



Mr William Walsh

Chief Executive Officer, Sustainable Energy Authority of Ireland (SEAI)

Opening address to the Public Accounts Committee

9 November 2023

Chairperson and Public Accounts Committee members, thank you for the invitation to attend the meeting today to discuss:

- SEAI's Financial Statements for 2022
- The Report on the Accounts of the Public Services 2022, Chapter 8 - Performance of Certain Residential Retrofit Schemes

I am joined by my colleagues:

- Marion O'Brien, Director of Corporate Services
- Ciaran Byrne, Director of National Retrofit
- Declan Meally, Director of Business, Public Sector and Transport
- Margie McCarthy, Director of Research, Policy, and Insights

And online by:

- Olivia O'Connor, Head of Finance
- Tom Halpin, Head of Communications
- Joe Durkan, Head of Technical
- Brian O'Mahony, Head of Community and National Retrofit

Thank you for the opportunity to make our opening statement.

SEAI's mission is to be at the heart of Ireland's energy revolution and is funded by the Government of Ireland, through the Department of Environment, Climate and Communications and the Department of Transport. In 2023 our budget allocation is €594 million.

In all our activities SEAI strives to maintain strong governance processes that deliver compliance with relevant laws, regulations, codes of practice, standards, and scheme guidelines.

SEAI is focused on delivery, driving Ireland's sustainable energy transformation for the benefit of all society. In our briefing note we detail the most significant achievements for last year. This year we are on track to exceed many of those outcomes and expect to have supported:

- More than 38,000 home energy upgrades
- 15,000 EV grants
- The publication of around 140,000 BERs
- The expansion of our sustainable energy community network to more than 800 member communities.

2022 and 2023 have been years of growth in scope and scale of delivery for SEAI. We have grown our core staff base to approximately 235 employees this year. Bringing in additional resources builds our capacity, extends our expertise, and enables us to widen our reach.

The report of the Comptroller & Auditor General (C&AG) recognises that emission reductions are needed in each sector of the economy to achieve our climate targets. The target for the residential sector is to be achieved by a wide range of interventions. SEAI welcomes the insights and recommendations provided.

Targets must be ambitious to drive the activity necessary to decarbonise our energy system by 2050. Target achievement will rarely be a straight-line trajectory. In the case of home energy upgrades, we need to simultaneously build supply chain capacity and increase homeowner demand to ensure long term success. We are putting the foundations in place and steadily building towards more rapid delivery in the second half of this decade.

We must recognise the human behavioural component. Governments can incentivise, but it's homeowners who decide to upgrade their homes. We are satisfied that more homeowners understand and want the benefits on offer. Our behavioural economics team is continuously assessing how to make upgrades more appealing.

The purpose of inspections is to provide evidence that works have been carried out, acting as a deterrent against poor behaviour, and reducing the risk of abuse of schemes or unintended outcomes. There are ancillary benefits, which include providing feedback to contractors and homeowners, in terms of meeting specifications contained in applicable codes of practice.

SEAI's inspections are targeted on the basis of risk, identifying measures and/or contractors where administrative or technical non-compliances are more likely to occur. All contractors are subject to certain minimum rates of inspection. In most cases, where a property does not pass an inspection, there will only be a very small number of inspection points that have failed to meet standard. Cases of serious non-compliances are rare.

SEAI is committed to driving quality improvements across the supply chain. At the start of 2023 we set up a new quality team looking at how quality can be optimised to improve overall pass rates and reduce demands for the supply chain and homeowners. This is particularly important as we scale, and the recommendation by the C&AG to review inspection practices is timely and will be implemented.

SEAI inspections use fair but demanding market-led standards and codes of practice, which are published and shared with contractors and homeowners. We want a robust supply chain, with high standards and sufficient capacity to meet increasing demand. These are inspections of private contractors, operating commercially, and not directly or exclusively for SEAI. Nor is SEAI a formal regulator of the industry, often deferring to the regulatory powers of other agencies like the Register of Gas Installers of Ireland, the Register of Electrical Contractors of Ireland, and the National Standards Authority of Ireland (NSAI). Therefore, SEAI is not a certifier of works nor does it provide any warranty in relation to works it inspects.

When you upgrade the insulation of a home, you reduce the energy required to maintain the same living conditions. When you add solar panels, or a heat-pump, you further reduce fossil fuel use and harmful emissions. Any home upgraded through our schemes is better, more efficient, more comfortable, and healthier. Homeowners benefit, and so does the state.

SEAI currently uses a combination of energy performance assessment and conservative savings estimates to model national outcomes from our schemes. Actual achievements of home energy upgrades can be very difficult to quantify precisely. Every home is different, and upgrades may differ slightly. Add in variability of weather, occupancy levels, and user behaviour.

In conclusion, as I stated to you in March, SEAI has a strong body of evidence to illustrate the costs and benefits of the sustainable energy transition, based upon research, expertise, and experience. We are clear that the multiple benefits far outweigh the costs. The demands on Ireland's energy and environment require us to work at pace and to deliver ever greater results, learnings, and improvements.

Nationally, there needs to be significant investment in climate. Our latest projections confirm we are falling behind our legally binding carbon obligations. Moreover, we are starting to feel the real impact of climate change here in Ireland, as seen with the recent floods around the country. This will only become a greater problem for us over time. The system is working to address climate change mitigation and adaptation measures – but it is under strain. We need to build even greater capacity, system-wide, to enable us to show leadership on climate action, and to drive our revolution away from fossil fuels in Ireland.

I want to acknowledge the strategic leadership provided by the Board of SEAI, and thank the staff of SEAI for their continued commitment, passion, and dedication. I also wish to thank our colleagues in the Department of Environment, Climate and Communications and the Department of Transport, and Minister Eamon Ryan, for their ongoing support.

I welcome discussion with the Committee and thank you for listening to my high-level overview of the topics for discussion today. The team and I would be happy to answer any questions you may wish to raise.

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