



Guide to Achieving Compliance with the Energy Auditing Compliance Scheme

Information for large enterprises and public bodies on complying with their legal obligations for undertaking Energy Audits under SI 426 of 2014 as amended by SI 646 of 2016 and SI 599 of 2019)

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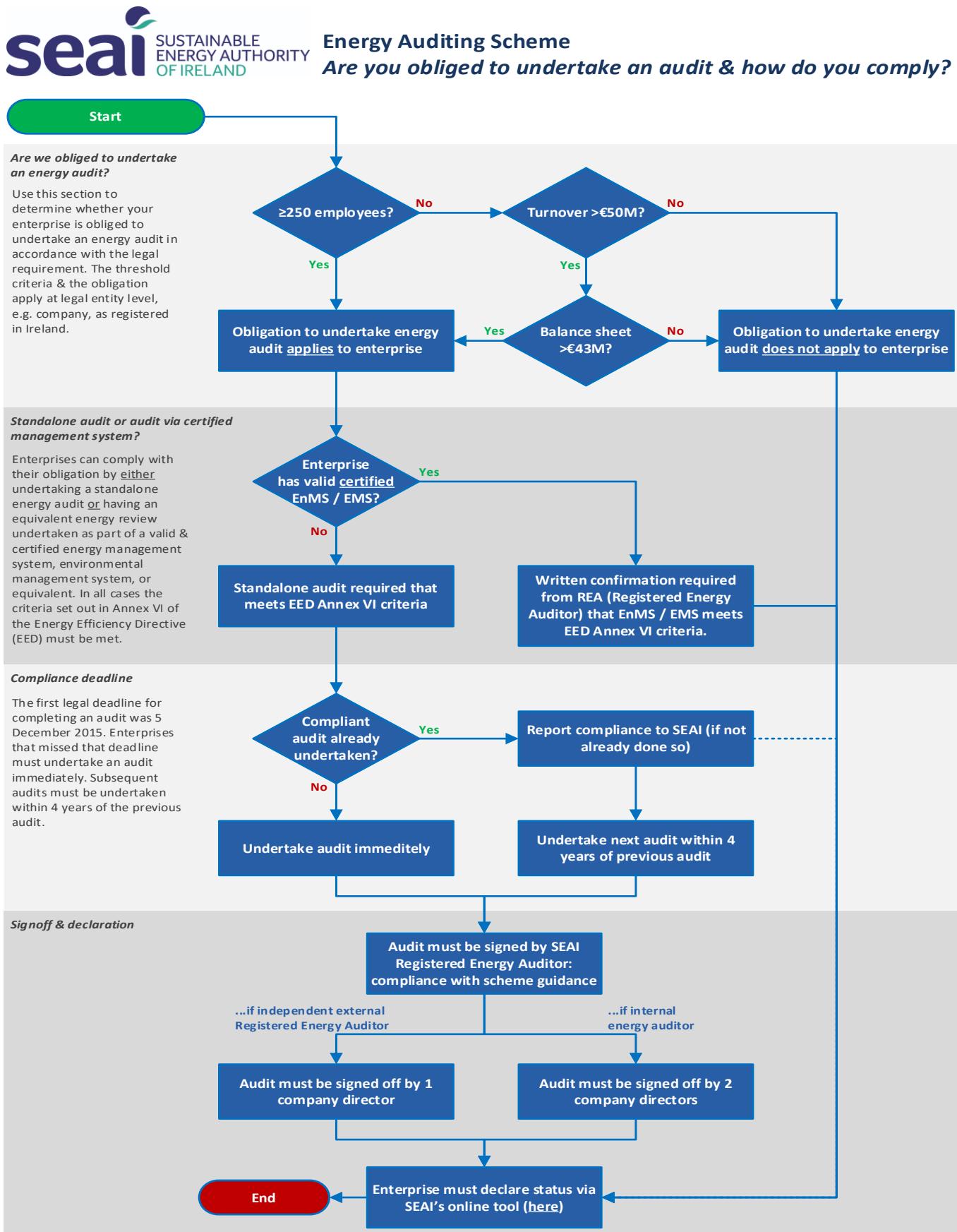
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Scheme Overview – who is obliged and how to comply



Enterprises with an audit obligation are required to have an energy efficiency audit carried out and are required to conduct further energy audits at least every 4 years from the previous audit date. Large enterprises, i.e. those that are not SMEs, have an audit requirement if they are above either of two thresholds:

- Threshold 1: have 250 or more employees, or
- Threshold 2: have an annual turnover¹ over €50 million and an annual balance sheet over €43million.

Figure 1 below can be used to determine the category of an enterprise.

Employ-ees	Turnover	Balance Sheet Total	Outcome
< 250	≤ €50m	≤ €43m	SME
< 250	≤ €50m	> €43m	SME
< 250	> €50m	≤ €43m	SME
< 250	> €50m	> €43m	Large
≥ 250	≤ €50m	≤ €43m	Large
≥ 250	≤ €50m	> €43m	Large
≥ 250	> €50m	≤ €43m	Large
≥ 250	> €50m	> €43m	Large

Figure 1: Summary chart for use in determining your organisation category, i.e. SME or Large Enterprise.

When assessing whether an organisation is obligated under the Energy Efficiency Directive and SI 426 of 2014, the organisation should describe the scope of the obligated entity in terms of the registered company status and all activities under the registered entity's control. Where doubt exists as to what is included and excluded from the obligated entity this should be clearly documented and brought to the attention of the Director who is signing off on the energy audit report as part of the compliance exercise.

¹ See Article 28 of Council Directive 78/660/EEC of 25 July 1978 based on Article 54(3)(g) of the Treaty on the annual accounts of certain types of companies (OJ L 222, 14.8.1978, pp. 11-31).

1. Background

The Energy Efficiency Directive or “EED” (Directive 2012/27/EU of the European Parliament and of the Council on energy efficiency) was transposed into Irish legislation under SI 426 of 2014 and amended by SI 626 of 2016 and SI 599 of 2019. This SI contains several measures intended to increase the energy efficiency of enterprises.

One of the measures, under Article 8 of the EED, was the requirement to implement a programme of regular energy audits in large enterprises (non-SMEs). Enterprises needed to be compliant by 5th December 2015 under the first period, with a requirement for an audit to be carried out every four years thereafter. Essentially the requirement, if the regulation applies to your business as a non-SME, is to complete an energy audit and to do further audits every 4 years thereafter. The government has established the Energy Auditing Compliance Scheme, operated by SEAI, to enable compliance with the legislation in the Republic of Ireland. The following content provides information for enterprises in the Republic of Ireland on how the scheme applies to them and is intended to help decision makers to plan accordingly.

Globally and nationally, the improvement of energy efficiency is one of the most cost-effective ways to improve the security of supply, reduce energy-related emissions, assure affordable energy prices, and improve economic competitiveness. At the business level, energy audits have the potential to increase your business’s profitability and competitiveness by identifying cost-effective savings, which, if implemented, will improve energy efficiency.

This document outlines how the Energy Auditing Compliance Scheme operates in Ireland, what the audit needs to cover and report on to demonstrate compliance, as well as the consequences of non-compliance.

2. Who does this apply to - Responsibilities and Obligations

The requirement to carry out an energy audit applies to large enterprises that are above either of the thresholds set out below:

- Threshold 1 (T1): A legal entity with 250 or more employees² on the payroll.
OR
- Threshold 2 (T2): A legal entity³ with an annual turnover in excess of €50 million⁴ **and** an annual balance sheet total in excess of €43 million⁵.

In the case of the public sector the audit requirement also applies to a public body⁶ with individual buildings with a total useful floor area of more than 500m² or an annual energy spend of more than €35,000. This requirement shall not apply to schools who—

- (a) have provided their energy data to the SEAI through the Monitoring and Reporting Mechanism as set out in paragraph 5(3), and
- (b) who the SEAI are satisfied are proactively engaged in exemplar energy management as defined by the SEAI.⁷.

Enterprises that are above either T1 or T2, or in the case of the public sector, those that have an individual building which exceeds the floor area and energy thresholds above, are considered to have an audit requirement. Those with an audit requirement must undertake an energy audit or ensure their energy management system meets the requirements in Annex VI of the Energy Efficiency Directive across all of the obligated entity's energy consumption up to the 85% threshold. SEAI has published the minimum criteria for energy audits to comply with SI 426 of 2014 and amended by SI 626 of 2016 and SI 599 of 2019 to assist enterprises with interpretation of the requirements.

In summary, the obligation applies to private enterprises, groups of enterprises or companies, partnerships, public bodies, commercial public sector organisations, not for profit enterprises, trusts, and unincorporated associations who meet the criteria to comply. In the case of groups of companies, the requirement is on each operation in that group at the legal entity level.

Enterprises who exceed either threshold and operate with a Greenhouse Gas Emissions Permit (under the Emissions Trading System) are no longer exempted from the requirement to

² An employee is essentially a person who has entered into or works under a contract of employment, in relation to an employer [Terms of Employment (Information) Act, 1994]. AND Annex, Article 5 - http://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition_en

³ A legal entity in T2 could have fewer than 250 employees.

⁴ The amount selected for turnover is calculated excluding value added tax and other indirect taxes (ref. Commission Recommendation 2003/361/EC, Art. 4).

⁵ This is the figure before deducting current and long-term liabilities, so it is the gross figure and not the net figure.

⁶ The requirements placed on public sector bodies is outlined in S.I. No. 646 of 2016

⁷ Exemplar energy management means becoming more organised and strategic in your approach and completing energy management training under the SEI's Public Sector Programme

comply with the audit obligation. Such enterprises are required to complete an energy audit or use an alternative route which includes provision that meets the requirements of Annex VI of the Energy Efficiency Directive.

Compliance with the Energy Auditing Compliance Scheme is set at the legal entity level as opposed to the group level. This does not exclude enterprises who may wish to demonstrate compliance at the group level. So, whether you have an audit requirement depends on whether the legal entity is above the T1 or T2 thresholds set out above. Companies who are SMEs and are part of a group are not legally required to undertake an energy audit but should still consider the value of an audit to help identify opportunities for energy saving, and cost reduction opportunities and thus improve their competitiveness and environmental performance.

If an enterprise exceeds their personnel OR financial thresholds during the year and it now exceeds the compliance requirement threshold, then this does not immediately require an energy audit to be completed. The enterprise keeps the audit requirement status it had at the beginning of the year, and its status will only change if it still exceeds the thresholds at any point in time the following year.

Conversely, if an enterprise was required to undertake an audit but then falls below the threshold, then it keeps the audit requirement status it had, and it will only change if it is still below the threshold at any point the following year.

The assessment period for the criteria of the number of employees and the financial information is the last year of completed financial accounts.

The headcount corresponds to the number of annual work units (AWU), i.e. the number of persons who worked fulltime within the enterprise in question or on its behalf during the entire reference year under consideration. The work of persons who have not worked the full year, the work of those who have worked part-time, regardless of duration, and the work of seasonal workers are counted as fractions of AWU. The staff consists of:

- a) employees;
- b) persons working for the enterprise being subordinated to it and deemed to be employees under national law;
- c) owner-managers;
- d) partners engaging in a regular activity in the enterprise and benefiting from financial advantages from the enterprise.

Apprentices or students engaged in vocational training with an apprenticeship or vocational training contract are not included as staff. The duration of maternity or parental leaves is not counted.

3. Energy Audit Report

The energy audit report is a key element of the audit process which is used to communicate the scope of the audit carried out within the organisation along with the analysis of the significant energy users with documented recommendations for improvement. Information associated with the technical content of an energy audit can be found in the [SEAI Energy Audit Handbook](#). In addition to the technical content outlined in the handbook, the following items should be included within the report to achieve the minimum requirements.

- A description of the enterprise location(s), scale of operation and activities under its direct control should be included within the audit report. This description includes how the legal entity will achieve compliance with Annex VI of the directive. If sampling and clustering has taken place, the description will clearly outline the approach to auditing and clustering and how this approach gives the registered energy auditor confidence that the auditing and clustering approach is appropriate to the nature and scale of the organisation's activities. The sampling approach will also outline the previous samples used and how alternative locations are selected in this audit cycle for auditing.
- The energy audit should, where available, utilise 15-minute data from a site energy monitoring system or utilise MRSO, GPRO, or telematics data etc. to assist in the generation of load profiles of sufficient granularity to obtain an understanding of the energy load profiles. This data should be used to identify opportunities to reduce out-of-hours energy consumption and to discuss seasonal or occasional variations across the 12-month period. In circumstances where 12 monthly billing data is used, clear justification as to why a thorough analysis was not possible should be detailed in the audit report and appropriate recommendations made to facilitate more detailed data collection in the next audit cycle.
- The energy audit should include an analysis of all the enterprise's significant energy users. This analysis should include current energy performance, baseload analysis of the equipment during standby, energy efficiency of the plant or equipment and should where practicable, include normalisation techniques against relevant variables such as activity and weather conditions. For energy conversion devices, such as boilers, chillers, air compressors, furnaces etc, analysis of boiler efficiency, chiller COP, heat pump, conversion efficiency should be included. Where data is not present to complete this analysis to the satisfaction of the auditor, recommendations should be made to enhance the data prior to the next audit cycle.
- The energy audit should include some degree of financial analysis of the opportunities for improvement. Where simple payback is the exclusive method of analysis, justification should be included in the audit report as to why the auditor did not complete Life Cycle Analysis.
- The key data and audit report from the previous compliance period should be made available to the registered energy auditor to build upon the analysis already completed and to further the understanding of energy consumption and opportunities for improved energy use in subsequent audits. The audit report is expected to provide commentary on the previous audit report and the status of opportunities identified in the previous audit. This is a requirement of the compliance reporting element to SEAI by the obligated entity.

4. Compliance Timeframe

Enterprises with an audit obligation who have not previously conducted an audit must do so immediately. Failure to do so means you are in breach of the regulations and subject to penalties. Those who have previously conducted an audit must carry out an audit not later than 4 years from the previous audit.

If an enterprise is required to comply and an audit has not yet been completed, then arrangements should be made for this audit to be completed as soon as possible, to avoid prosecution in accordance with the legislation, as outlined in section 14 below.

Enterprises are advised to plan their route to compliance as early as possible to avoid auditor congestion. Given that the original deadline for compliance was by 5th December 2015, and audits (or management system routes to compliance) need to be repeated every 4 years, auditor availability may be limited during Q4 for each subsequent anniversary of the deadline of 5th December.

5. Demonstrating Compliance

To comply with the energy audit requirement, an enterprise must undertake a stand-alone energy audit covering a minimum of 85% of delivered energy use every four years.

Where an enterprise has an energy or environmental management system in place that is certified to internationally recognised standards by a recognised body, such as ISO 50001 or ISO 14001, then this system may be used as an alternative route to demonstrate compliance. The audit or management system must cover at least 85% of total delivered energy use by the enterprise, including heat, power and transport uses. This means you can exclude up to 15% of your total energy consumption from any audit or alternative compliance route.

Any alternative route outlined above should be certified by a recognised certification body according to the relevant European or international standards. The auditor who validates the certification should be a registered energy auditor with SEAI and should be reported every 4-year cycle like a standalone energy audit. Alternatively, the relevant section of this alternative route addressing energy use and Annex VI requirements should be validated by a registered energy auditor.

In all cases of demonstrating compliance, the approach taken must meet the minimum audit requirements as set out in the [Minimum criteria for energy audits](#) document and must be certified by a registered energy auditor.

The registered energy auditor may be employed by the certification body, be an independent auditor on the SEAI public register or may be an employee of the enterprise who is registered with SEAI for the purposes of auditing in that enterprise.

The audit report or certification documents should be retained by the enterprise and/or the auditor in a compliance certification file and be available for inspection by the SEAI or its agents on request as part of ongoing quality assurance and scheme management and as required under the directive. Section 4 below outlines the procedures for notification of compliance and reporting requirements for the scheme.

The consequences of non-compliance are outlined in Section 14.

To demonstrate compliance with the energy audit requirement, the enterprise or the appointed registered energy auditor acting on behalf of the enterprise, must confirm to SEAI that:

- i. the whole enterprise (not just part of an enterprise) is compliant regardless of whichever route is taken;
- ii. the 85% of delivered energy use for the enterprise has been audited OR covered by one of the alternative routes; and
- iii. the compliance has been achieved by meeting the requirements set out in Annex VI of the Directive for 85% of the enterprise's energy consumption.

When the energy audit is completed then the audit report should be presented to the senior management team or directors of the enterprise so that they are aware of any opportunities identified to improve the enterprise's energy performance.

Recognising that many businesses have highly qualified auditors in-house, the enterprise may undertake the audit to demonstrate compliance by utilising internal resources. However, the internal auditor should ensure that the audit is signed off by two directors and the internal auditor must be registered themselves on SEAI's Register of Energy Auditors.

If the enterprise has completed an audit and has not reported to SEAI then they should do so immediately otherwise the SEAI will assume that the enterprise is not compliant.

The associated audit report or alternative route evidence, together with the results and data, should be stored for a minimum of four years or until the audit is superseded by the next audit.

6. Notification and Compliance Reporting

All obligated enterprises should notify SEAI of their compliance status every 4 years. This should be done by utilising the online [Audit compliance notification system](#), which is available at the Energy Audit Compliance Scheme section of the SEAI website. The notification report should be submitted once the Registered Auditor has confirmed that the enterprise's audit or alternative certification route is complete, it meets the minimum criteria as outlined in the Minimum Criteria for Energy Audits document and demonstrates that the enterprise is compliant. The audit report can be appended to the notification system submission or should be available to facilitate a Quality Assurance (QA) assessment by SEAI should it be requested. Appendix A provides details of the information to be provided by the enterprise or registered

auditor to notify SEAI of compliance. An audit compliance guidance checklist is included in Appendix B to assist auditors in ensuring that audit reports address the items outlined in the minimum requirements document and, where information is not available, the auditor has the opportunity to explain why information was not included in the audit report.

This notification report can be completed by the SEAI registered energy auditor, the enterprise, or an agent acting on behalf of the enterprise. However, the enterprise is fully responsible for ensuring accuracy of information provided and its final submission.

7. Multi-site enterprises

Enterprises made up of many geographically diverse sites do not necessarily have to audit each site. Sampling is allowed where an enterprise has several facilities with largely homogenous services being provided, such as retail outlets, warehouses, or fast food chains. It is important in the determination of the number and relative size of the individual locations, that the total energy consumption is known for the overall enterprise (even if this has to be estimated from energy costs initially, but it would be expected that recommendations are made to improve energy data collection processes for subsequent audits). It is expected that subsequent audit reports will have energy consumption available following the implementation of data collection recommendations from the initial audit.

It is also acceptable for an enterprise to divide its operations into logical ‘clusters’. Under this approach, sites are categorised according to different types of processes or services, with a minimum of 10% of sites in each cluster being audited and the results extrapolated to cover 85% to 100% of energy use. An example might be an enterprise with large groups of offices, some air-conditioned and some not, so that two clusters could be formed (according to whether they have air conditioning or not) and each cluster audited as outlined under the sampling approach. Another example of this is a retailer who has three different sizes of outlets in its chain (e.g. large, medium and small). Each of these would form a cluster. The enterprise may then decide to audit a sample of sites from each cluster. At least one site representing each cluster should be chosen for audit. The number of sites chosen for audit should be decided in discussion with the Energy Auditor to ensure that 85 % of the overall energy use is considered when making this decision.

In the case of enterprises with several similar sites or facilities to which the multi-site procedure has been applied, information must be provided on the total number of sites in the enterprise and on the number of sites where energy audits were performed.

This principle could also be applied to transport fleets where diesel, petrol or electric vehicles might be clustered according to fuel type. The number and selection of the vehicles must be carried out in a manner such that a reliable evaluation of the overall energy situation of the vehicle fleet is achieved.

The following table may be used as a guide to determine the number of sites within an enterprise or cluster to be audited:

No. of Sites	Determination of the Number of Audits	Audit No. (Range)
up to 15	3 sites	3
16 to 100	10 % of the number of sites	4 – 10
101 to 400	Square root of the number of sites	10 - 20
> 400	To be determined by the auditor	Consider sampling and clustering.

In all cases the results of these sample/cluster audits should be extrapolated out as appropriate to include a minimum of 85% of the delivered energy across all facilities. When the determination is made that a certain number of audits is required, then the facilities with a higher energy usage must be audited first to take advantage of any Pareto impact that this may provide. In most cases it may in fact be easier to apply the results to all (100% of delivered energy) other similar facilities. This type of benchmarking audit can help to identify replicable projects and potential outliers.

In all cases where the application of sampling and clustering is used, the auditor should include a careful record of the rationale for determining the number of audits to be carried out and the selection of the specific sites comprising each cluster or sample. The sites or facilities selected cannot be audited in any consecutive four-year audit cycle until all facilities have been subjected to an audit.

In the case of franchises, where each franchise owner operates independently, i.e. the franchisor has no financial ties with or control over the franchise owner, then the franchisee is considered a legal entity and the standard criteria applies.

8. Appointing an auditor and guidance available

As indicated above, either an SEAI registered energy auditor on the public register or a qualified and registered internal auditor can undertake the energy audit or certify an alternative route to demonstrate compliance. The internal auditor must also be registered as an SEAI registered energy auditor but will not be listed on the public register if they choose not to be. The audit must be carried out in accordance with the SEAI's Minimum Criteria for Energy Audits document.

If the audit is carried out by a registered energy auditor on the public register, the audit must be signed off by at least one director / director's designee. In the case of an audit being carried out by an internal auditor, the audit must be signed-off by two senior internal authorised signatories, e.g. CEO or senior directors. All audits must be signed by the registered energy auditor also.

A list of SEAI registered energy auditors is available at the [Energy Auditing Compliance Scheme](#) section of the SEAI website.

SEAI has produced an Energy Audit Handbook to assist enterprises in better understanding the approach to and value of energy audits and provide guidance on procuring an auditor and undertaking an energy audit. Other standards such as ISO 50002 Energy Audits: Requirements with Guidance for Use, and EN 16247⁸ Parts 1-4 which addresses audits of buildings, processes and transport; may also be used for reference when completing audits.

The cost of the audit will depend on the scale of operations of the enterprise, and the amount of previous work carried out in understanding energy use. It is exclusively a matter for individual enterprises to select an appropriate auditor and to agree fees but sufficient time should be allocated to thoroughly audit the enterprise's energy use and to deliver value to the enterprise as part of the compliance exercise.

9. Energy Consumption – definitions and scope

9.1 Audit Scope

The audit should cover buildings, processes and transport, (if applicable), and cover at least 85% of delivered energy over a period of 12 consecutive months. The audit should include electricity, thermal energy and transport energy used by the enterprise. There are no fuel type exemptions under the scheme.

Any onsite energy generation of heat or electricity must also be included, e.g. via combined heat and power (CHP), wind turbines, photovoltaic (PV) panels, etc. In this case only the incoming fuel, including that used by the CHP plant, as well as any other fuels used and the imported electricity from the mains, needs to be included in the calculation of the total delivered energy consumption up to at least the 85% threshold.

Where other forms of energy are generated on site (including renewable energy) these should be separated out in the determination of the overall energy consumption of the buildings / processes. The audit report should indicate the total energy used within the organisation and where energy use of a particular source is zero, this should be indicated in the audit report. For example, if the organisation uses zero energy in transport, this should be indicated in the report.

The energy audit should be based on up-to-date, measured, traceable operational data on delivered energy consumption and load profiles (for electricity). Examples of such data include:

- meter readings and schedules for electricity and gas;
- invoices or delivery notes for relevant fuels;
- stock records and readings for liquid and solid fuels.

The Energy audit must include all the enterprise's significant energy users:

⁸ European Committee for Standardisation

- Examples for large industry could include compressed air generation, refrigeration chillers for chilled water production, steam boiler plant and distribution systems, and clean rooms.
- Examples for small industry could include space heating, lighting, process loads etc.
- In buildings, significant energy users could include, air conditioning, space heating, boiler plant, and lighting loads.

Where the site layout comprises several independently serviced facilities then the audit should consider any potential benefits that the introduction of district heating to that site may provide. This should take into consideration the benefits of a central system against the losses in the distribution system across a full year of operation.

The energy audit must cover a minimum of 85% of the total energy used by the enterprise:

- Once all significant energy users, as outlined above, have been audited and over 85% of the total delivered energy is covered by the audit, then the scope of the audit may be deemed to be adequate.
- If the 85% threshold is not reached at the point when all the significant users are audited, then the remaining energy users must be considered to fall within the scope of the audit until the threshold of 85% delivered energy is surpassed, but the examination of these may be in less detail.

If the energy or environmental management system does not cover at least 85% of delivered energy; for instance, if ISO 50001 covers only 50% of delivered energy of some specific enterprise, then the certification needs to be reviewed to include an additional 35% of delivered energy or an energy audit completed to cover an additional 35% of the delivered energy to achieve the overall compliance requirement of covering 85% of delivered energy.

Where only limited data is available, then well-grounded estimates (to be explained in the audit report) can be made based on available recognised benchmarks, published energy consumption guides, or extrapolated from energy expenditure. For example, actual fuel costs and recorded average fuel price for a fuel can be used to derive fuel use.

The use of energy costs to derive energy consumption data should be based on actual energy prices charged to the enterprise in the most recent billing period or in the absence of this information, the relevant SEAI commercial fuel comparison tables on the SEAI website. Any benchmarks used, or derived energy consumption should be from a reliable source and referenced in the audit report.

For unmetered supplies or for energy users where metered data is unavailable, then energy consumption should be estimated, calculated or identified by means of appropriate benchmarking data or manufacturer's data.

Where any of these methods is used, this needs to be clearly stated in the audit report, along with any recommendations to improve the quality of the energy use data for the next compliance period. For example, where the energy data for regional offices was not available for the report for an audit, then the expectation is that the enterprise will put a mechanism in place to have this data available for the next audit.

Where confidentiality of audit and business information is required by an enterprise they should seek same from their registered energy auditor. SEAI consider the audit and business information as confidential but are subject to Freedom of Information and Access to Environmental Information requirements so cannot provide any guarantee that the information will not be published.

9.2 Transport Energy Use

Any fuel for business transport use that is supplied to the enterprise and consumed and paid for directly by the enterprise for the purposes of any form of transportation should be included in the energy audit. The fuel used in enterprise cars and fleet vehicles for business use, should be included where the fuel costs are directly recharged to the enterprise, regardless of whether the vehicles are owned or leased.

In most cases this is likely to consist of fuel used by road vehicles. However, for some enterprises this may also include fuel used in aircraft, trains, boats/ships or other vessels. If the enterprise is using and paying for the fuel, then this means it has some measure of control over the fuel and therefore can identify the opportunities for improving fuel efficiency.

The fuel use by an enterprise's transport service provider, where this is a separate enterprise and where the fuel is not recharged directly to the enterprise, need not be included. This includes fuel use by couriers, hauliers, taxis, airplanes, ferries, rail, etc.

For enterprises with an international aspect to their fuel use, i.e. aircraft cargo or ferry boat transport use outside of the Republic of Ireland, then only the fuel included in the audit is the fuel purchased in the Republic of Ireland (or imported to the Republic of Ireland by the enterprise for its own use).

The energy consumption covered by the audit includes energy which is consumed for the purposes of transport by an aircraft or a vessel during any journey which, starts, ends, or both starts and ends in the Republic of Ireland. Journeys which start and end outside the Republic of Ireland may be excluded.

In the case where actual usage data, e.g. litres of fuel, is not available when determining transport energy consumption, then estimates may be used, which are based on verifiable data such as kilometres travelled multiplied by average fuel consumption. Justification should be provided for the method used.

When calculating or estimating total energy consumption from these transport activities, an auditor may estimate energy consumption from other verifiable data (e.g. expenditure) where the actual usage data is not available (e.g. litres).

'Grey fleet' refers to vehicles not owned by the enterprise but are used for business purposes. This includes vehicles directly owned by employees, directors etc. Grey fleet energy consumption is excluded from the auditing process as the enterprise does not directly procure the energy used in the vehicles.

9.3 Obligated enterprises with minimal energy consumption

Enterprises with an audit requirement but minimal or negligible energy consumption, can apply the following interpretation:

- Where bills are included in rental agreement across the whole enterprise e.g. fund managers operating from a small office, then an enterprise director must sign a declaration to this effect and it must be validated by a registered energy auditor. This evidence on headed paper should be retained on file by the enterprise.
- If the enterprise has some energy use and it is low, then a registered auditor should be asked to prepare a short report on this basis, citing the estimate of annual energy consumption and any opportunities for savings identified e.g. lighting and pointing out why the energy use is considered low relative to the values of the audit requirement financial qualifying criteria.
- If an enterprise consumes less than 100,000 kWh of energy or their energy bill does not exceed € 35,000 per annum for the whole enterprise operations, the above criteria will also apply, with the consumption validated by a registered energy auditor and reported to SEAI.

In all cases the enterprise still has an audit obligation (i.e. there is no exemption) and must report to SEAI as having completed a standalone energy audit, the manner of which would be in the format as described in the bullet points above.

The evidence will comprise either a letter and/or report, and should be retained on file, and submitted to SEAI via the audit notification system as part of the notification of audit status. The SEAI will determine at that point if any additional auditing or justification is required.

These enterprises are still required to report to SEAI via the [online notification system](#).

10. Rented and leased buildings

10.1 General

In general, where a facility is rented or leased from a landlord then the responsibility for completing the energy audit is determined on the following basis:

- The energy use that is paid for directly by the tenant based on metered use, regardless of whether the energy is being charged by a utility company or a landlord, is the tenant's responsibility, and it is the tenant's responsibility to include this energy in the energy audit.
- Energy use that is paid for indirectly by the tenant through a general service fee is still the responsibility of the party that directly **manages and controls** that energy use and therefore it is the tenant's responsibility to include this energy in the energy audit. It may not always be possible to verify this energy consumption directly from energy bills as the tenant may not have access to this information. In these cases, the energy

auditor will use professional judgement to make a reasonable estimate using recognised references of the energy consumption for the purposes of the audit.

It should be noted that the obligation to carry out the energy audit remains with the obligated entity, i.e. if Threshold 1, Threshold 2 for an enterprise or a public body that meets the obligation threshold, irrespective of who owns the building or asset and it is the obligated entity that needs to ensure compliance with the legislation.

10.2 Multi-tenant buildings or partially rented buildings

In the case of a rented or leased building (or facilities or other assets, such as vehicles), responsibility for the energy use will lie with whichever enterprise directly controls the energy use. In cases where energy use may be split between landlord and tenant (such as common areas and occupied areas), energy use is allocated according to who has direct control over that specific use.

For example, energy use in common areas would be allocated to the landlord, and the energy use in the facilities would be allocated to the tenant. If either (or both) the landlord or tenant is required to undertake an audit because it has an audit requirement, that party must include in its energy audit the energy use for which it is responsible.

It is up to the landlord and tenant to jointly determine who is responsible for the energy use based on the information available. They must identify and agree all energy uses in the building and allocate these according to who has control over that energy use. The approach taken to this allocation should be validated by the energy auditor based on energy bill data or professional judgement in the absence of reliable consumption data.

Quantifying energy consumption that a tenant directly controls is likely to be via utility meter or sub-meter. Where metered energy data is not available, then the installation of temporary logging equipment is recommended if this is practicable, particularly where that energy use is to be included in the audit.

If neither metering nor temporary logging data is available, then the reason for this must be noted and a reasonable basis of estimation must be provided. The auditor should include practical recommendations for improving energy data quality for future audits.

Where both landlord and tenant(s) would have an audit requirement or fall into the category of “Non-SME”, consideration should be given to conduct a combined audit of the building / facility.

10.3 Third Party Outsourcing of Heat Energy /ESCO Service

If an enterprise effectively subcontracts a part of its activities to another enterprise and exercises some management control over these activities itself but does not pay for the fuel used by these contractors, the energy used by these activities should be excluded.

Where an enterprise uses an Energy Services Company (ESCO) to provide heat or other forms of energy service, then the fuel used, or energy supplied by the ESCO to the enterprise should be included in the scope of the audit.

11. Energy Used in Plant and Machinery

This applies for both plant and equipment owned or leased (e.g. road repairs/maintenance or fleet vehicles) by the enterprise demonstrating compliance. Any energy or fuel directly purchased by the enterprise and used in operating the plant and equipment over the audit period must be accounted for in the audit or review.

12. Energy Used for Capital Projects.

When a construction enterprise is obligated to undertake an audit, then the energy purchased by that enterprise must be included in the audit. For example, within a construction site, if the construction company purchases the energy for use in the site, then that energy is included in the audit.

13. Energy Audit Outcomes

Many energy savings initiatives are very cost-effective and, in many cases, can be achieved through minimal investment. The registered energy auditor should be able to help prioritise the projects and initiatives identified during the audit and to provide a clear path forward with a business case assessment of the costs and benefits.

Registered energy auditors should also be able to advise on any supports or grants⁹ that might be available through the SEAI, other state agencies, or from energy suppliers through the Energy Efficiency Obligation Scheme¹⁰. It is expected that the audit should highlight opportunities from which the enterprise can derive energy and financial gains.

14. Enforcement and Penalties

⁹ <https://www.seai.ie/grants/business-grants/>

¹⁰ <https://www.seai.ie/energy-in-business/energy-efficiency-obligation-scheme/>

SEAI can request enterprises to submit the full audit report if they have not attached it to their audit notification. This is in the context of exercising quality control of the energy audits and quality assurance of the scheme in general.

In all cases the audit report and any associated backup documentation provided by the auditor to the enterprise will need to be maintained as evidence of compliance with the legislation.

The Energy Efficiency Directive (EED) mandates large organisations to complete energy audits every four years. This requirement was transposed into Irish legislation in SI 426 of 2014 and amended by SI 626 of 2016 and SI 599 of 2019.

The EED sets out very clear prescriptive requirements including, amongst other things, the elements that must be included in the audit, as detailed in the [Minimum criteria for energy audits](#) document on the SEAI website.

Compliance assessment will be used to identify where companies have not met their audit obligations and the penalties as provided for in the legislation will apply.

In accordance with the legislation, non-compliant enterprises are liable (on summary conviction) to a Class A fine – currently set at €5,000.

Appendix A: Online Notification System

The information below needs to be provided on the SEAI's online Energy Audit Compliance Notification System by the enterprise or registered auditor to confirm that the completed audit or energy review meets the minimum requirements to comply with the Energy Efficiency Directive (2012/27/EU) of the European Parliament and transposed into Irish legislation under SI426 of 2014 amended by SI 646 of 2016 and SI 599 of 2019.

- a) Enterprise details
 - Organisation Name
 - Organisation Type
 - CRO number /Public Body ID/ School Roll Number / Farmer Partnership / Registered Charity Number (RCN) Charitable Exemption Number (CHY)
 - VAT ID (TRN)
 - Tax Clearance Access Number (TCAN)
 - Address, Eircode
 - Contact Details
 - Sector
- b) Contact Details
 - Technical Contact Details
 - Director 1 Contact Details
 - Director 2 Contact Details
- c) Reporting compliance
 - Confirmation the obligation applies to your enterprise
 - Date of certification validity/date audit completed
 - Route
 - Energy audit
 - ISO 50001
 - ISO 14001
 - % energy audited
 - Breakdown of Energy Consumption covered in the audit
 - CHP details if applicable
 - Project specific details completed since the last audit
 - Energy Project details identified in the current audit.
- d) Registered Energy Auditor name, registration number
- e) Potential to connect to district heating system assessed as part of the audit.
- f) Upload of letter of compliance or audit report
- g) Signatory of declaration of conformance

This information facilitates the scheme evaluation and assists in the development of programmes and initiatives for large enterprises. The information will input to national aggregated anonymised statistical data to inform policy. The online notification system will guide you through this process. Link to the system: <https://www.seai.ie/business-and-public-sector/energy-auditing/eed-compliance-form/>

Appendix B: Energy Audit Compliance Checklist

The checklist below can be used to support a compliance check with Annex VI of the Energy Efficiency Directive. It is recommended that this is included in the Energy Audit Report

Audit Checklist	Included	Comment if not included
Is there a clear description of the scope of the energy audit and how it is aligned to the organisation's total energy use?	Yes/No	
Does the energy audit or management system cover at least 85% of the organisations final energy?	Yes/No	
Has any reference been made in the audit report to previous audits and the use of historical audit data to build upon the knowledge of previous audits?	Yes/No	
Does the energy audit use data for the most recent 12-month (or calendar year) period of operation prior to the audit?	Yes/No	
Does the audit analyse relevant variables such as seasonal, production throughput and other factors that drive energy consumption?	Yes/No	
Does the audit include load profiles for each energy source and each significant energy user where information is available?	Yes/No	
Does the audit report outline energy use at a level of granular detail that is appropriate for the scale and nature of the consumption being analysed, e.g. day/night data, 15 min consumption for large users?	Yes/No	
Does the audit report include graphs, charts or tables showing periodic energy use patterns.	Yes/No	
Are there examples of calculations used to evaluate energy savings and associated investment opportunities that utilise LCCA?	Yes/No	
Is the analysis carried out during the audit sufficiently proportionate to the size of the energy use?	Yes/No	
Are the audit results applicable not just for the energy consumption explicitly analysed in detail by the audit, but also more widely across the obligated entity.	Yes/No	
Has the methodology for the selection of sampling been outlined in the audit report?	Yes/No	
Has sufficient information been included in the audit report to support the energy saving calculations?	Yes/No	
Is there reference made in the audit report to district heating or cooling systems ?	Yes/No	
Has the audit report been signed by a Director/ two Directors of the obligated entity?	Yes/No	
Has the on-line compliance report been completed and submitted to SEAI?	Yes/No	
Auditor Name:	Signed:	
REA Number:		

Sustainable Energy Authority of Ireland

SEAI is Ireland's national energy authority investing in, and delivering, appropriate, effective and sustainable solutions to help Ireland's transition to a clean energy future. We work with the public, businesses, communities and the Government to achieve this, through expertise, funding, educational programmes, policy advice, research and the development of new technologies.

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