



## **Appendix 4: Industry, Commerce and Services**

### **A 4.1 Legislation / Regulation**

#### **Integrated Pollution Prevention and Control (IPPC) Licensing**

Since 1994, sites involved in large-scale or complex industrial/other processes with significant polluting potential have been required to have an Integrated Pollution Control (IPC) license. Examples of such activities are: food processing, waste disposal, certain agricultural activities, production of paper, wood pulp or board. This list is for the purposes of illustration only; it is by no means exhaustive.

The Protection of the Environment Act, 2003 brought IPC licensing into line with the more comprehensive EU Integrated Pollution Prevention and Control (IPPC) Directive. Energy use and greenhouse gases are included in the process, which places a greater emphasis on energy efficiency in industrial activities.

The following are characteristics of the licensing system currently operated by the EPA (Environmental Protection Agency):

- licenses will only be issued to "fit and proper" and proper persons
- a fit and proper person is one who can meet the financial commitments involved in the activity, has the necessary knowledge to carry out the activity and who has not been convicted of an offence in relation to environmental protection
- cost cannot be an excuse for not doing the right thing
- energy efficiency is a consideration in the issuing of licenses
- licenses can be revoked or suspended
- considerable emphasis is placed on pollution prevention
- the onus is placed on the applicant to provide evidence supporting license application
- objectors to the granting of licenses can request an oral hearing from the EPA
- remedy can be sought in the High Court where an activity is being carried out in contravention of licensing conditions

Further provisions of the Protection of the Environment Act extend the scope of IPPC licensing to include:

- Changing the technical basis of licensing from BATNEEC (Best Available Technology Not Entailing Excessive Costs) to Best Available Techniques (BAT).
- Introducing more activities in the licensing system in areas such as intensive agriculture, the treatment and processing of milk, the slaughter of cattle, food production, and the production of paper, pulp or board.

IPC and IPPC licenses are issued and enforced by the Environmental Protection Agency. For more information go to [www.epa.ie/licences](http://www.epa.ie/licences).

### **A 4.2 The National Allocation Plan**

Emissions trading started on 1st January 2005 and covers the 25 Member States of the enlarged European Union. The emissions trading scheme places a value on greenhouse gas emissions (e.g. carbon dioxide, methane and nitrous oxide) by obliging participants to acquire emissions 'allowances'.

The National Allocation Plan will set out the actual allowance each industrial sector and individual installation will receive. Approximately 10,000 sites in the EU including steel factories, power plants, oil refineries, paper mills, and glass and cement installations will participate in the scheme. Less



than 100 sites in Ireland qualify as mandatory participants. These sites belong to a number of targeted industry sectors and have a generating or production capacity that exceeds certain thresholds outlined in the Directive.

The Environmental Protection Agency (EPA) is responsible for implementing the Emissions Trading Directive in Ireland.

For more information go to [www.epa.ie/licensing/emissionstrading](http://www.epa.ie/licensing/emissionstrading)

#### **A 4.3 Industry - Negotiated Carbon Levy Agreements**

In order to help companies reduce energy costs, SEI has developed the Energy Agreement programme for industry based on the new Irish energy management standard. The programme is an alternative to achieving the objectives that a carbon tax would have aimed to meet. The programme is based on the Negotiated Agreement pilot that SEI carried out in 2003.

By joining the Energy Agreement programme, companies will work towards certification to the new Irish Standard on Energy Management Systems, IS 393. In return SEI will offer tailor-made support in obtaining the energy management standard, and in benefiting as fully as possible from the process.

SEI Energy Agreements are designed for large, energy-intensive enterprises, which are more exposed than others to the cost of energy and the potential costs of participating in the EU-ETS. The ultimate target is to have the largest 60 – 100 Industrial energy users in Ireland participating in Agreements. By the end of 2006, SEI aims to have signed up not less than twenty-five of the largest energy-using companies in Ireland.

#### **A 4.4 Commercial - Buildings Energy Certification Scheme (EPBD)**

The EU Directive on the Energy Performance of Buildings (EPBD) contains a range of provisions aimed at improving energy performance in residential and non-residential buildings, both newbuild and existing.

The EPBD obliges specific forms of information and advice on energy to be provided to building purchasers, tenants and users. The intention is that this information and advice will help consumers to make informed decisions leading to practical actions to improve energy performance.

Key provisions of the Directive are:

- Minimum requirements for the energy performance of all new buildings
- Minimum requirements for the energy performance of large existing buildings subject to major renovation
- energy certification of all buildings (with frequently-visited buildings providing public services being required to prominently display the energy certificate)
- Regular mandatory inspection of boilers and air conditioning systems in buildings.

As part of the Directive, a Building Energy Rating (BER) certificate, which is effectively an energy label, will be required at the point of sale or rental of a building, or on completion of a new building. The BER will be accompanied by an "Advisory Report" setting out recommendations for cost-effective improvements to the energy performance of the building. However there will be no legal obligation on vendors or prospective purchasers to carry out the recommended improvements.

##### ***How does the Energy Rating work?***

The Building Energy Rating certificate contains the Building Energy Rating, which rates the building's energy efficiency on a scale from A (very energy efficient) to G (not energy efficient). An independent qualified assessor must provide the BER.

Then, if a building is constructed, sold or let, the builder, owner or landlord must supply the building's BER to a prospective purchaser or tenant.



Each building will have to be audited individually in order to categorise it. The BER will be valid for a maximum of ten years and must be accompanied by an Advisory Report.

A public service building over 1,000 square metres in size must display the BER in a prominent place that is visible to the public. For new buildings, the BER will be based on energy-use calculations using data from drawings and specifications pertaining to the premises. This will allow the continued sale or letting of property off the plans. In relation to existing buildings, the BER will be assessed on an energy-use calculation using data obtained from a physical survey.

Any application for planning permission involving a new building will need to be assessed against the new requirements.

In Ireland, the directive is expected to impact on over 150,000 sale or rental transactions per year in the residential market. The Directive has been transposed into national law in January 2006.

Key dates for EPBD implementation are:

- July 2006: Alternative energy systems assessment for large new buildings
- January 2007: Building Energy Rating (BER) and advisory report for new dwellings
- January 2008: BER and advisory report for new commercial dwellings
- January 2008: Inspection of air-conditioning systems
- January 2008: Energy efficiency scheme for boiler/heating systems
- January 2008: Public display of BER in large public service buildings
- January 2009: Public display of BER in existing large public service buildings
- January 2009: BER and advisory existing dwellings rented or sold

#### **A 4.5 Large Industry Energy Network**

The Large Industry Energy Network (LIEN) is voluntary network initiative operated by Sustainable Energy Ireland for the largest industrial energy consumers in Ireland, i.e. those with an annual energy spend over €1 million, with the average spend around €4 millions.



Large Industry Energy Network

The LIEN is developing a set of role-model companies who recognise the benefits of better energy management for their own competitiveness, for Ireland's economy and for the environment.

This voluntary approach has been effective in removing barriers through its extensive information and networking activities. In particular, the key technological and commercial barriers to energy efficiency in large industry have been explored extensively to enable members to choose profitable energy saving projects and actions.

In order to achieve significant energy savings, members of the Network employ a wide variety of technologies and management approaches. These include investments in technologies such as: compressed air, refrigeration, energy efficient lighting, motive power, building management systems, combined heat & power (CHP)

Other approaches include Monitoring & Targeting (M&T), staff awareness campaigns and energy management teams.

The LIEN has grown from a pilot project in 1993-1994, involving ten major companies from varying sectors, to the current situation where 80 of Ireland's largest industrial companies are members. The combined energy expenditure of the programme is around €300m per annum. This accounts for around 40% of the total annual industry energy expenditure in Ireland.

Sustainable Energy Ireland publishes an annual report, which shows the performance of every company over recent years and at the same time highlights achievements, case studies and trends. Workshops and seminars are organised throughout the year for LIEN members, providing them with a forum to learn from energy experts and other specialists, as well as from other energy managers.