



SME POWER WestBIC Action Plan

Table of Contents

1	Introduction	3
2	General Information	5
3	Policy Context	6
4	List of Actions.....	7
5	Details of the Actions Envisaged	9
	5.1 Action 1.....	9
	5.2 Action 2.....	17
6	Signature	23

1 Introduction

SME Power is an Inter-reg Europe project whose overall objective is to ensure that public policy for the low carbon economy is better adapted to the needs of non-energy intensive SMEs, thus enabling them to be a key driver in the low carbon shift at European level. It is a collaborative project with partners from Finland, UK, Spain, Slovenia, Italy, Ireland, and an advisory partner from Germany, all of whom have a multiplicity of experiences engaged with Local Government, Regional Government, funding energy measures and engagement with enterprises.

The partners are as follows;

- **Lead Partner: ARRR** (Agenzia Regionale Recupero Risorse) Resources Recovery Regional Agency
- **Advisory Partner: Elfi-Tech** (European Institute for Innovation - Technology e.V.)
- **Project Partner 3: LEASP** (Local Energy Agency Spodnje Podravie)
- **Project Partner 4: Durham County Council**
- **Project Partner 5: EREN** (Ente Público Regional de la Energia de Castilla y León) Regional Public Energy Entity of Castilla y León
- **Project Partner 7: WestBIC** (Innovation & Management Centre Clg Ta WestBIC)
- **Project Partner 8: Heinola City** (Heinolan Kaupunki)

WestBIC;

Established in 1987, WestBIC is the official EU Business & Innovation Centre operating in the Border, Midland & Western (BMW) Region of Ireland, with office locations and service points spread across the territory. With a team of twelve personnel and access to a talent pool of experts to assist with service delivery, the organisation has over 25 years of experience in providing applied innovation services, tailored business advice and support to innovative enterprise, rural enterprise projects, social innovation and social/community enterprise projects, from concept to commercialisation, through its network of offices located throughout the region.

WestBIC as the Irish partner of SME Power is ideally positioned to coordinate the collaboration between SEAI the Managing Authority for policy and funding of energy support measures and delivery agents who provide the “on the ground” service to

SME's. The organisation has extensive experience participating in interregional projects including Inter-reg Europe, NPA, NWE and Atlantic Area and has benefited considerably from the exchange of knowledge. This includes an understanding of different scale, cultures and economic activity in the many partner regions it engages with. SME Power has provided the opportunity to understand the many opportunities and challenges in the energy sector, the similarities, and differences of each region all of which has enhanced the knowledge which we have to disseminate to our stakeholders. The project has provided our Managing Authority with the opportunity to engage in peer-to-peer learning, establish linkages and the opportunity to frame their improved policies in an interregional context.

2 General information

Project; **SME Power**

Partner Organisation; **Innovation and Management Centre CLG t/a WestBIC**

Country; **Ireland**

Nuts2

Contact person; **Seamus Mc Cormack**

email address; smccormack@westbic.ie

Phone number; **+353 86 2574978**

3 Policy context

Policy Instrument: Better Energy Communities (BEC)

The selected policy instrument, the **Better Energy Community** (BEC) initiative, supports wide-ranging community initiatives, including SME participation, for low carbon economy. This policy instrument, managed by the Sustainable Energy Authority of Ireland (SEAI) is the framework for the delivery of Ireland's national retrofit programme with grant support of over 30 million euro each year. It supports new approaches to achieving energy efficiency in Irish enterprise and community infrastructure. Upgrades can take place across building types to reduce energy use and costs. The policy aims to deliver energy savings to enterprises, homeowners, and communities. The BEC supports projects that show a mix of sustainable solutions, community benefits, justified energy saving and a clear and ambitious roadmap. Measures supported include a mix of: Building Fabric Upgrades, Technology and System upgrades, Integration of Control Systems, and Integration of renewable energy sources.

It was chosen as the Policy instrument for SME Power because SEAI as Ireland's Managing Authority for all supports in the energy sector wishes to ensure that its policies are better adapted to the needs of the SME sector. Through the experiences and knowledge sharing gained from engagement with SME Power partners, modifications can be made to policy and practices to secure a greater participation by SMEs enabling them to contribute to securing a low carbon economy.

4 List of Actions

WestBIC, together with the Managing Authority (SEAI) and the Regional Energy Stakeholders (RES) have agreed on the following actions for the policy identified - the Better Energy Communities (BEC).

Action1: Refinement of BEC engagement strategy for SMEs

A lot of high-quality energy saving projects have been funded by SEAI through the BEC and have delivered positive results. These “good news” stories have proved difficult to convey to a broader audience, despite the use of both traditional and social media. SEAI wants to address this issue and thereby generate more interest leading to a much higher engagement with the SME sector.

In this context, the Action 1 aims to impact the BEC Policy Instrument at two different levels:

1) Policy improvement type “Implementing a new project”: a Pilot regional engagement campaign with SMEs. The Campaign will activate SMEs that are beneficiaries of the BEC as ambassadors, to inform other SMEs of the benefit of energy saving measures and the support (monetary and advisory) available from BEC. This campaign will be piloted by SEAI and Clar ICH in April 2022 and will have a regional focus covering counties Mayo, Roscommon, and Sligo. The pilot will be fully funded by the BEC, thus representing the policy improvement (New project).

2) Policy improvement type “Management Change”: results of the pilot will be used as input to a management change within the BEC Scheme. SEAI will use results to design and roll out engagement campaign events for SME recruitment to other regions in Ireland. This will be introduced as a permanent activity funded by BEC. The expected territorial impact is an increase of SME participation in BEC schemes, with resultant energy savings. This proposal of modification takes inspiration from BEEP 1 and 2 experience (Durham), particularly the methodology of reaching out to enterprises.

Action 2: Realignment of BEC (Better Energy Communities) implementation to meet customers’ needs

Action 2 aims to modify the implementation timing of the Better Energy Community funded Grant Scheme, introducing an improvement in terms of Policy Management (type 2). Indeed, the existing Scheme foresees a period of 6 months, given to the beneficiaries to deliver all measures funded by the instrument. This Action will modify the instrument, by adopting a 3-year cycle for the same measures.

To date the operation of the BEC has been conducted on an annualised basis. The format is publication of call with deadline for application usually in Jan/Feb. The successful applicants are informed 3 months later and are given 6 months to deliver the work. The delivery takes place end of Spring, Summer and early Autumn and often requires the SME's receiving the support to close their operations partially/fully. This can coincide with peak business times and no flexibility exists within programme deadlines to accommodate those realities. The realignment of the scheme aims at simplifying project implementation for SMEs. It is also to encourage year-round action in the climate change area which is a priority for all governments. This proposal of modification takes inspiration from BEEP experience (Durham), which operates on a 3-year cycle, with a much more flexible system.

5 Details of the Actions Envisaged

5.1 Action 1

Title of the action

Refinement of BEC engagement strategy for SMEs

Nature of the Action

The action aims at increasing the number of SMES participating in BEC Schemes, with resultant energy savings.

The implementation of this action will involve two linked steps and consequently two Policy expected achievements:

- 1) "Implementing a new project": Financing a Pilot regional engagement campaign with SMEs. The Campaign will activate SMEs that are beneficiaries of the BEC as ambassadors, to inform other SMEs of the benefit of energy saving measures and the support (monetary and advisory) available from BEC. This campaign will be piloted by SEAI and Clar ICH in April 2022 and will have a regional focus covering counties Mayo, Roscommon, and Sligo. The pilot will be fully funded by the BEC, thus representing the policy improvement (New project).
- 2) "Management Change": results of the pilot will be used as input to a management change within the BEC Scheme. SEAI will use results to design and roll out engagement campaign events for SME recruitment to other regions in Ireland. This will be introduced as a permanent activity funded by BEC.

This action is inspired by interregional exchange within SME POWER, particularly the BEEP Good Practice from Durham.

Policy Need Addressed Better Energy Communities

On an ongoing basis SEAI (Sustainable Energy Authority of Ireland) as the Managing Authority for delivery of Energy Saving measures in Ireland has regular feedback from its stakeholders. In this context a deficit in the BEC Operational Policy has been identified where the excellent work undertaken has not got the attention needed to encourage greater participation by enterprises. The day-to-day focus in enterprises is getting the product or service to customers, ensuring profitability by having sufficient margin and controlling costs particularly materials and labour. Traditionally energy supply costs were not focussed on as they just had to be paid and were not within the control of the enterprise. While this has changed with the opening of utility markets there is still an

innate reluctance to “manage” utility costs. The uptake of support programmes from SME’s is low and requires a longer engagement and the development of a relationship of trust to encourage greater participation. The experience is that once engaged with, and they see the value of the work done enterprises are very positive. A mobilisation of such enterprises is necessary to convince their peers to avail of SEAI supports and see for themselves the ensuing benefits. For example, in the Mayo region for the last number of years less than 10 SME’s have participated in the Communities Energy Grants call. The objective is to increase demand by the SME’s sector for grants which will provide them with the tools necessary to start on the green energy journey and increase their efficiency and operational costs in the process. Addressing this deficit is consistent with the aims of the SME Power project i.e., to make adjustments that will support a greater level of participation by SMEs. The methodology is heavily influenced by the presentations from partners and particularly the virtual study visit to Durham. These showed that specific regionally focussed publicity measures and the utilisation of previously supported SMEs as ambassadors is extremely effective in encouraging new SME participation.

Overview of the Policy Improvement that this Action refers to

As a result of experiences gained through engagement with partners on SME Power, this action is intended to impact the addressed Policy Instrument at two levels:

- 1) By implementing a new project, funded by the BEC Policy Instrument: a pilot local campaign to test a new strategic approach to engage SMEs locally;
- 2) By changing the management of the methodologies of engagement with SMEs: the pilot project results will lead to the definition and adoption of permanent activity within the BEC Scheme, approved by the Managing Authority SEAI, to be implemented using BEC schemes funds.

Specifically, SEAI will lead a regionally focussed collaborative approach involving SMEs and organisations delivering the energy support measures.

Seminars and other information sessions will be organised, supported SMEs will present the experience and results of having received energy supports thereby effectively being SME ambassadors. Invitations will be extended to local SMEs to participate and staff of SEAI, and the delivery agents will be on hand to offer one-to-one advice.

The objective is to specifically target enterprises and encourage them to apply for energy supports with the BEC schemes.

This management change is influenced by methodologies used on BEEP by Durham which have proved particularly effective and will be trialled initially in association with Clar ICH in Mayo, Galway and Roscommon hinterland.

Background

Following the approval of the SME Power project WestBIC in association with SEAI analysed the supports available to SMEs in Ireland who wished to improve their energy efficiency. This took the form of an Energy Support map and became the basis of discussion with stakeholders on the strengths and weaknesses of current policies and measures. A number of deficits were identified which it is believed to have resulted in the level of SME participation in the BEC being low and SEAI wish to address this. Delivery agents such as Clar ICH have engaged with SMEs and found that they are very busy with day-to-day operations and may not have really considered the supports available for energy measures.

By building up a relationship of trust SMEs over time have become engaged and are now very positive advocates of the BEC scheme as was clear from the SME Power mid-term event. The Good Practice submitted by Durham regarding the experiences of delivering BEEP 1 and 2 has provided a valuable roadmap to implement this action. Measures such as geo mapping of supported clients, production of flyers and other promotional measures are influencing SEAI actions to increase the uptake amongst SMEs. In Q1/Q2 2022 SEAI in association with Clar ICH will trial a regional “engagement campaign” with SMEs highlighting the work done locally, hosting meetings and utilising current beneficiary SMEs as ambassadors to highlight the benefit of energy saving measures, the supports available both monetary and advisory. This initiative utilises the Durham methodology adapted to have a regional focus to suit the West of Ireland. To ensure maximum benefit is transferrable from the BEEP experience personnel from SEAI, Clar ICH and WestBIC will undertake a staff exchange with colleagues in Durham. This visit will provide staff with the opportunity to hear first-hand from staff delivering BEEP and the beneficiaries receiving BEEP support.

Input from interregional exchange in SME POWER (including GPs and any other inputs)

Lessons learnt	Elements to be transferred for my policy improvement	Exchange process
<p>The approach taken by Durham in the roll out of BEEP 1 and 2 to engage with SMEs has proved to be effective and has potential to be replicated in Ireland.</p>	<p>Initiatives undertaken by Durham in the implementation of BEEP 1 and 2 particularly the methodology of reaching out to enterprises, profiling engaging enterprises in case study format and geo mapping of the enterprises participating.</p>	<p>The process commenced with the presentation by Durham of BEEP as a good practice. This was followed by a bi-lateral call with Durham in Feb 2021 involving WestBIC, Clar ICH and SEAI as Managing Authority. Further insights were gained by participation in the SME Power virtual visit hosted by Durham in June 2021.</p> <p>These exchanges helped to clarify the operational aspects for SEAI and gave them the confidence to advocate for operational change. While staff exchanges had to be abandoned in 2021 due to Covid a staff exchange took place in Durham on 1st March 2022. This included staff from SEAI, WestBIC and Clar ICH who met face to face with staff implementing BEEP and visited beneficiaries of BEEP support.</p>

Regional / Local input, including input from SME POWER Stakeholder Group

Post approval of SME Power, WestBIC invited stakeholders to participate in a Regional Stakeholder Group, the objective was to have feedback from those with day-to-day

experience of the impact of policy and operational decisions. Delivery agents are the important link between the providers of energy supports and the beneficiaries.

They carry the responsibility of ensuring that the work is done to the satisfaction of both parties. By having e.g., Clar ICH a community-based delivery agent as a member of the RSG the feedback is real time as they are delivering some form of energy support throughout the year. The RSG for Ireland is unique in that it also includes SEAI as Managing Authority who manage all of Irelands energy support initiatives at both a policy and operational level.

Consequently, SEAI are at the nerve centre of all activities with continuous feedback from all stakeholders and have positively engaged in the mapping of supports and the identification of policy deficits. The low level of participation by SMEs in energy support measures is a major deficit identified in RSG discussions and needing to be addressed.

Specific Activities and Timeframe

During SME POWER Phase 1, the following activities have been carried out, essential for the achievement of the policy improvement envisaged:

- SEAI compiled a list of projects completed in 2019/2020 and categorised them in a format that will allow for the output of data in the required format.
- A Geocode location of all projects supported by the BEC (Better Energy Communities) programme in the previous 12-18 months was realised, necessary to plan the local engagement activities and SMEs ambassadors' recruitment.
- Pilot engagement campaign organisation with Clar ICH in the West of Ireland to engage with SMEs. This pilot action is fully funded by the BEC, as a new project. A series of events (e.g., workshop/seminar/clinic) will be funded on a pilot basis with Clar ICH in the West of Ireland to engage with SMEs. This activity is now scheduled to commence in April 2022. It will represent a policy improvement before the end of SME POWER project Phase 1;

August - December 2022

Based on the pilot project foreseen in April 2022, SEAI will roll out SME recruitment events to other regions in Ireland. Further 5 engagement events will be held including:

- 2 in Leinster
- 2 in Munster

	<ul style="list-style-type: none"> • 1 in the Mid-West <p>The further engagement events will be organised by SEAI, funded by BEC scheme, in collaboration with local delivery agents, using the Geocode location of all projects supported by the BEC delivered in Phase 1.</p>
September 2022 – May 2023	SEAI monitor the first pilot funded campaign and the further ones' (see activity above) effectiveness engagement impact with delivery agents and SMEs, with informal meetings and bilateral communication, and report on this to its Management Committees on a quarterly basis
February - July 2023	<p>Following the monitoring results, if necessary SEAI, through its Management Committee, revise the methodology and formalise the adoption of the BEC Funded Activity as permanent strategy.</p> <p>Informal consultation with SMEs participating in the BEC scheme and delivery agents continues on a quarterly basis, as well as feedback to its Management Committee, to monitor the effectiveness of the Policy change and adjustments that may be recommended.</p>

Stakeholders involved	
Name of Organisation / person (where possible)	Role in Action Plan
SEAI	<p>Managing Authority with responsibility for delivery of Energy Measures will lead the collaboration process and support the roll out of the pilot and subsequent events.</p> <p>It is also responsible for implementing the Policy change, monitoring its effectiveness through engagement with delivery agents and SMEs and reporting same to its internal Management Committee on a quarterly basis commencing Sept 2022.</p>

Clar ICH and other delivery agents both small and large scale (i.e. SE Systems, Energy Action, Midland Warmer Homes, Leitrim Warmer Homes)	Delivery agent and member of SME Power RSG to partner with SEAI in pilot actions to reach out to enterprises, providing advice and support and follow up on all leads to maximise the number of SMEs applying for energy support measures. Other delivery agents to come on stream for the nationwide rollout.
SMEs	Agreeing to being profiled for case studies and/or acting as speakers/panelists for events

Costs and Funding Sources

Costs	Funding Sources
a) Undertake geo mapping exercise b) Pilot campaign organisation: personnel engagement with stakeholders to devise and agree content of publicity material €11,000 For 5 Events including facility hire	Geo mapping is undertaken by SEAI internal staff funded by BEC. €5,000
c) Design and print of publicity material €4500	BEC Policy Instrument

Risk and Contingency Plans

Description of Risk	Level of probability (High, Medium, Low)	Description of Contingency Plan
Lack of interest from SME's	Medium	Increased marketing investment and workshops
Changes in policy	Low	Revise actions in line with new policy

Monitoring

Self-defined Performance Indicators

Indicator	Target	Means of Verification
Number of additional SMEs supported through improved policy instrument	30	Engagement records, presence at events, applications received by SEAI etc.

5.2 Action 2

Title of the action

Realignment of BEC (Better Energy Community Grant Scheme) implementation to meet customer needs

Nature of the Action

The action aims at modifying the implementation timing of the Better Energy Community Grant Scheme. The existing Scheme foresees a period of 6 months, given to the beneficiaries to deliver all the measures funded by the instrument. Within this Action, we intend to modify this instrument, by adopting a 3-year cycle for the same measures. This proposal of modification takes inspiration from BEEP experience (Durham), which operates on a 3-year cycle, with a much more flexible system.

Since 2021, the BEC the Managing Authority SEAI has continued to engage with the Department of Environment, Climate and Communications to secure their agreement to the realignment of the BEC timing. Indeed, this change requires Ministerial approval and agreement by the Government. Within the discussion, all aspects of budgetary and technical have been considered.

In September 2021, SEAI piloted this modified scheme timing within one call (using existing BEC scheme funds for the call), to monitor the effect on the project's implementation.

Since the feedback was positive, all the necessary documentation to request the modification has been prepared and has been processed.

Currently, SEAI is awaiting sign-off by the Minister which is expected in Feb/March 2022. Internally SEAI has made preliminary preparations for the next BEC call to be made integrating the new timelines if approval is given.

SEAI has received confirmation by e mail that the Minister and Government have approved the change to this policy instrument effective from 18th March 2022.

Policy Need Addressed

An operational deficit has been identified where the implementation of the scheme is not compatible in some cases with the efficient and effective running of an enterprise. The

current position is that applications are invited in early Spring with approval and contracting by April/May. The delivery agent is then given 6 months to deliver all the measures. For many businesses this coincides with peak production/sales time. If the delivery necessitates a complete or partial shutdown it is not attractive for businesses to participate in the scheme. This contrasts with our SME Power partners in Durham where BEEP operates on a 3-year cycle and greater flexibility is afforded.

Overview of the Policy Improvement that this Action refers to

The management of the Operational Policy will be changed to increase the time available for delivery agents to deliver the BEC funded project measures, from 6 months to three years.

The contracting period will be extended to avoid situations where enterprises may be forced to close at peak business times e.g., summer tourist season. It will also facilitate SMEs who cease operations for specified periods (deep cleaning processes for example) so they could action improvements with a more flexible time frame approach to the scheme by the managing agent. It is envisaged that calendar years will not dictate the opening and closing of calls and that significant calendar year overlap will be allowed. While a 3-year programme like BEEP may not materialise the principle of encompassing more than 1 calendar year will be adopted. This change is designed to increase the attractiveness of the scheme to SMEs in sectors where timelines would previously have been an issue.

Background

In mapping the energy supports for SME Power and during discussions with stakeholders the rigid timescales from application to completion of energy support measures was identified as a barrier to efficient and effective implementation. Currently it takes 3 months to get a BEC approval from application submission and then be given only 6 months to implement. This is primarily due to Government requirements to stick to calendar years and annualised budgets. However, for SMEs the timescale for implementing energy measures can coincide with peak business periods and this is a very significant deterrent.

Having learned from the experience of SME Power partners in Durham, SEAI will engage with its parent Department to seek a relaxation of timelines and to allow for calendar year overlap. It is anticipated that the pressures to deliver quickly on CO2 emission

reductions will encourage the Department to facilitate SEAI and allow a change in the management of the policy

Input from interregional exchange in SME POWER (including GPs and any other inputs)		
Lessons learnt	Elements to be transferred for my policy improvement	Exchange process
<p>The BEEP experience in Durham highlighted the benefit of having a 3-year programme as it gave more implementation flexibility.</p>	<p>Initially the Government to look at reducing the lead time for approval and extension of delivery schedule.</p>	<p>The delivery mechanism adopted by Durham was noted at the presentation of BEEP as a good practice and has been followed up with a bi-lateral Zoom call in Feb 2021 clarifying the methodology. The virtual study visit to Durham on 26 June 2021 gave practical examples of BEEP implementation and the experiences of SMEs receiving support. The flexibility afforded by BEEP being a 3 year programme was identified as a significant added incentive for SMEs to participate. Based on the engagement with Durham SEAI decide to pilot the implementation of this action.</p>
Regional / Local input, including input from SME POWER Stakeholder Group		

The SME Power RSG and the delivery agents for BEC have continually expressed their frustrations to SEAI as Managing Authority re imbalance in approval and delivery timescales individually and collectively at meetings. This combined with the learning from Durham has convinced SEAI as Managing Authority to seek approval from Government to move away from calendar year constraints thus introducing greater flexibility.

Specific Activities and Timeframe

During SME POWER Phase 1, the following activities have been carried out, essential for the achievement of the policy improvement envisaged:

- Discussions have taken place between SEAI and the Ministry of Environment, Climate and Communications to change the operational timelines for the BEC scheme. All aspects budgetary and technical have been considered.
- SEAI piloted the policy change in 1 call and monitored the effect on implementation (using BEC funds).
- SEAI submitted a formal request to Government for approval to implement policy change.

The Ministry of Environment, Climate and Communications officially approved this change the 18th of March 2022. This is expected to be reported as achieved Policy Improvement before the end of SME POWER Phase 1.

August 2022- July 2023

Implementation of Policy change and monitoring the impact of Implementation.

In this period SEAI expect to issue 5 calls for participation in the BEC.

The effectiveness of the change of policy will be reviewed by SEAI Management team following the closure of each call.

This will involve an analysis of the numbers of additional SMEs participating due to the introduction of increased flexibility as a result of the policy change.

Stakeholders involved

Name of Organisation / person (where possible)	Role in Action Plan
SEAI	Managing Authority for implementation of Energy Measures will propose change in discussions with the Department.
Department of Environment, Climate, Communications and Transport	The Department responsible for funding and sign-off on BEC project measures can approve the operational change.
SMEs	SMEs can respond positively and submit more applications.

Costs and Funding Sources

Costs	Funding Sources
Costs are zero as this is an administrative change to the operation of a scheme	Not applicable.

Risk and Contingency Plans

Description of Risk	Level of probability (High, Medium, Low)	Description of Contingency Plan
Rejection by Department of Policy change	Low	Continue with present arrangements and maximise flexibility

Monitoring

Self-defined Performance Indicators

Indicator	Target	Means of Verification
Number of additional SMEs supported through improved policy instrument	30	Record of Applications received, and approvals given.

Output Indicators

Indicator	Target	Means of Verification
Increased participation by SMEs in subsequent calls	15	SEAI to verify via numbers of enterprises participating in successful applications

