6,867 vulnerable homes in 2015. The works were completed by 31 contractors, appointed under tender, supporting over 600 jobs. During 2015 SEAI deployed a new system to administer the scheme, resulting in operational efficiencies and reductions in administration support staff.

595,000

595,000 homes, almost one third of all homes, have a BER.

BUILDING ENERGY RATING

A Building Energy Rating (BER) is an energy label for homes using a simple A to G scale, with A-rated homes the most energy efficient, which tend to have the lowest energy bills. The BER certificate is accompanied by an Advisory Report advising building owners on potential areas of improvement for their building. SEAI is the Issuing Authority responsible for administering the scheme.

In 2015 an additional 98,000 residential BERs were published, meaning 595,000 homes, almost one third of all homes, have a BER. 7,700 non-residential BERs published in 2015 brought the total of non-domestic buildings with a BER to 36,000. There are currently more than 620 active BER assessors undertaking ratings for building owners. SEAI engages with them on an ongoing basis through workshops and the Voice of the Customer process as a means of continuously improving the scheme. The National BER Register provides a rich source of data in informing policy / strategy and also in influencing building owners towards improving the energy performance of buildings in Ireland.

In late 2015 SEAI launched a Small Business Innovation Research (SBIR) competition with Enterprise Ireland, seeking smart technology solutions to help make BERs more accessible and influential for homeowners.

Better Energy Warmer Homes – Making Lives Better

'We're quite overwhelmed and so grateful for everything that has been done for us, and it really has transformed our home and made it cosy and comfortable. We can already feel the difference made by the insulation and draught proofing, and the house is no longer like a fridge in the morning when we get up.'

Patrick and Helen Brosnan, Kerry

'I cannot believe how warm my home is since having insulation done, I'm as snug as a bug and don't fear the cold this winter. I'm also saving on my electricity bills because I don't have to put the electric heater on in my bedroom. It's the first time I have ever had anything done for free, for that I am most appreciative.'

Ms Fleming, Dublin

Focus on Customer Service

Voice of the Customer (VOC) research enables organisations to proactively capture and respond to the changing requirements of their customers. In 2015 SEAI introduced a VOC process to better understand what our customers are saying and to implement changes based on their needs. The recurring research provides SEAI with a detailed set of customer wants and needs using a range of measurement techniques to seek customer feedback about their experience with our services and programme design. This customer feedback is then prioritised in terms of relative importance, and drivers, to our customer satisfaction. The feedback gathered to date has also allowed us to evaluate new concepts, ideas and solutions based on our customer's needs.

In this first year we achieved an overall customer satisfaction rating of 92% and a Net Promoter Score (NPS), which is a measure of customer loyalty, of 72.

WHAT THE CUSTOMERS ARE SAYING

BETTER ENERGY COMMUNITIES

The 2015 Better Energy Community programme was highly competitive, with projects delivering significant benefits to local communities. Over €13.8 million was spent supporting 33 community energy projects, delivering 67 GWH of energy savings. Upgrades were completed in 2,400 homes, and 360 community and public buildings including sports clubs, libraries, leisure centres, schools, local authority facilities and offices, private sector facilities and agricultural buildings.

Projects like the innovative Clonakilty Community Bike Scheme and Údarás na Gaeltachta's flourishing Energy Management Bureau were recognised at the Sustainable Energy Awards for outstanding performances in collaboration and community work.

SUSTAINABLE ENERGY COMMUNITIES

Launched in 2006 as part of the EU Concerto-funded Dundalk 2020 Project, the Sustainable Energy Communities programme later recruited three local authorities to become exemplar communities. A pilot programme to grant aid to community-led energy projects subsequently became the Better Energy Communities scheme, which has supported more than 100 communities in Ireland.

SEAI recognises that, as well as grants, communities also require support to build local capacity, to maximise opportunities and to effect their energy transition. SEAI relaunched the Sustainable Energy Communities programme in 2015, delivering 11 Sustainable Energy Community presentations, reaching over 800 community members and representatives, resulting in 20 new communities joining the network.

Through partnership with other state agencies and participation in the development of the Regional Action Plan for Jobs all eight regions require relevant public bodies to support exemplar sustainable building and cohesion at a local level for energy champions leading the community energy transformation.

The new SEC programme investigated what skills were critical to community success and developed the SEC programme to support the development of these skills and to grow capacity at a community level. Communities have embraced this opportunity and the vision to have Sustainable Energy Communities operating across Ireland and in 2015 momentum really started to build through the emerging network.

Camphill Communities / DaysE Community Energy Project

Energy-efficiency and renewable technology upgrades were completed on almost 100 buildings across all sectors: domestic, community and commercial (hotels, farm, sports clubs) through this project, led by the Camphill Community, a not-for-profit organisation.

The most innovative aspect of the project was the 'fund-raising through energy savings' model, developed by DaysE, a Kilkenny-based social enterprise. This involved consultants, community leaders, solution providers, utility partners and energy users coming together in a form of social enterprise for the benefit of communities. Energy-saving goals were set for SMEs and private participants, who then pledged their accrued energy credits to the community partners. Participating SMEs also donated a percentage of their grant to the community participants. DaysE raised an additional €200,000 in funding from donations, energy savings and energy credits. The project also featured a Pay-As-You-Save (PAYS) component, whereby contractors installed equipment on a commercial and a non-profit site on an energy performance basis.

This is one of the larger projects funded by SEAI and is a tremendous example of communities working together to improve facilities for those most in need, making them more comfortable and cheaper to run.

€200,000

DaysE raised an additional €200,000 in funding from donations, energy savings and energy credits.

SCHOOLS PROGRAMME

The schools programme continues to attract huge participation by teachers and students alike. The One Good Idea, supported by AIB, received 215 energy awareness campaign proposals from 76 post primary schools, a 20% increase on last year. A pilot project extending the scheme to Primary Schools attracted 70 campaign proposals from 40 schools.

Over 600 teachers received Continuous Professional Development (CPD) training on SEAI's Exploring Our Energy interactive inquiry based learning resource, while a further 20,000 students participated in energy workshops. Through the schools e-zine and social media, SEAI connects regularly with over 4,300 teachers and stakeholders.

DEVELOPING CLEAN TECHNOLOGIES

ENERGY RESEARCH

The Research, Development and Deployment (RD&D) Programme accelerates the development and deployment of competitive products, processes and systems. Research was supported to provide guidance to policy makers and public bodies. Specifically, SEAI provided €1 million support for a diverse portfolio of projects in 2015 across a range of technologies, including solar, bioenergy, energy storage, geothermal and energy efficiency.

SEAI acts as National Delegate under the EU's Horizon 2020 research programme and, with Enterprise Ireland, facilitates opportunities for Irish involvement. By the end of 2015 Irish participants had secured over €20 million in energy-related research under Horizon 2020. A publication launched in September highlighted the quality and variety of Ireland's success in securing European funds to support energy-related research.

Ireland's energy research, evidence-base and international collaboration was enhanced through participation in International Energy Agency (IEA) activities in 2015. Ireland was represented by Irish researchers and organisations in international collaborative research in relation to wind-energy deployment, bioenergy, ocean-energy and smart-grid technology. Irish involvement, facilitated by SEAI, builds research capacity here in Ireland and allows for national and international best practice to be disseminated and shared.

ENERGY STATISTICS, MODELLING AND ANALYSIS

SEAI publishes comprehensive national energy statistics for Ireland's energy supply and demand each year. In 2015 preliminary national statistics for 2014 were published four months after year-end, reflecting SEAI's focus on the publication of timely data. These national statistics were also submitted to Eurostat to meet international legal reporting obligations. In 2015 five reports were published, covering national statistics on energy production and consumption over the period 1990 –2014, renewable energy, combined heat and power, and electricity and gas prices. A key finding from this work is that Ireland is making good progress in the move to a low-carbon economy through reduced energy use and the use of cleaner, less carbon-intensive, energy sources.

The Energy Modelling Group published five studies to support evidence-based decision-making across Government. In particular, SEAI's Sustainable Energy Economy Model (SEEM) has shown that Ireland's economy and jobs will benefit substantially from greater use of indigenous clean energy. A major study on energy efficiency pointed to significant benefits of unlocking the energy efficiency opportunity, while highlighting the need for targeted interventions that address the behavioural aspects of decision-making by consumers and businesses. SEAI also published an in-depth analysis to inform policy options for renewable heat and the potential for air-source heat pumps.

Kingspan Castleblaney PV – Demonstration Project 2015

Castleblaney-based Kingspan Insulation is using its roof space to generate clean, renewable electricity, resulting in savings for the business without any upfront capital costs. The 300kW solar photovoltaic (PV) system, consisting of 1,200 panels, the largest solar PV project in the Republic of Ireland, is expected to save over 3,500 tons of CO_2 over its lifetime. The project was developed and installed by Kingspan ESB, a joint venture company delivering funded rooftop solar PV systems. Through the Funded Solar model a business pays for the energy it consumes from the solar PV system, and not the capital cost of the system itself. It was part-funded by a €170,000 grant from SEAI's RD&D programme, and demonstrates innovative project financing and monitoring aspects. Providing about 15% of the factory's annual daytime load, all of the electricity generated by the system is purchased and used onsite by Kingspan Insulation. The project also contributes to Kingspan Group's Net Zero sustainability targets and ESB's generation decarbonisation ambitions.

3,500

3,500 tons CO_2 to be saved by the 300kW solar PV system.

The establishment of SEAI's Bioenergy and CHP Programme was a priority in 2015. The Authority is supporting the Department of Communications, Energy and Natural Resources in the finalisation and implementation of its Bioenergy Strategy through research, analysis and active participation on the Bioenergy Steering Group. A comprehensive assessment of the potential for High-Efficiency Cogeneration and Efficient District Heating and Cooling in Ireland was completed in 2015 and submitted to the European Commission, as required by the European Union (Energy Efficiency) Regulations 2014.

A significantly enhanced GIS (Geographic Information System) platform was launched in 2015, which hosts maps in bioenergy and geothermal, as well as an updated wind atlas. It makes rich environmental data resources more widely available, in more formats, to support critical decisions about the development of new sustainable energy schemes.

ELECTRIC VEHICLES

Interest in electric vehicles (EV) grew again in 2015, with 562 new vehicles registered in Ireland, supported by €2.7 million in grants from SEAI. This is more than double last year's registrations. It is vital for the success of the EV market to see multiple brands grow and achieve market share to encourage investment by manufacturers. While the Nissan Leaf represents a significant proportion of new EV sales at 75% of vehicles sold in Ireland in 2015, new plug-in hybrid electric vehicles were introduced to the Irish market, including models from Volkswagen and Volvo. With over 1,100 new EVs registered in Ireland and new models appearing at a sustained and consistent rate, prospects for 2016 sales look good.

Study on Unlocking the Energy Efficiency Opportunity

In 2015 SEAI published a report, 'Unlocking the Energy Efficiency Opportunity', which highlighted the significant benefits available from concerted action on energy efficiency across all sectors of the economy. The report finds that households and businesses could save €1.8 billion annually by being more energy efficient. Energy efficiency will also reduce Ireland's reliance on imported fossil fuels and create 2,000 additional jobs. The analysis indicates that delivering these energy-efficiency improvements could boost the Government balance sheet by around €1 billion.

The analysis provides the evidence that the benefits of energy efficiency far outweigh the costs. But it also shows that not everyone has acted and there is huge potential to do so. It is time for homeowners and businesses to actively engage with energy efficiency as a way of reducing their energy bills and bringing wider benefits, such as health and wellbeing, to society. A range of priority policy actions were detailed as a contribution to Ireland's commitment to reducing energy demand through efficiency by 20% in 2020.

The Aran Islands

The Aran Islands require 1,493 tonnes of oil equivalent energy each year, with over 60% of this required to provide heating for the island's inhabitants. A 3 MW underwater electrical cable connects the islands to the mainland of Ireland.

An All-Electric Aran Island study assessed the likely effect of insulating the island's building stock, using heat pumps, converting the islands' transport to EVs and using 1.8 MW of local wind energy. The analysis suggests that energy imports could be reduced by 84% while remaining energy neutral on a net import / export basis.

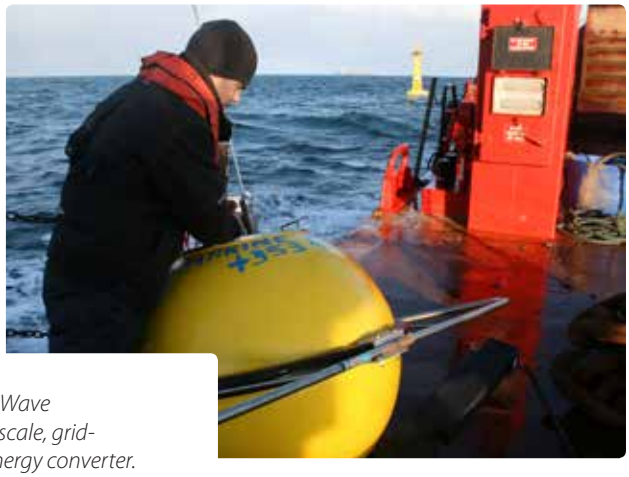
84%

The analysis suggests that energy imports could be reduced by 84% while remaining energy neutral on a net import / export basis.

A three-year trial of eight EVs with 30 drivers was conducted on the islands. The community adapted very well to the EVs with results suggesting that diesel import reductions of approximately 70% and annual fuel cost reductions of 80% could be achieved.

Finally, the community, through the local Co-op Comharcumman began their own energy-efficiency programme on the islands, upgrading properties with insulation. In comparison to the base year, a 24% reduction in fossil heating fuels being shipped to the islands was achieved. During a visit by Minister Alex White in summer 2015, the Co-op presented their ambition to become a Sustainable Energy Community and reduce dependence on fossil fuels to a net zero by 2023.

Ocean Energy OE Buoy



SEAI is giving €2.3 million grant aid to New Wave Technologies Ltd to design and build a full-scale, grid-connected version of their OE Buoy wave energy converter. The OE Buoy is a floating, oscillating water column-type wave energy device, incorporating a bi-directional air turbine, and is the first Irish-designed wave energy device to reach full scale. The prototype, with a rated capacity of 500 kW, will be 37m long, 17m wide, with a draught of 9.5m, weighing approximately 625 tonnes.

500 kW

The prototype, with a rated capacity of 500 kW, will be 37m long, 17m wide, with a draught of 9.5m, weighing approximately 625 tonnes.

Over the last number of years SEAI has supported the development of this device through a series of rigorous tests at increasing scales and complexities, including tank tests at the Lir National Ocean Test Facility and quarter-scale tests at the Galway Bay Wave Energy test site, where it proved its ability to survive severe storm conditions and waves of up to 8m high.

The device, co-funded by the US Department of Energy's Office of Energy Efficiency and Renewable Energy, with additional support from the US Navy, will be deployed at the US Navy Wave Energy Test Site (WETS) in Hawaii in 2016. This project has been underpinned by a Memorandum of Understanding between Ireland and the US to facilitate the development of Ocean Energy Projects.

Successful completion of this project will confirm the sea-keeping and power-production performance of the OE Buoy device and will pave the way for potential commercial developments of the technology in Ireland.

OCEAN ENERGY PROGRAMME

SEAI has been actively working with the Department of Communications, Energy and Natural Resources to implement the Offshore Renewable Energy Development Plan and to promote that ***Ireland is Open for Business*** when it comes to ocean energy development.

Ireland has a unique opportunity to create an indigenous energy sector that will create and sustain major job opportunities in the longer term. SEAI is developing a genuinely collaborative approach with all relevant agencies and Government departments to offer one single gateway for information and access to our burgeoning ocean energy industry. The development of the ocean energy portal **www.oceanenergyireland.com** has been key to bringing all relevant support strands together.

In order to strongly position Ireland with the development and test facility infrastructure required by developers, SEAI has contributed significant resources to support the development of these test sites. In 2015:

- The lease for the full scale **Atlantic Marine Energy Test Site (AMETS)** test facility at Belmullet, Co. Mayo was signed by the Minister of Environment, Community and Local Government.
- A cable and subsea observatory was deployed at the quarter-scale **Galway Bay** test site, allowing real-time data to be collected and communicated. Under a Memorandum of Understanding with SEAI, **Apple Corporation** is offering co-funding of up to €1 million for technology testing at this site.
- Supported by State investment of approximately €15 million, the **Lir National Ocean Test Facility in Cork was completed**, offering three state-of-the-art testing tanks, and expert engineering and research support.

SEAI actively supports the development of viable technology to harness our abundant ocean energy resource through the Prototype Development Fund. In 2015 SEAI awarded €4.25 million grants to 15 new projects, bringing the total number of projects funded to date to 69. Among the significant ocean energy technologies funded this year was a €1 million project for deployment in Galway Bay, a €2.3 million project for deployment off Hawaii and scaled testing of a tidal energy concept underway in Limerick Docks, which was completed in 2015.

€4.25m

In 2015 SEAI awarded €4.25 million grants to 15 new projects, bringing the total number of projects funded to date to 69.

€1m

€1m in funding was provided for deployment in Galway Bay for an ocean energy technology project.

SUPPORTING BUSINESS AND PUBLIC SECTORS

SUPPORTING INDUSTRY AND BUSINESS ENERGY EFFICIENCY

Competitiveness is high on the business community's agenda, and SEAI's focus continues to be on promoting energy efficiency and associated cost reduction programmes throughout small and large business sectors. The Large Industry Energy Network (LIEN) and the Energy Agreements Programme (EAP) are well-established networking and support programmes for large business energy users. With an annual energy spend of €1.3 billion, the 180 members share information on energy-saving technologies and techniques, and participate in initiatives which assist them to maximise energy and CO_2 savings. New savings of €36 million were reported by the Network in 2015. This year too, the Special Working Group initiative was reactivated, where participants benefit from shared studies on their significant energy uses, through self-assessments, and development of methodologies and guidelines. With many large businesses setting ambitious decarbonisation targets beyond 2020, the Network will be an important vehicle to assist in steering them on this pathway.

Almost 10 years in operation, the SEAI's Small Medium Enterprise (SME) Programme or Small Business Programme continues to support this sector to tackle their energy costs. Through this programme SEAI have worked with over 3,000 businesses of all sizes and types, and delivered savings of between 10% and 30% for participants. Businesses now recognise that sensible energy-management initiatives are key to improving financial performance without compromising productivity.

€36m

New savings of €36 million were reported by the LIEN Network in 2015.

3,000

Through the SME Programme SEAI has worked with over 3,000 businesses of all sizes and types, and delivered savings of between 10% and 30% for participants.

AbbVie, Sligo – 2015 Large Business Energy Award winner

Established in 2002, AbbVie, Sligo is a licensed, state-of-the-art, high containment facility for the manufacture of a wide range of pharmaceuticals. The company is involved in the commercialisation and manufacturing of new AbbVie pipeline products, and has dedicated capabilities for potent active pharmaceutical ingredients and drug product manufacturing. Historically, AbbVie Ireland has demonstrated strong leadership in sustainability and energy management, from being the first in Ireland to achieve ISO 50001 certification through to delivering sustainability and energy efficiency savings of 32% reduced electricity, 25% less fuel, 21% less water and 40% lower CO_2 emissions to the end of 2012.

In 2013, AbbVie embarked on an ambitious business growth strategy of building capacity for existing products and for new therapies in their pipeline. This growth strategy recognises the need to grow the business in a sustainable manner. This is primarily being achieved by the AbbVie Energy Team through a number of key sustainability initiatives as part of the ambitious Reduce Carbon Footprint Energy Management programme. This programme commenced in 2013 and has delivered a number of sustainability initiatives since then. The Reduce Carbon Footprint sustainability programme represents a significant capital investment in sustainability, with €2.5 million invested in the overall programme. Since this programme commenced, AbbVie have saved almost €0.8 million in energy and 2,575 tonnes of CO_2.

€0.8m

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ACCELERATED CAPITAL ALLOWANCES

The Accelerated Capital Allowance programme is a tax incentive which encourages companies to invest in energy-saving technologies listed on the SEAI Triple E Register, allowing them to deduct the full capital cost from its profits in a single year rather than the typical eight years. This helps companies through increased cash flow and reduced energy costs. It also helps product suppliers across the 52 eligible technologies to achieve market differentiation.

The decision to extend the scheme to 2017 has dramatically increased product-supplier interest. In 2015 over 4,000 new products were added, bringing the total number of products to 16,000 from over 300 product providers.

Foxrock Golf Club – Small Business Sustainable Energy Award winner

Following a thorough energy assessment by SEAI under the Assessment, Mentoring and Advice (AMA) programme, Foxrock Golf Club in Dublin set energy as a key priority with a clear and structured approach for its management. This included the key elements of energy management: people, organisation and technical aspects. The club undertook a programme with the aims of reducing energy costs, making a positive contribution to the environment, and planning and implementing energy conservation programmes in a more structured manner. A further aim was to ensure that Foxrock Golf Club was seen by members and visitors as being a responsible user of energy at every level of its operations.

20%

The direct benefits have included a 20% (€6,600) reduction in the cost of electricity and natural gas use in the first nine months following the completion of the programme.

The project involved upgrades to LED lighting with occupancy sensors, the installation of two high-efficiency gas condensing-type boilers along with zoning of the club into seven heating control zones. In addition, three inefficient refrigeration compressor units were replaced with one high efficiency compressor unit for the drinks and food cold rooms. Thermal insulation was upgraded with dry lining of the porch and landing walls, as well as insulation of the attic space and water tanks.

The direct benefits have included a 20% (€6,600) reduction in the cost of electricity and natural gas use in the first nine months following the completion of the programme. Further reductions through monitoring and control measures were also put in place. In addition, CO_2 emissions were reduced by 18%.

PUBLIC SECTOR ENERGY EFFICIENCY

The public sector programme provides support to public bodies to achieve their stretch target of 33% energy efficiency by 2020.

Working in partnership, particularly with those with high energy demand, is a cornerstone of the programme, with 75 signed-up partners, accounting for over three quarters of public sector energy consumption, now participating.

This year saw a deepening of that engagement, with a group of 18 partners committing to certifying their energy management system to the ISO 5001 Energy Management System standard to join the small number of public bodies already on this road. A specially tailored programme was designed which has seen these 18 well on the road to certification, with a second group following their leadership.

We all tend to find that we learn from our peers and this is no different in the energy area. 'Energy Link', an online forum operated under the programme, services this need by facilitating active sharing and exchange of information, knowledge and real-life experience of energy management. It is proving very successful at promoting, with the membership now exceeding 1,200 public sector practitioners.

Public lighting is a key energy use as well as expenditure item for all local authorities. Maintaining a high level of service to the public while meeting the energy efficiency target of 33% for 2020, while challenging, also creates opportunities for introducing new lighting technologies which are continually coming on stream. A key development in 2015 to progress this agenda was the establishment of the National Steering Group on Public Lighting, bringing together key stakeholders such as County and City Managers Association (CCMA), Transport Infrastructure Ireland (TII) and SEAI.

Tracking progress against the 33% goal is critical for all involved to know how successful or otherwise their efforts are. This is facilitated by SEAI through a structured online Monitoring and Reporting (M&R) tool, which in 2015 captured data from more than 280 public bodies who between them, at €600 million, account for 87% of the total public sector energy spend.

Iarnrod Éireann

Iarnrod Éireann (IÉ) joined the public sector partnership in 2014. They have already achieved the 33% energy efficiency target, and are currently more than 36% more efficient than their baseline. This was done while maintaining the same level of service (measured in train kilometres), with reduced revenue from both ticket sales and subvention. The value of the savings is of the order of €22 million per annum. The major project which facilitated this was the replacement of very old rolling-stock with modern 'Push / Pull' Carriages and Diesel Multiple Units. Projects have also been implemented on heating systems, with gas consumption reduced by more than 50%. IÉ are in the process of achieving certification to ISO 50001 for the organisation, with the Portlaoise Depot already certified. The driver's facility in Portlaoise has been designed and constructed to the Passivhaus Standard, using environmentally friendly materials throughout. IÉ are one of the top ten energy-using public bodies. As a result, significant savings by IÉ contribute strongly to the achievement of the overall public sector target.

€22m

The value of the savings is of the order of €22 million per annum.

ENERGY IN EDUCATION

In 2015 SEAI continued to offer schools a range of energy management supports developed by SEAI in partnership with the Department of Education and Skills under the Energy in Education programme. Schools can make a 5–10% saving on their energy use by implementing low- or no-cost energy-saving measures. To date 385 schools have attended Energy Management courses, where they received step-by-step guidance on the energy management process, and developing and implementing an Energy Action Plan. Almost 300 schools have availed of an Assessment, Mentoring and Advice (AMA) service, with an estimated average of 14% energy savings within 12 months.

Ashbourne Community School, Meath

Ashbourne Community School, Meath is a large, busy post-primary school with an annual energy spend of €54,000. The school has an active Green Schools programme and in 2015 students from the school were successful in reaching the national final of One Good Idea with their dynamic energy awareness campaign, which targeted the whole school community. The school took part in the Energy in Education Programme, and three months after an SEAI Energy Adviser visited, the school had achieved an estimated 10% saving and stands to achieve a further 15% saving from lighting upgrades and improved boiler controls.

10%

The school had achieved an estimated 10% saving and stands to achieve a further 15% saving from lighting upgrades and improved boiler controls.

GOVERNANCE

INDEX TO GOVERNANCE

CORPORATE GOVERNANCE

The Sustainable Energy Authority of Ireland (SEAI) 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, Energy and Natural Resources, who is empowered to provide funds to discharge its obligations, 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 new 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 carried out in December 2015 with a positive outcome whereby SEAI was awarded continued certification. In summary 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, Energy and Natural Resources, and officials of 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 play a leading role in transforming Ireland into a society based on sustainable energy structures, technologies and practices. This work and interaction is carried out in accordance with various policy directives issued by the Minister for Communications, Energy and Natural Resources.

CODE OF PRACTICE FOR THE GOVERNANCE OF STATE BODIES

In July 2009, the SEAI Board formally adopted the revised Code of Practice for the Governance of State Bodies, issued by the Department of Finance in June 2009. 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 available on the SEAI website (www.seai.ie).

Against this background SEAI confirms compliance with the following Sections of the Code of Practice.

Section 2: The Board

Section 2.1: 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.

Section 2.7: The SEAI Board has established procedures to monitor and manage potential conflicts of interests of management and Board members.

Section 2.14: The SEAI Board has adopted a Statement of Strategy for the period 2010–2015 and this was formally launched by the Minister for Communications, Energy and Natural Resource on 10 March 2010. The Board has a consistent process for monitoring updates on progress and developments in relation to the implementation of this strategy. This is available on the SEAI website (www.seai.ie). The SEAI Board is currently in the process of finalising a new strategy for the period 2016 to 2020 in consultation with the newly appointed CEO for the organisation.

Section 7: Remuneration of Senior Management and Directors' Fees

SEAI 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 Finance. 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 8: 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 2.4 and 10.1: System of Internal Financial Controls

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 2015. 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, Energy and Natural Resources, and in addition the Chairperson's statement on internal financial controls is included in the Annual Report (see page 36).

Section 10: Audit 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.

- 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 13. Additional Reporting Requirements

In conjunction with the SEAI Annual Report, the Chairperson of SEAI furnishes to the Minister for Communications, Energy and Natural Resources a comprehensive report / letter addressing all of the issues set out in Section 13 of the Code of Practice.

Section 15: 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 19: Tax Compliance

The Chairperson, in the separate letter furnished to the Minister for Communications, Energy and Natural Resources, confirms that SEAI has complied with its obligations under tax law.

CORPORATE GOVERNANCE

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 2015 13 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 2015

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 of Finance in June 2009. 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, procedures and material 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, etc. In July 2014 SEAI was awarded continued certification under this Programme. A further assessment was carried out in December 2015 and this culminated in formal certification 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 accordance 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, Energy and Natural Resources, with the consent of the Minister for Finance. Each year, on the anniversary of the establishment day, three members (other than the Chairperson and Chief Executive) that have been longest in office since their last appointment retire from office in accordance with the process set out in the Act. New members, on their appointment, are provided with extensive briefing on the agency and its operations.

In accordance with the Code of Practice for the Governance of State Bodies, SEAI fully complies with Government policy on the pay of Chief Executives and State Body Employees and with the Government guidelines on the payment of fees to Board members.

SEAI BOARD


Julie O'Neill


Brian T. Carroll


Dr Edgar Morgenroth


Dr Brian Motherway


Michelle Green


Anne Farrell

Julie O'Neill
Chairperson

(The Chairperson position was vacant from 1 January 2015 to 5 May 2015). Julie O 'Neill was appointed Chairperson with effect from 6 May 2015. She 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 BComm from UCD. She was previously a member of the SEAI Board from September 2011 to September 2014.

Dr Brian Motherway
Chief Executive (ex officio)

(Appointed May 2012 and resigned with effect from 3 December 2015). He holds bachelors and masters degrees in Engineering, and a PhD in Sociology. He first joined SEAI in 2006 and was Chief Operations Officer where he had overall responsibility for SEAI operations, performance and impacts, strategic planning and its work in clean technology and enterprise. Prior to joining SEAI he was a consultant on energy and environmental policy.

Brian T. Carroll

(Appointed 1 August 2010, retired 25 June 2012. He was reappointed 26 June 2012, retired 1 May 2015, and reappointed 6 May 2015). He is an Assistant Secretary in the Department of Communications, Energy and Natural Resources (DCENR). 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 Master in Economic Science from the National University of Ireland.

Michelle Green

(Appointed 29 May 2012, retired 1 May 2014 and reappointed on 27 May 2014). She holds a Bachelor of Science in Government and 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.

Dr Edgar Morgenroth

(Appointed 24 April 2012, retired 1 May 2013. He was reappointed 1 May 2013 and retired 1 May 2015). He is an Associate Research Professor and programme coordinator for transport, infrastructure and environment research at the ESRI. He is also an Adjunct Professor at Trinity College Dublin and an independent member of the National Economic and Social Council (NESC). He has carried out research for a wide range of clients including the EU Commission, various Irish and European government departments, the Northern Irish government and various Irish regional and local authorities. His research has been published in leading international journals, books, reports and book chapters, and he has also contributed articles to magazines and newspapers.

Anne Farrell

(Appointed 24 April 2012, retired 1 May 2014 and reappointed 27 May 2014) 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 to 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


Anne Connolly


Dr Lisa Ryan


Paddy Phelan


Pat Gilroy


Dr Peter Brennan


Michael Wall

Michael McGarry
(Appointed 14 May 2013) 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 14 May 2013, retired 1 May 2015 and reappointed 6 May 2015) is COO of Industrial Customers, and UK and Country Director of Veolia. Pat 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. Pat's significant experience in the energy sector and in the world-leading company in environmental services brings key insight to his role as Secretary of the Energy Institute in Ireland. He is a member of the IBEC National Council and is currently contributing to a Consultative Committee on Jobs in the Green Economy.

Anne Connolly
(Appointed 2 May 2013, retired 1 May 2015 and reappointed 6 May 2015). She 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). He 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 6 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 6 May 2015). Michael Wall 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). 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. These support many innovative energy supply chain, project development and innovative energy finance projects to delivery in residential, community, SME and all-scale renewable generation, etc. 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 2015

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 2015.

Members

Sean Wyse
(Chair)

Brian T. Carroll
(appointed 25 May 2011)

Edgar Morgenroth
(appointed 30 September 2012, retired 1 May 2015)

Gerry Donnelly
(external member, appointed 29 May 2013)

Anne Farrell
(appointed 26 February 2014)

PERFORMANCE MANAGEMENT AND REMUNERATION COMMITTEE

This Committee is responsible for reviewing the terms and conditions for the CEO, within the guidelines established by Government, and establishing, reviewing and recommending to the Board on the payment of any performance-related bonus for the CEO, if applicable. In addition, the Committee approves the Authority's Action Plan in respect of Public Sector Agreements.

Members

Julie O'Neill
(Chair)

Brian T. Carroll

Vacancy

BOARD ATTENDANCE / FEES

Board Member	Notes	Fees €	Board Attendance (8 meetings held in 2015)	Audit and Risk Committee attendance (7 meetings held in 2015)
Julie O'Neill	Chairperson – appointed 6 May 2015	7,808	5 out of 5	N/A
Brian T Carroll	Audit and Risk Committee member	NIL	6 out of 8	4 out of 7
Edgar Morgenroth	Audit and Risk Committee member – appointed 24 April 2012, retired 1 May 2015.	NIL	2 out of 3	3 out of 3
Anne Farrell	Appointed 24 April 2012	7,695	8 out of 8	6 out of 7
Michelle Green	Appointed 29 May 2012	7,695	6 out of 8	N/A
Brian Motherway (CEO)	Appointed 22 May 2012, resigned with effect 3 December 2015	NIL	8 out of 8	N/A
Pat Gilroy	Appointed 14 May 2013 – 1 May 2015, reappointed 6 May 2015	7,695	6 out of 8	N/A
Anne Connolly	Appointed 2 May 2013 – 1 May 2015, reappointed 6 May 2015	7,695	7 out of 8	N/A
Michael McGarry	Appointed 14 May 2013	7,695	7 out of 8	N/A
Peter Brennan	Appointed 6 May 2015	5,013	4 out of 5	N/A
Lisa Ryan	Appointed 6 May 2015	5,038	5 out of 5	N/A
Michael Wall	Appointed 6 May 2015	5,013	4 out of 5	N/A
Paddy Phelan	Appointed 6 May 2015	5,038	4 out of 5	N/A

BOARD EXPENSES

The total expenses paid to SEAI Board members in 2015 was €1,209 comprising:

	€
Mileage	370
Travel, accommodation and subsistence expenses	839

CHIEF EXECUTIVE'S SALARY

See Note 4.1 to the Financial Statements.

ANNUAL ENERGY EFFICIENCY REPORT 2015

SEAI OFFICES

SEAI personnel occupy 1,398 m^2 of office space located in Dublin, Dundalk, Cork and Sligo. All the offices are sub-let spaces within larger buildings (see Note 1). Energy use across the four offices is summarised in the table below.

Energy Use Direct consumption for four offices (see Note 1) and company car	2014 (kWh TFC)	2015 (kWh TFC)
Electricity Lighting, ICT, Office power, Heating Ventilation & Air Conditioning (HVAC)	171,565	164,327
Natural Gas (Heating)	68,864	65,779
Marked Gas Oil (Heating)	12,835	10,677
Petrol (Toyota Prius)	4,430	6,666
Totals for Direct Consumption	**257,694**	**247,449**
CO_2 Emissions (kg)	106,292	101,954

Note 1
Due to the increased accuracy in the collection of energy data, floor areas and subsequently percentage of energy attributable from some buildings have been adjusted upward across all reporting years, including the benchmark year. While figures over all years have increased due to more accurate and conclusive data, SEAI's energy demand for 2015 has decreased.

ENERGY-EFFICIENCY ACTIONS PROPOSED FOR 2016

- Align Annual Report energy efficiency statement with the Monitoring and Reporting system. The M&R system is SEAI's online reporting tool for public bodies. Its reporting remit is broader in scope to the Annual Report reporting requirements. The M&R system tracks each public body's progress towards the 2020 targets. More detail is available at: http://www.seai.ie/Your_Business/Public_Sector/Reporting/

- Achieve certification to Energy Management Systems standard ISO 50001:2011at the four primary offices in Dublin, Dundalk, Cork and Sligo. Implementation of this international standard will lead to reductions in greenhouse gas emissions and other related environmental impacts and energy costs through systematic management of energy.

- SEAI has recently completed the implementation of an energy metering solution across its four primary offices in Dublin, Dundalk, Cork and Sligo. This will support on-site energy management, annual reporting requirements and data collection for the organisational energy management system. The aim is to strengthen the accuracy of energy consumption data within SEAI offices and to set an exemplary energy efficiency role in the public sector.

FINANCE

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STATEMENT OF RESPONSIBILITIES OF THE BOARD

For the Year Ended 31 December 2015

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

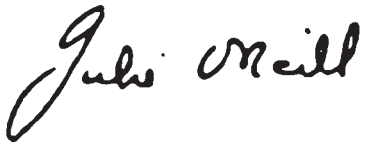
Section 24(2) of the Sustainable Energy Act 2002 requires the Authority to prepare financial statements in such format as may be approved by the Minister for Communications, Energy and Natural Resources with the consent of the Minister for Public Expenditure and Reform.

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

29th June 2016

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL

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 2015 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 2015 and of its income and expenditure for 2015; 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 2016

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, Energy and Natural Resources (DCENR) 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. As at 31 December 2015, the total amount under investigation is €434,420. It is important to note that this figure is subject to downward revision pending completion of legal proceedings and the recovery of funds. The amount under investigation has reduced by €70,515 from previous year due to the recovery of funds of €2,280 and downward revision of €68,235. See note 6.4 of the financial statements.

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 total number of grants issued to date since the start of this Programme in 2009 is 175,664. At the end of 2015 SEAI was pursuing 197 refunds from homeowners to the value of €204,189 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 197 cases,111 cases are being examined by the Garda Bureau of Fraud Investigation.

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.

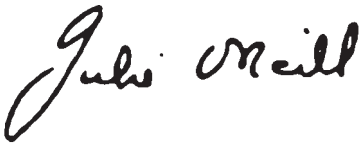
SEAI's internal Fraud Committee reviews and directs action on all issues of potential fraud identified through the schemes audit and inspection procedures, processes and SEAI's Inspection Unit Protocol. The Fraud Committee is made up of cross functional Managers who review all exceptions or concerns 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.

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 CONTROLS

I confirm that in respect of the year ended 31st December 2015, 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

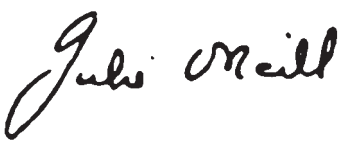
29th June 2016

STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES

For the Year Ended 31 December 2015

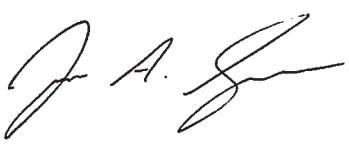
	Notes	2015	Re-stated 2014
		€'000	€'000
Income			
State Grants	2	68,309	75,814
Building Energy Rating	8	2,658	3,394
EU Contract Income	3	34	123
Other Income	4	226	106
Net Deferred Funding for Pensions for the year	14(c)	1,750	1,233
Pension Contributions Remitted to DCENR	5.1	(186)	(180)
Net Transfer from Capital Account	12	27	92
Total Income		**72,818**	**80,582**
Expenditure			
Administration Expenditure	5	8,619	8,050
Programme Expenditure	6	64,483	68,787
Building Energy Rating	8	2,550	1,618
Total Expenditure		**75,652**	**78,455**
(Deficit)/ Surplus for the Year before appropriations		**(2,834)**	**2,127**
Appropriations			
Payments to the Exchequer	7	(38)	(259)
(Deficit)/Surplus for the Year after appropriations		**(2,872)**	**1,868**
Surplus/(Deficit) at 1 January		**3,296**	**1,428**
Surplus at 31 December	**21**	**424**	**3,296**

The Statement of Cash Flows and Notes 1 to 22 form part of these financial statements.



Julie O'Neill
Chairperson
Sustainable Energy Authority of Ireland

29th June 2016



Jim Gannon
Chief Executive Officer
Sustainable Energy Authority of Ireland

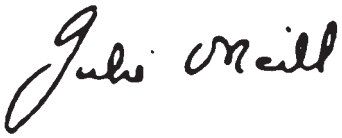
29th June 2016

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 December 2015

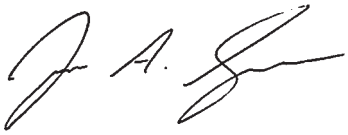
	Notes	2015 €'000	Re-stated 2014 €'000
Statement of Comprehensive Income			
(Deficit)/Surplus for the Year after Appropriations		(2,872)	1,868
Experience Gain on Retirement Benefit Obligations		187	75
Changes in Assumptions underlying the present value of Retirement Benefit Obligations		5,630	(7,876)
Actuarial (Loss) / Gain in Year	14	5,817	(7,801)
Adjustment to Deferred Retirement Benefit Funding	14	(5,817)	7,801
Total Recognised (Deficit)/Surplus for the Year		**(2,872)**	**1,868**

The Statement of Cash Flows and Notes 1 to 22 form part of these financial statements.



Julie O'Neill
Chairperson
Sustainable Energy Authority of Ireland

29th June 2016



Jim Gannon
Chief Executive Officer
Sustainable Energy Authority of Ireland

29th June 2016

STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	Notes	2015 €'000	Re-stated 2014 €'000
Assets			
Property, Plant and Equipment	9	**150**	**177**
Current Assets			
Bank	13	5,357	7,180
Receivables & Prepayments	10	961	967
		6,318	**8,147**
Current Liabilities			
Payables & Accruals	11	**(5,894)**	**(4,851)**
Net Current Assets		**424**	**3,296**
Retirement Benefit Obligation	14	(21,445)	(25,512)
Deferred Retirement Benefit Funding Asset	14	21,445	25,512
Total Net Assets		**574**	**3,473**
Representing			
Capital Account	12	150	177
Retained Revenue Reserves		424	3,296
		574	**3,473**

The Statement of Cash Flows and Notes 1 to 22 form part of these financial statements.

Julie O'Neill
Chairperson
Sustainable Energy Authority of Ireland

29th June 2016

Jim Gannon
Chief Executive Officer
Sustainable Energy Authority of Ireland

29th June 2016

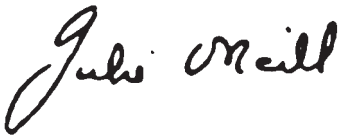
STATEMENT OF CASH FLOWS

For the Year Ended 31 December 2015

	Notes	2015 €'000	Re-stated 2014 €'000
Net Cash Flows from Operating Activities			
Excess Expenditure/Income over Income/Expenditure		(2,872)	1,868
Transfer From Capital Account		(27)	(92)
Bank Interest Received		(1)	(1)
Depreciation and Impairment of Fixed Assets		165	156
Decrease/(Increase) in Accounts receivable		6	(102)
Increase/(Decrease) in Accounts payable		2,667	331
Net Cash Flow From Operating Activities		**(62)**	**2,160**
Cash Flows from Investing Activities			
Payments to Acquire Property, Plant & Equipment		(138)	(64)
Cash Flows from Financing Activities			
Bank Interest Received		1	1
Increase in Cash and Cash Equivalents		**(199)**	**2,097**
Net (Decrease)/Increase in Cash and Cash Equivalents		(199)	2,097
Cash and Cash Equivalents at 1 January		5,462	3,365
Cash and Cash Equivalents at 31 December	13	**5,263**	**5,462**

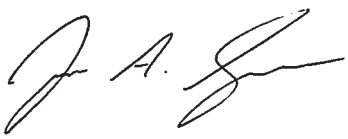
The balance of €5,263,434 does not include an amount of €93,935 held in a separate bank account relating to the Dundalk 2020 Holistic project (See Note 13).

Notes 1 to 22 form part of these financial statements.



Julie O'Neill
Chairperson
Sustainable Energy Authority of Ireland

29th June 2016



Jim Gannon
Chief Executive Officer
Sustainable Energy Authority of Ireland

29th June 2016

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2015

1. ACCOUNTING POLICIES

(A) FRS 102

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.

SEAI had previously not accrued for holiday pay earned by staff but not availed of at the report date. Under FRS102, the financial statements must recognise such accruals. The impact of this change is an increase of €69,000 in payables at the transition date and €53,000 at 31 December 2014. The surplus is reduced by €69,000 in the year ended 31 December 2013 and the surplus is increased by €16,000 in the year ended 31 December 2014.

(B) Period of Financial Statements

The financial statements cover the year from 1 January to 31 December 2015.

(C) 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, Energy and Natural Resources. The unit of currency in which the financial statements are denominated is the Euro. The Authority adopted FRS 102 in the current year and an explanation of how transition to FRS 102 has affected the reported financial position and performance is given in Note 21.

(D) 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.

(E) Grant Commitments

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.

(F) 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 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.

(G) 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, Energy and Natural Resources 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 Comprehensive Income and a corresponding adjustment is recognised in the amount recoverable from the DCENR.

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 DCENR.

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.

(H) Capital Account

The Capital Account represents the unamortised value of income used to purchase fixed assets.

(I) Leases

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

(J) 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.

(K) 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 DCENR a corresponding liability is recognised on recognition of the income.

(L) 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

(iii) health care cost trend rates, the rate of medical cost inflation in the relevant regions.

NOTES TO THE FINANCIAL STATEMENTS

2. STATE GRANTS

Under section 22(1) of the Sustainable Energy Act 2002 the Minister for Communications, Energy and Natural Resources provides funding to the Authority for the performance of its functions.

	2015	2014
	€'000	€'000
Programme		
C3: SEAI Administration		
– Current	6,771	6,996
C4: Sustainable Energy Programmes		
– Current	6,213	6,250
– Capital	49,633	57,466
C5: Energy Research Programmes		
– Current	836	981
– Capital	4,856	4,501
Total Programme Expenditure	68,309	76,194
Less EPBD Funds remitted to Department	–	(380)
	68,309	**75,814**

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

SEAI received funding of €3,200,000 from 2007-2009 from the DCENR in order to establish the Building Energy Rating (BER) scheme. During 2012 an amount of €2,820,305 was remitted back to the Department from funds generated by the scheme. The remaining balance of €379,695 was remitted back to the Department in 2014.

3. EU CONTRACT INCOME

The funds from EU contracts of €33,580 (2014: €123,465) in energy efficiency and renewable energy including technology promotion, information dissemination, research and event co-ordination and management. These funds are remitted back to DCENR.

4. OTHER INCOME

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

	2015	2014
	€'000	€'000
Workshop income	–	33
Sponsorship Sustainable Energy Awards	70	40
Bank interest	1	1
Other income	57	32
One Good Idea Schools Programme	98	–
	226	**106**

5. ADMINISTRATION EXPENDITURE

Administration Expenditure is made up of the following items:

	Notes	2015	Re-stated 2014
		€'000	€'000
Salaries & related charges	5.1	4,262	4,102
Pension costs	14	1,736	1,329
Recruitment, Training & Education	5.2	114	111
Advertising and Promotion	5.3	274	295
General Professional fees	5.4	422	296
General Administration	5.5	1,811	1,917
		8,619	**8,050**

5.1. SALARIES AND RELATED CHARGES

	Notes	2015 €'000	Re-stated 2014 €'000
Salaries		3,317	3,251
Employer's PRSI		315	291
Agency/Contract Staff		564	505
Board Member Emoluments	16	66	55
		4,262	**4,102**

The Authority deducts employee superannuation contributions which are remitted to the Department of Communications, Energy and Natural Resources. Included in the salaries cost is €185,620 (2014: €179,791) in respect of employee superannuation contributions. The Authority is not required to make employer contributions to the scheme.

Chief Executive's Remuneration

The Chief Executive Officer (CEO) resigned from his post on 2nd December 2015. The total value of the remuneration of the former CEO in 2015 was €105,394 (2014: €111,500). 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. The former CEO expenses for 2015 were €3,085 (2014: €2,144).

The Interim CEO was appointed on 3rd December 2015. The value of the Interim CEO remuneration in 2015 was €9,547. The interim CEO's retirement benefit entitlement did not extend beyond the standard entitlements in the model public sector defined superannuation scheme.

Pension Levy

€227,415 (2014: €230,401) of pension levy has been deducted from salaries and has been paid over to the Department of Communications, Energy and Natural Resources during the year.

Table of Employee Benefits

Benefit Band €	Number of FTE Employees at 31 December 2015	Number of FTE Employees at 31 December 2014
60,001 – 70,000	9.8	8.8
70,001 – 80,000	17	17
80,001 – 90,000	7	6
90,001 – 100,000	3	4
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

	2015 €'000	2014 €'000
Staff Training & Recruitment	102	101
Staff Subscriptions & Publications	12	10
	114	**111**

5.3. ADVERTISING AND PROMOTION

	2015 €'000	2014 €'000
Advertising Costs	14	15
Print & Design	48	54
Sponsorship	34	51
Communications and public relations	119	120
Workshop Materials and Event Costs	43	43
Website Maintenance & Development	16	12
	274	**295**

5.4. GENERAL PROFESSIONAL FEES

	2015	2014
	€'000	€'000
Schools programme	369	240
Company Secretarial Fees	53	56
	422	**296**

5.5. GENERAL ADMINISTRATION

	2015	2014
	€'000	€'000
Rent, Rates and Service charges	618	617
Travel & Subsistence – Staff	11	20
Travel & Subsistence – Board	1	2
IT General expenditure	23	6
IT Maintenance	314	274
IT Systems development	129	354
IT Licences	70	31
IT Consumables	16	14
IT Helpdesk	60	104
Depreciation	165	156
Audit fees – external	32	31
Audit fees – internal	25	40
Insurance and Legal	58	45
Telephone & Data Lines	175	123
Stationery	7	11
Staff related expenditure[1]	11	7
Other	96	82
	1,811	**1,917**

[1] Included in staff related expenditure for 2015 is an amount of €3,519 (2014: €2,563) 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:

		2015	2014
	Notes	€'000	€'000
Energy Efficiency			
Better Energy Warmer Homes	6.1	18,752	21,122
Better Energy Warmer Homes Area Based	6.2	–	9,260
Industry & Business Programme	6.3	967	1,245
Better Energy Homes	6.4	16,077	12,022
Public Sector Energy Efficiency	6.5	1,713	1,502
Retrofit Development Programme	6.6	892	949
Better Energy Communities	6.7	16,448	14,829
Better Energy Smart Metering	6.8	125	155
Better Energy Financing	6.9	407	953
Renewable Energy			
Renewable Energy Research, Development and Demonstration	6.10	1,672	1,272
Ocean Energy	6.11	4,023	3,606
Innovation & Integration			
Renewable Energy Information	6.12	63	22
Sustainable Energy Communities	6.13	229	218
Energy Statistics and Modelling	6.14	346	370
Electric Vehicles	6.15	2,769	1,262
		64,483	**68,787**

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

6.1. BETTER ENERGY WARMER HOMES

	2015	2014
	€'000	€'000
Grants Issued	356	5,638
Private Contractors	17,370	14,239
Technical Services & Inspections	44	209
Customer Management & Quality Assurance	587	594
Client Advisory	9	4
Other Costs	134	180
IT Systems Development & Maintenance	245	251
Travel Costs	7	7
	18,752	**21,122**

The Better Energy Warmer Homes scheme supports upgrading the efficiency of privately owned homes experiencing fuel poverty. Energy efficiency improvements result in better comfort and reduced energy costs. The scheme is administered by SEAI and delivered through a combination of Community Based Organisations (CBO's) and a panel of private contractors. In 2015 service delivery moved from being grant based to a tendered service for CBO's. In 2015 6,867 homes (2014: 9,056 homes) were retrofitted under the Better Energy Warmer Homes scheme.

6.2. BETTER ENERGY WARMER HOMES AREA BASED

	2015	2014
	€'000	€'000
Grants Issued	–	9,051
Programme Operation/Promotion	–	209
	–	**9,260**

The Better Energy Warmer Homes – Area Based Programme supported targeted geographic or area-based projects that are of high quality, competitively priced and deliver improvements in energy efficiency to energy poor households. The focus was on delivering a comprehensive suite of projects which produced energy savings to vulnerable homeowners and communities, through projects which encouraged a partnership approach and were thus cost effective. 3,204 homes were retrofitted under this scheme in 2014, the final year of the scheme.

6.3. INDUSTRY & BUSINESS PROGRAMME

	2015	2014
	€'000	€'000
Energy Agreements and LIEN	309	399
Promoting Energy Efficiency in Business	160	349
ACA/Triple E Operational Costs	111	161
SME & Other Industry Costs	315	311
IT Systems Development & Maintenance Costs	66	16
Travel Costs	6	9
	967	**1,245**

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. The programme also included the support and maintenance of the Accelerated Capital Allowances/ Triple E register with the scheme successfully extended at the end of 2014 to 2017. This resulted in over 4,000 products added to the register in 2015 bringing the total number of energy efficient products in the database to over 15,990.

6.4. BETTER ENERGY HOMES

	2015	2014
	€'000	€'000
Grants Issued	14,325	9,896
Technical Services & Inspections	351	622
Operational Delivery	856	737
Other Costs	204	133
IT Costs	296	221
Advertising	37	393
Travel Costs	8	20
	16,077	**12,022**

The Better Energy Homes Programme 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. This results in warmer homes and lower energy bills.

Better Energy Homes is a national Programme open to all homeowners including landlords of dwellings built prior to 2006. In 2015 12,226 homes were upgraded, an increase of 28% on 2014. - The programme is demand led and an increase in demand is the reason for the increase in grant expenditure.

In 2011, the Authority identified a number of irregularities with one contractor under the Better Energy Homes Scheme. As at 31st December 2015, the total amount still under investigation is €434,420. This figure is subject to downward revision pending completion of legal proceedings and recovery of funds.

The total number of grants issued to date since the start of this Programme in 2009 is 175,664. At the end of 2015 SEAI was pursuing 197 refunds from homeowners to the value of €204,189 arising from breaches in the terms and conditions. This is in addition to the case outlined above. Of these 197 cases, 111 cases are being examined by the Garda Bureau of Fraud Investigation.

6.5. PUBLIC SECTOR ENERGY EFFICIENCY

	2015	2014
	€'000	€'000
Grants	383	316
Client Advisory Services	895	828
EinE Schools Resource	57	105
Other Operational Costs	256	120
IT Systems Development & Maintenance	118	130
Travel Costs	4	3
	1,713	**1,502**

This programme promotes structured energy management practices and delivers direct energy efficiency advice, mentoring, training and specialist technical supports to public sector organisations. It includes delivery of an online Monitoring and Reporting system and advisory supports to assist public bodies and schools meet their annual obligations to report progress against their 33% energy efficiency target for 2020. It further includes the development of frameworks for delivery of energy contracting and energy efficiency retrofits and upgrades where the transaction costs associated with such approaches are supported through Technical Assistance grant support.

6.6. RETROFIT DEVELOPMENT PROGRAMME

	2015	2014
	€'000	€'000
Programme Development	75	73
IT Systems Development	318	590
Other Costs	404	206
Strategic Advice	53	24
Client Advisory	30	56
Travel Costs	12	–
	892	**949**

The Retrofit programme aims to support the development of the wider national Better Energy Programme as announced in May 2011 towards achievement of energy saving targets articulated in the National Energy Efficiency Action Plan and the Energy Efficiency Directive 2012. Development builds on SEAI's successful domestic and non-domestic grant programmes and will take the scale of activity to a new unprecedented level, centred on engaging market actors, including energy suppliers, to deliver high volume upgrades efficiently and effectively. In addition the programme will focus on the transition required to underpin a future with new financing mechanisms in place to support the retrofit of buildings and facilities.

The Energy Efficiency Obligation Scheme (EEOS) is being implemented in Ireland in accordance with the EU Energy Efficiency Directive. This programme commenced in 2014 with 3-year Agreement timeframes to 2020. SEAI is designated as the Issuing Authority for the administration of the EEOS. The Directive imposes a legal obligation on Member States to achieve new savings of 1.5% each year from 2014 to 2020 of the annual energy sales to final customers of all energy distributors and all retail energy sales companies. Ireland has chosen to meet 1.5% additional annual savings through the combination of an energy supplier obligation and other policy measures. These alternative measures include new savings achieved through regulatory measures and other national efficiency programmes. An Energy Credit Management System (ECMS – Information System) was developed as the central repository of all energy saving credits to provide ability to report national annual savings and progress against target. This development and administration costs of the EEOS is currently funded from Retrofit.

6.7. BETTER ENERGY COMMUNITIES

	2015	2014
	€'000	€'000
Grants Issued	16,074	14,583
Programme Operation/Promotion	374	246
	16,448	**14,829**

In 2015 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. Delivery of projects using innovative financial solutions were also invited. In 2015 SEAI funded 33 projects (2014: 58 projects) under the Better Energy Communities Programme providing average grant support of 42%.

The key objectives of the 2015 Better Energy Community Programme are to:

- Improve the thermal and electrical efficiency of both domestic and non-domestic building stock and facilities
- Provide cost effective and innovative partnership approaches to deliver sustainable energy projects of scale
- Demonstrate financing mechanisms that work to fund home retrofits and for non-residential applications, promote the use of Energy Contracting

6.8. BETTER ENERGY SMART METERING

	2015	2014
	€'000	€'000
Commissioned Studies/Reports	59	33
Programme Operation/Promotion	5	10
Other operational costs	61	112
	125	**155**

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

6.9. BETTER ENERGY FINANCING

	2015	2014
	€'000	€'000
Grants Issued	105	296
Commissioned Research Studies	93	336
Travel Costs	2	3
Other operational costs	207	318
	407	**953**

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. The BEF Project focuses on researching the transition required to underpin the movement towards new financing mechanisms most appropriate for consumers wanting to upgrade their homes and avail of the resulting energy efficiency saving.

6.10. RENEWABLE ENERGY RESEARCH, DEVELOPMENT AND DEMONSTRATION

	2015	2014
	€'000	€'000
Grants Issued	945	699
Supported Research	76	174
Research Engagement & Partnerships	239	231
IT Development & Maintenance	146	42
Commissioned Studies/Reports	241	94
Travel Costs	25	32
	1,672	**1,272**

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 thus improving implementation of renewable energy in the Irish market.

The programme also develops, promotes and regularly updates independent information on sustainable energy resources and developments and supports Irish participation in best practice international research and information exchange in these fields. This includes acting as National Delegate for energy research under Horizon 2020 and supporting Irish participation in International Energy Agency research activities.

6.11. OCEAN ENERGY

	2015	2014
	€'000	€'000
Grants Issued	1,810	608
Sub Contracted Works	1,644	2,665
Commissioned Research/Studies	–	47
Other Costs	254	255
Mayo Test Site Work	307	20
Travel Costs	8	11
	4,023	**3,606**

The Ocean Energy Programme is administered by SEAI to implement the Government's policy decision to accelerate the development of Ocean Energy in Ireland. The programme was established to advance the deployment of ocean energy technologies in Ireland. The 2015 activities included:

- Providing assistance to the DCENR in finalising the national Offshore Renewable Energy Development Plan
- Administering grant offers to 25 projects under the Ocean Energy R&D prototype fund
- A programme of sea bed surveys at potential development sites in partnership with the Marine Institute
- Support and development of the national ocean energy test sites in Cork, Galway and Mayo.

6.12. RENEWABLE ENERGY INFORMATION

	2015	2014
	€'000	€'000
Programme Operation/Promotion	63	22
	63	**22**

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

	2015	2014
	€'000	€'000
Operation Delivery	207	167
Strategic advice	10	48
Travel Costs	12	3
	229	**218**

This programme involves the support for the final completion of the EU funded Concerto Project HOLISTIC and is now focussing on 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.

6.14. ENERGY STATISTICS AND MODELLING

	2015	2014
	€'000	€'000
Energy Modelling Strategic Advice	13	13
Other Costs	128	154
Commissioned Reports/Research	90	151
Travel Costs	30	23
IT Licenses	85	29
	346	**370**

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

	2015	2014
	€'000	€'000
Grants Issued	2,644	1,207
Aran Island EV Pilot Programme	–	9
Other Costs	116	42
IT Development & Maintenance	4	2
Travel Costs	5	2
	2,769	**1,262**

This programme is supporting the deployment of electric vehicle technology in the Irish transport system and funded an additional 555 electric cars in 2015 (2014: 268 cars) which were grant aided under this programme in 2015.

7. APPROPRIATIONS

	2015	2014
	€'000	€'000
EU Contract Income	(49)	227
Proceeds from sale of community based organisation property	–	8
Grant Refunds	81	16
Other	6	8
	38	**259**

The above amounts were remitted back to DCENR from SEAI. The amounts relate to Non Exchequer receipts received by SEAI.

8. BUILDING ENERGY RATING

	2015	2014
	€'000	€'000
Outsourced Programme Operation	548	424
Programme Delivery and Development	381	262
Advertising	–	51
Quality Assurance	461	436
IT Support & Maintenance	383	254
IT System Development	771	181
Travel Costs	6	10
	2,550	**1,618**

The Building Energy Rating (BER) scheme was established under the European Communities (Energy Performance of Buildings) Regulations SI 666 of 2006 (revoked) and is now regulated under the European Communities (Energy Performance of Buildings) Regulations SI 243 of 2012. 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 €2,657,575 (2014 €3,393,775) resulting in a surplus in the year of €107,432 (2014: €1,776,227).

A BER fee review, commissioned by the inter-departmental EPBD Implementation Group, recommended a 25% reduction in the registration and renewal fees for assessors and a 10% reduction in the publication levies. The EPBD Implementation Group consists of senior representatives from the Department of Communications, Energy and Natural Resources, Department of Environment, Community and Local Government, and SEAI. The revised fees and levies apply from 23rd December 2014.

9. PROPERTY, PLANT AND EQUIPMENT

	IT Equipment & Software	Ocean Programme	Office Equipment	Fixtures & Fittings	Motor Vehicles	Total
	€'000	€'000	€'000	€'000	€'000	€'000
Cost:						
Balance at 1st January 2015	1,153	1,028	11	243	28	2,463
Disposals	(424)					(424)
Additions	138		–		–	138
Balance at 31 December 2015	**867**	**1,028**	**11**	**243**	**28**	**2,177**
Depreciation:						
Balance at 1st January 2015	(1,052)	(1,028)	(11)	(167)	(28)	(2,286)
Disposals[2]	424					424
Charge for Current year	(146)			(19)		(165)
Balance at 31 December 2015	**(774)**	**(1,028)**	**(11)**	**(186)**	**(28)**	**(2,027)**
Net Book Value Balance at 31 December 2015	**93**	**0**	**0**	**57**	**0**	**150**
Balance at 31 December 2014	**101**	**0**	**0**	**76**	**0**	**177**

[2] The disposals were arising from a Fixed Asset review in 2015. These assets were fully depreciated. Included in this balance are obsolete IT assets which were provided to charity (approx. 40%).

10. RECEIVABLES & PREPAYMENTS

	2015	2014
	€'000	€'000
Dundalk Concerto Bid	32	32
EU Contracts	151	128
EPBD Receivables	212	287
Prepayments	515	501
Other Receivables	51	19
	961	**967**

11. PAYABLES & ACCRUALS

	2015	Re-stated 2014
	€'000	€'000
Payables	852	376
Accruals	3,239	432
Dundalk 2020 Holistic Project	94	1,718
VAT	557	966
PSWT	339	330
PAYE/PRSI	110	106
Other Payables	533	599
Deferred Income	170	324
	5,894	**4,851**

12. CAPITAL ACCOUNT

	2015	2014
	€'000	€'000
Opening balance	177	269
Transfer (to)/ from Statement of Income and Expenditure and Retained Revenue Reserves:		
Amount capitalised in respect of purchased assets	138	64
Amortisation in line with asset depreciation	(165)	(156)
	(27)	(92)
Balance at end of year	**150**	**177**

13. BANK

	2015	2014
	€'000	€'000
Current Bank Account	10	10
Savings Account	2,105	2,787
EPBD Account	3,148	2,665
	5,263	5,462
Dundalk 2020 Holistic Project	94	1,718
	5,357	**7,180**

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.

	2015	2014
	€'000	€'000
Funds on hand at 1 January	1,718	3,768
Receipts in year	–	–
Payments in year	(1,624)	(2,050)
Funds on hand at 31 December	**94**	**1,718**

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 2015. 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

	2015	2014
	€'000	€'000
Current Service Costs	1,361	861
Interest on pension scheme liabilities	561	648
Staff Superannuation Deductions	(186)	(180)
Pension Cost in the period	**1,736**	**1,329**

B. Analysis of the movement in Liability during the year

	2015	2014
	€'000	€'000
Scheme liability at 1 January	25,512	16,478
Current service cost	1,361	861
Interest cost	561	648
Actuarial (gain) / loss	(5,817)	7,801
Benefits paid in the year	(172)	(276)
Scheme Liability at 31 December	**21,445**	**25,512**

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	**2015**	**2014**
	€'000	**€'000**
Funding recoverable in respect of current year pension costs	1,922	1,509
State Grant applied to pay pensions	(172)	(276)
	1,750	**1,233**

The deferred funding asset for pensions as at 31 December 2015 amounted to €21,445,000 (2014: €25,512,000).

D. History of experience gains and losses

	2015	**2014**	**2013**
Experience Gains/(Losses) on scheme liabilities	**€'000**	**€'000**	**€'000**
Amount(€)	187	75	1,688
Percentage of present value of the scheme liabilities	0.9%	0.3%	10.20%
Total amount recognised in Statement of Comprehensive Income	5,817	(7,801)	1,688
Percentage of present value of the scheme liabilities	27.1%	(30.6%)	10.20%

The cumulative actuarial loss recognised in the Statement of Comprehensive Income amounts to €6,366,000 (2014: €12,183,000).

E. General Description of Pension 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 9 February 2016 by a qualified independent actuary taking account of the requirements of the FRS in order to assess the scheme liabilities at 31 December 2015.

The main financial assumptions used were:

	at 31/12/15	at 31/12/14	at 31/12/13
Discount rate	2.80%	2.20%	3.75%
Rate of increase in salaries	3.25%	3.50%	3.50%
Rate of increase in pensions	3.00%	3.25%	3.25%
Inflation	1.75%	1.25%	2.00%

Mortality Tables used are as follows:

Active & Deferred:

Pre-Retirement	Male: 62% of PNML00 Female: 70% of PNFL00
Post-Retirement	Male: 58% of ILT15 Female: 62% of ILT15
Pensioners:	Male: 58% of ILT15 Female: 62% of ILT15

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

Current pensioner (in 2015) at age 65:	Male 20.9 years Female 23.5 years
Future pensioner (in 2035) at age 65:	Male 23.5 years Female 25.5 years

15. GRANT COMMITMENTS

It is estimated that future payments likely to arise from commitments entered into under various support schemes will amount to €17,928,289 (2014: €14,419,162).

	Committed As at 1 Jan 2015	Committed During the period	De-committed	Payments	Committed As at 31 Dec 2015
	€'000	€'000	€'000	€'000	€'000
Energy Efficiency					
Better Energy Warmer Homes	831	297	(569)	(356)	203
Better Energy Finance Pilot	19	300	(20)	(67)	232
Energy Agreements Special Investigation	54	41	(17)	(52)	26
Exemplars	597	130		(181)	546
Warmer Homes Areas	1,353	14	(1,231)	49	185
Better Energy Homes	4,904	22,741	(4,494)	(14,325)	8,826
Better Energy Communities	4,177	19,733	(3,155)	(16,122)	4,633
Renewable Energy					
Renewable Energy Research, Development and Demonstration	502	1,126	(243)	(945)	440
Electric Vehicles	93	3,430	(275)	(2,644)	604
Ocean	1,890	1,896	(68)	(1,485)	2,233
	14,420	**49,708**	**(10,072)**	**(36,128)**	**17,928**

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 €185,623 (2014: €169,832). 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 €1,209 were paid in 2015 (2014: €1,676).

	2015	2014
	€'000	€'000
Board Fees		
Brendan Halligan [a]	-	9
Julie O'Neill [b]	8	5
Brian T. Carroll [g]	-	-
Anne Farrell [c]	7	7
Michelle Green [c]	7	7
Edgar Morgenroth [e]	-	-
Paddy Phelan [b]	5	-
Micheal Wall [b]	5	-
Lisa Ryan [b]	5	-
Peter Brennan [b]	5	-
Declan Waugh	-	3
Anne Connolly [g]	8	8
Micheal McGarry [d]	8	8
Patrick Gilroy [g]	8	8
Brian Motherway [f]	-	-
William Walsh [h]	-	-
Total	**66**	**55**

[a] Retired 30 September 2014
[b] Appointed 6 May 2015
[c] Reappointed 27 May 2014
[d] Appointed 14 May 2013
[e] Retired April 2015
[f] Resigned 2 December 2015
[g] Reappointed 6 May 2015
[h] Appointed 3 December 2015

	2015	2014
	€'000	€'000
Board Members Expenses		
Domestic mileage	–	–
Domestic subsistence	–	–
Domestic other	1	2
Overseas airfares	–	–
	1	**2**

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:

	2015	2014
	€'000	€'000
Operating Leases		
Within 1 Year	8	17
During 2 to 5 Years	439	439
Over 5 Years		
Total	**447**	**456**

Operating lease payment recognised as an expense was €476,309 (2014: €435,246)

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 53 (2014: 52). SEAI's Employment Control Framework (ECF) was 62 at the end of 2015 (2014: 62).

21. TRANSITION TO FRS 102

This is the first year that the Authority has presented its results under FRS 102. The last financial statements under the Irish GAAP were for the year ended 31st December 2014. The date of transition to FRS 102 was 1st January 2014. Set out below are the changes in accounting policies which reconcile the total reserves as at 1st January 2014 and 31st December 2014 and surplus for the financial year ended 31st December 2014 between Irish GAAP as previously reported and FRS 102.

	Notes	As at 1st Jan 2014	As at 31st Dec 2014
		€'000	€'000
Reconciliation of Capital and Reserves			
Capital and Reserves as previously reported		1,766	3,526
Holiday Pay Accrual	1	(69)	(53)
Total Capital and Reserves Restated		**1,697**	**3,473**

	Notes	Year Ended 31st Dec 2014
		€'000
Reconciliation of Surplus for the year		
Surplus for the Financial Year as previously reported	1	1,852
Holiday Pay Accrual		16
Surplus for the year as restated		**1,868**

22. APPROVAL OF FINANCIAL STATEMENTS

The Board approved the financial statements on 1st March 2016.

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European Regional Development Fund

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