

S&E Regional OP 2007 – 2013 Draft Implementation Plan 2.2.1

Operational Programme	S&E Regional Operational Programme 2007 - 2013
Priority	Environment & Accessibility
Theme	Renewable Energy
Sub-Theme	CHP & Bioheat (ReHeat) Programme
Categorisation Code	43
ERDF Certifying Body	Department of Finance
Managing Authority	S&E Regional Assembly
Intermediate Body	Department of Communications, Energy and Natural Resources
Level 1 Public Body	Sustainable Energy Ireland
Grant Rate	Grant support up to 40% or €5,000 per technology (whichever is less) for feasibility studies; the total amount of support being limited to €300,000 for all feasibility studies;
EU Co-financing Rate	40%

Description

The Renewable Heat (ReHeat) Deployment Programme is aimed at stimulating the installation of new renewable energy plants supplying space, water and process heating in the commercial, industrial, services, public sectors as well as ESCO (Energy Supply Company) installations by means of grant assistance. The Programme is focussed on biomass boilers (fuelled by wood chips and wood pellets), solar thermal collectors and heat pumps.

Objectives

The Renewable Heat Deployment Programme aims to:

1. Increase the deployment of renewable heating systems in commercial, industrial, public and community premises.
2. Achieve carbon emission savings and fossil fuel displacement.
3. Increase customer awareness and confidence in heating from renewable sources.

Under the ReHeat Deployment Programme, grants are available for the deployment of qualifying renewable heating systems in Woodchip/wood pellet boilers, Solar thermal systems and Heatpumps.

The CHP Deployment Programme will provide grant support to assist the deployment of small-scale (<1MWe) fossil fired CHP and biomass (anaerobic digestion (AD) and wood residue) CHP systems. The Programme will ultimately include biomass (anaerobic digestion (AD) and wood residue) CHP, and micro CHP.

The objectives of the Programme are to:

1. Increase the deployment of small-scale fossil-fired and biomass CHP systems in industrial, commercial, service and public sectors ;
2. Produce energy and carbon emission savings and fossil fuel displacement ;
3. Potentially increase electricity system security via more diversity of local embedded generating plant;
4. Increase customer awareness and confidence in CHP;
5. Increase the capability of the Irish CHP equipment supply chain.

In order to achieve these objectives the Programme will need to effectively deliver:

- increased investment in CHP;
- new CHP installations which have been designed appropriately to meet the specific circumstances of individual sites;
- new CHP installations that operate for a minimum of 4000hrs, in accordance with the energy efficiency standards offered by the suppliers and required by EU Directive (2004/8/EC);

Responsibilities of Intermediate Body

SEI will consult with the Intermediate Body, the Department of Communications, Energy and Natural Resources, in delivering the programme and will report progress activity reports to DCENR. An administrative Agreement will be entered into between the Department of Communications, Energy and Natural Resources and the Managing Authority setting out the respective roles and responsibilities of each.

Responsibilities of Level 1 Public Body

SEI will work in conjunction with the financial beneficiaries, namely the residential, commercial, public, and community sectors.

Contribution to Horizontal Themes

Environmental Sustainability

The principle of Environmental Sustainability is a key component of sustainable development, a principle reflected in the Government's White Paper, "Delivering a Sustainable Energy Future for Ireland" and the National Climate Change Strategy. Energy remains a key factor in ensuring economic growth and societal development and SEI continues to promote the decoupling of economic growth from the adverse effects of energy consumption and production, through the Sustainable Energy Intervention. The CHP and Reheat Programme will deliver the CHP Strategy for Ireland and will ultimately have the effect of making electricity production more environmentally sustainable and decrease CO₂ emission. From an environmental sustainability perspective this Programme will be measured in terms of the number of gas-fired CHO and Reheat installations.

Project Selection

Selection Process

The selection of projects is based on those that best suit the programme, contribute to National energy targets, and meet value for money considerations. The following are eligible for support:

Feasibility Studies may be supported on a discretionary basis, (limited to a maximum grant of €5,000 per technology for any project, and a total fund of €300,000 for all projects supported). Feasibility studies in cases of technical complexity or with innovative elements will be preferred for support.

Capital Investment Grants for the purchase and installation of: Automatic biomass boilers designed to consume wood chips and/or wood pellets; Solar thermal heating systems contributing to hot water demand for direct use or space heating; and Heat Pump systems that are ground source, air to water and ground water to water.

The application must be submitted by the proprietor of the proposed heating unit, i.e. the person (organisation) that will be the owner of the heating unit, either the manager of the host site or the ESCO.

The CHP Programme includes feasibility studies, to assist investigation into the application of CHP across all size ranges and technologies and investment grant support for small-scale fossil fired CHP with a capacity $\geq 50\text{kWe}$ and $< 1\text{MWe}$.

Selection Board Membership (where appropriate)-

SEI is responsible for the administrative evaluation, conducting a technical review and assessing all legal and compliance issues of the application. Finally SEI conducts a financial review prior to payment and commissions mechanical reports, sample review inspections and site visits.

Selection Criteria

SEI monitors projects that are awarded funding to ensure that they are implemented efficiently and correctly to help achieve successful results.

The programme is open to (1) plants within the Republic of Ireland intending to retrofit or install new renewable energy heating systems in buildings owned or operated by industrial, commercial, services or public sector or community organisations and (2) Energy Supply Companies (ESCOs) and (3) Industrial, commercial, services or public sector organisations based in the Republic of Ireland.

Selection will be based on

- The heat requirements of the site
- Technical specification and proposed operating pattern of the heating plant in sufficient detail to support plant specification and ordering
- Reference case/plant against which the proposed heating plant performance is to be compared
- Economics, Energy savings and Emissions savings resulting from the plant
- Requirements to meet regulation and licensing provisions

Additional selection criteria:

- The proposed CHP plant must be within the eligible size range ($\geq 50\text{kWe}$ and $< 1\text{MWe}$) and be fired by natural gas, oil or another licensed fuel;
- Applicants must complete a feasibility/design study or appraisal of the site's suitability to CHP prior to submitting an application for CHP investment grant support.
- All projects requesting funding in excess of €100,00 must submit a copy of the feasibility study.
- For projects requesting funding of €100,000 or less, SEI reserves the right to request a copy of the feasibility/design study or appraisal prior to approving the project
- Applicants must ensure that the CHP plant when operational will meet the high efficiency requirements of TU Directive (2004/8/EC)

Once a completed application form has been received it will be evaluated by SEI against the above criteria. The indicative decision time from the receipt of a complete application form is four weeks. Installations may be subject to performance inspection, by an SEI appointed inspector, after one year's operation. The inspector will be required to complete a CHP Project Operation Report.

Performance Indicators

Class	Indicator	Baseline	Mid-term Dec '09	Final
Output	The development of a CHP and Bioheat Boiler Deployment Programme to assist in the deployment of small-scale fossil fired CHP, and biomass CHP and heating systems in industrial, commercial and public sectors.			<p>New CHP Installations by 2010:</p> <ul style="list-style-type: none"> - In the region of 50-80 new gas fired CHP installations; - Growth of the CHP supply chain and competence building within the CHP installer market; - 10-20 new gas fired CHP installations; - 5 - 8 new AD installations approx. 200kWe; - 1-3 new biomass CHP of approx. 2MWe; <p>New Reheat Outputs by 2010</p> <ul style="list-style-type: none"> - 450 - 600 wood fuelled boilers supported by end 2010 - 12,000 m² of installed solar panels. - 15 - 20 heat pumps systems
Result	<p>Leveraged investment</p> <p>No. of gas-fired CHP installations</p>			<p>CHP Results:</p> <ul style="list-style-type: none"> - Leveraged investment of €30m in CHP in Ireland - 50-80 New gas fired CHP installations of 100/120kWe - 10-20 New gas fired CHP installations of 500kWe-1MWe <p>Reheat Results</p> <ul style="list-style-type: none"> - Leveraged investment of approximately €85 million by 2010. - A set of supported installations leading to a reduction in commercial / industrial energy related carbon dioxide emissions - Confidence building with the renewable energy equipment
Impact				<ul style="list-style-type: none"> - 175 – 225 MW_{th} of installed capacity of wood fuelled boilers by 2010 - 1.5 - 2 MW_{th} of installed capacity from heat pumps systems

Financial Management

Regarding the funding of Capital Investment Grants, upon completion and commissioning of the installation, and payment having been made in respect of the supply and installation of the equipment, the applicant must make a formal request to SEI for payment comprising the following:

- Completed Programme Project Commissioning Report for the appropriate system installed (available on line or on request)
- Payment request form, invoice, receipts and a current Tax Clearance Certificate

Once all documentation is in order, and a satisfactory inspection completed (where required), the grant will be paid electronically to the applicant's bank account and a letter notifying payment will be sent to the applicant. All completed installations may be the subject of verification and / or technical inspections at the discretion of SEI.

The Level 1 Public Body will be required to have in place separate accounting arrangements in respect of project expenditure under the theme.

Document Retention

In accordance with Article 90 of the General Regulation (EC) 1083/2006, the Intermediate Body and Level 1 Public Bodies will ensure that all supporting documents regarding expenditure, verification checks, certification and audits on the interventions concerned are kept available for the EU Commission and Court of Auditors for a period of three years following the closure of the Operational Programme.

Monitoring and Reporting arrangements

Applicants must agree to provide annual fuel usage and electricity and useful heat output in response to a survey by SEI representatives for the purposes of reporting to the European Commission and publication of the statistics as required under the EU Directive (2004/8/EC);

All completed installations may be the subject of verification inspections at the discretion of SEI.

Information and Publicity

A beneficiary list will be published in the SEI Annual report. The European Union strapline, logo and artwork will be used at all opportunities in communications regarding projects either directly by SEI or by project beneficiaries. All logo/credit usage will comply fully with applicable guidelines. The use of such materials is a requirement on all branded publications. All Information and Publicity will be undertaken in accordance with the Communications Plan.