

20 Overpayment of electric vehicle grants for demonstration models

- 20.1** The report sets out the circumstances whereby overpayments of up to €3.9 million were made to dealerships in respect of grants for electric vehicle (EV) demonstration models, and the steps being taken to determine and recover the amounts due.¹
- 20.2** Ireland has a target to reduce transport greenhouse gas emissions by 50% by 2030. Related to this is a target to have 30% of the private vehicle fleet switched to EVs by 2030.²
- 20.3** The Sustainable Energy Authority of Ireland (SEAI) is Ireland's national energy authority. SEAI administers the State's EV grant schemes on behalf of the Department of Transport (the Department). The schemes are principally funded from Vote 31 Transport, with additional supports funded through other State and EU funding streams.³ The Department has overall responsibility for the policy, funding, and oversight of the schemes.
- 20.4** The aim of the EV grant is to encourage the purchase of an EV instead of an internal combustion engine vehicle to assist with reaching transport emission targets. The EV grant scheme was introduced in 2011 and has been amended over time to adapt to changing market conditions and climate policy targets. It provides targeted financial subsidies mainly for EV private passenger cars and certain commercial vans.
- 20.5** In 2020, the Minister for Transport expanded the scheme to include EV demonstration vehicles acquired by electric vehicle dealers. Following their use for demonstration purposes, these vehicles may be sold to consumers, thereby entering the wider private vehicle market fleet.
- 20.6** The classes of vehicles covered by the scheme are set out in Figure 20.1. The figures shown reflect the grant amounts payable as of September 2026.⁴

¹ All references to EVs apply exclusively to battery electric vehicles which run on 100% electricity stored in a battery pack.

² [Transport and Climate Change](#).

³ Climate Action Fund, Shared Island Fund and EU Just Transition Fund.

⁴ Grant rates have varied over time since the scheme was introduced in 2012.

Figure 20.1 EV grant payable by SEAI to dealers

Vehicle category	Private	Demonstration	Commercial
Passenger car (M1) ^a	€3,500	€2,700	—
Small van (N1S)	€3,800	€3,800	€3,800
Van 3.5t weight (N1L)	€7,600	€7,600	€7,600
Moped (L1eB 50cc 45km/h or below)	€500	€500	€500
Motorcycle (L3e more than 50cc 45km/h)	€1,000	€1,000	€1,000

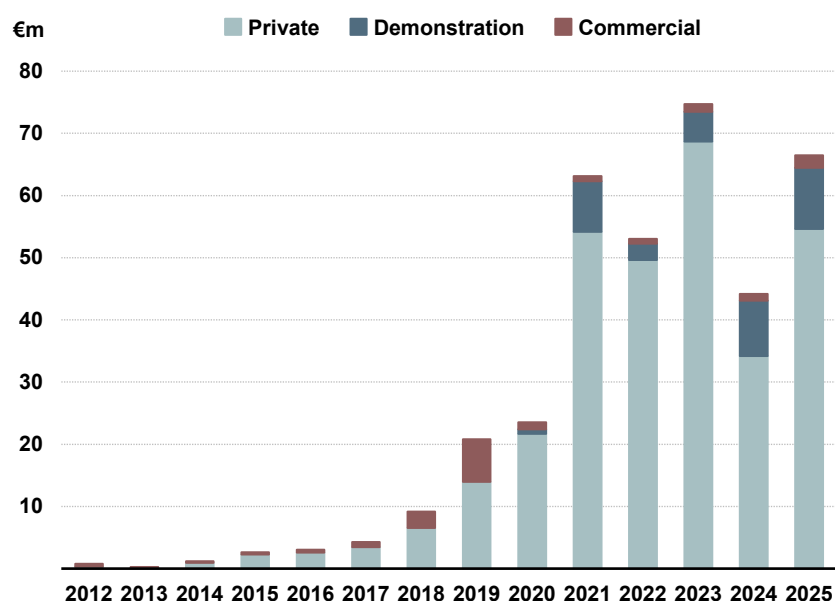
Source: Sustainable Energy Authority of Ireland

Note: a The M1 private passenger car grant was reduced from €5,000 to €3,500 in July 2023. The M1 demonstration vehicle grant was subsequently reduced from €3,800 to €2,700 in January 2026.

Expenditure on EV grants

- 20.7** Annual grant expenditure incurred by the SEAI in respect of EV purchase grants has increased significantly over time (see Figure 20.2). There was a step change in the level of expenditure in 2021, with significant swings from year to year. Expenditure in 2025 totalled €66.5 million.

Figure 20.2 Value of EV grants 2012 to 2025^a



Source: Sustainable Energy Authority of Ireland. Analysis by the Office of the Comptroller and Auditor General.

Note: a The scheme commenced in 2011, with €198,000 paid in respect of 38 private EVs and 4 commercial EVs.

- 20.8** Between 2012 and 2025, SEAI issued grants totalling €367.3 million, comprising €313.2 million for private EVs, €19 million for commercial EVs, and €35.1 million on grants for demonstration EVs. In addition, since 2025 the scheme has provided €10,500 in grants for eligible electric mopeds and motorcycles.
- 20.9** The EV demonstration grants accounted for 10.8% of total EV grant payments made between 2020 and 2025.
- 20.10** There was a significant increase in the grants paid in respect of demonstration models in 2024 and 2025 (see Figure 20.3). In 2024, there was one grant-aided demonstration vehicle for every 4.2 grant-funded non-demonstration EVs. In 2025, during a period of increased EV sales, there was one grant-aided demonstration EV for every 6.2 non-demonstration grant-funded EVs.
- 20.11** In SEAI's view, the percentages of EV demonstration models in Ireland are generally in line with or lower than the EU norm.
- 20.12** Figure 20.4 provides an overview of the EV grant process and the key eligibility requirements of the scheme.

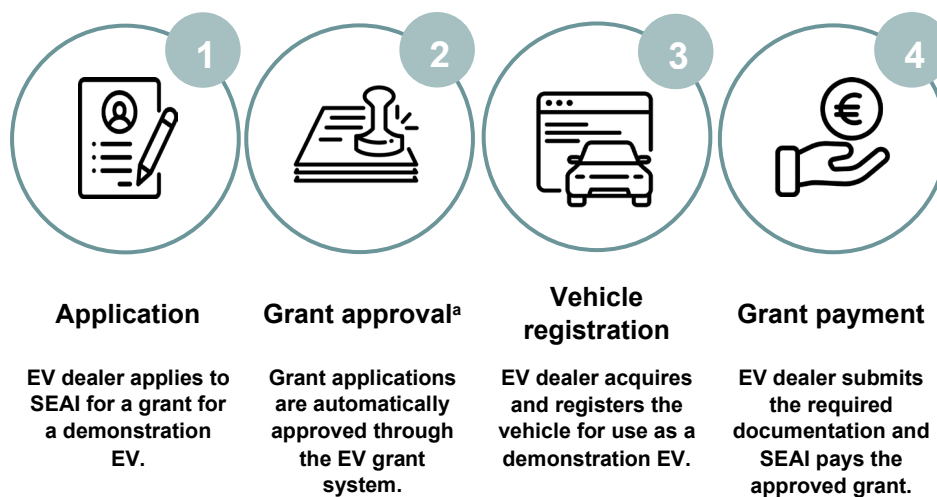
Figure 20.3 Grants for EV demonstration models to EV dealers 2020 – 2025

Year	All EV grants		Demonstration EV grants		Value of demo grants as a % of total
	Number of grants paid	Value of grants paid €000	Number of grants paid	Value of grants paid €000	
2020	4,850	23,552	186	707	3.0
2021	13,140	63,124	2,152	8,178	13.0
2022	10,891	53,054	691	2,626	5.0
2023	15,840	74,732	1,262	4,796	6.4
2024	12,295	44,166	2,346	8,915	20.2
2025	18,633	66,452	2,596	9,865	14.9
Total	75,649	€325,080	9,233	€35,087	10.8

Source: Sustainable Energy Authority of Ireland. Analysis by the Office of the Comptroller and Auditor General.

Figure 20.4 SEAI EV demonstration grant process

From application to grant payment



Source: Sustainable Energy Authority of Ireland. Analysis by the Office of the Comptroller and Auditor General.

Note: a Subject to the EV dealer being authorised by the relevant vehicle importer and providing the required documentation and information through the grant system.

State aid and the *de minimis* regulation

- 20.13** Under European Union (EU) competition law, State aid is the term applied to any grant, subsidy or other intervention by a member state that confers advantage on enterprises engaged in commercial activity in a way that potentially distorts competition or the free market. Unless an economic intervention is specifically permitted by the European Commission, it is regarded as illegal State aid, and the value of that aid must be recovered from the enterprise.
- 20.14** The European Commission allows member states to grant small amounts of State aid to businesses without needing its formal approval, where these amounts are deemed to have no impact on market competition. This is referred to as the *de minimis* regulation.⁵
- 20.15** Under the *de minimis* regulation, member states may only provide State aid to individual commercial undertakings up to a maximum of €300,000 over a rolling three-year period. The cap was €200,000 up to 31 December 2023 and increased to €300,000 with effect from 1 January 2024.
- 20.16** The *de minimis* threshold limit applies to a single undertaking, rather than to each individual entity separately.⁵ This definition encompasses linked enterprises with direct or indirect controlling relationships, including parent companies and subsidiaries operating within the same member state.

SEAI guidance on the *de minimis* regulation

- 20.17** SEAI EV scheme grants are classed as *de minimis* State aid and are capped accordingly under these single undertaking rules. The effect of the EU regulations is that no single undertaking should be in receipt of more than €300,000 in grants over any given rolling three-year period.
- 20.18** The scheme guidelines issued by SEAI address this issue, as outlined below.

Extract from SEAI guidelines⁶

The EV scheme grants are classed as *de minimis* State aid. There is a ceiling of €300,000 for all *de minimis* aid, regardless of the source, given to any one enterprise (including groups) over a three-year rolling period.

Commercial and demonstration grant offers are made on the understanding that the grant combined with any other *de minimis* aid received by any one business entity in the last three years does not exceed the ceiling of €300,000.

If you are unsure if you have previously received any *de minimis* funding, you should check the letter you received when the funding was awarded as all funding bodies are required to highlight this. In order for us to maintain our *de minimis* records, we ask that you complete a *de minimis* declaration which is included within the application form.

⁵ [Commission Regulation \(EU\) 2023/2831](#) of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid (OJ L, 2023/2381, 15.12.2023).

⁶ [SEAI EV grant scheme guidelines, terms and conditions](#).

De minimis limit checks performed by SEAI

- 20.19** Each demonstration grant application must be accompanied by a signed *de minimis* declaration confirming the dealer complies with the *de minimis* State aid requirements.
- 20.20** As part of the application process, dealers are required to provide their VAT number. The VAT number is used by SEAI as the primary identifier to track the cumulative amount of *de minimis* funding received by a dealer over the preceding three-year period. The signed declaration, together with the VAT number, supports the assessment of eligibility against the applicable *de minimis* funding threshold.
- 20.21** The EV grant management system automatically calculates the cumulative funding associated with the VAT number. Where approval of a new demonstration grant would result in the applicable *de minimis* limit being exceeded, the system prevents the application from proceeding.
- 20.22** Since 2025, the system has also supported the linking of VAT numbers for dealers that have either declared themselves to be part of a group or have been determined by SEAI to be linked. In these cases, the system aggregates the cumulative *de minimis* funding across all linked dealers when any member of the group submits an application. If the addition of a new demonstration grant would cause the group's cumulative funding to exceed the applicable threshold, the system automatically prevents the application from being submitted.

Investigation by SEAI

- 20.23** In February 2025, during payment checks, SEAI identified a potential *de minimis* compliance issue involving linked dealerships and commenced an investigation. The Board of SEAI, the Department of Transport and the Department of Climate, Energy and the Environment were subsequently informed of the matter.
- 20.24** SEAI commenced a process to establish potential overpayment amounts and to recover these. In February 2025, it issued a communication to all EV dealers registered with SEAI as to whether they were linked or unlinked for the purposes of the *de minimis* regulation.
- 20.25** In March 2026 the SEAI Board was informed by the SEAI executive that potential overpayments amounting to €4 million had been identified by the investigation. SEAI subsequently revised this figure to €3.9 million.
- 20.26** From May 2026 onwards, SEAI wrote to the affected dealer groups setting out its final determination of their linked enterprise status and advising that further grant payments would be suspended until the identified overpayments had been refunded.
- 20.27** The letters set out SEAI's determination of the *de minimis* overpayment, including detailed breakdown of how the amount had been calculated, and requested repayment within 60 days of the date of the letter. Dealers were also afforded an opportunity to make representations in relation to the determination within 30 days of the date of the letter.

- 20.28** As of June 2026, SEAI had identified 80 individual dealers linked to 15 car dealership groups with cumulative *de minimis* aid exceeding the applicable threshold. SEAI also identified several other linked dealership groups whose cumulative *de minimis* aid remained within the applicable limits and, therefore, no overpayment arose.
- 20.29** SEAI states that similar trading names do not necessarily indicate that businesses are linked, as entities may operate independently through franchise or other commercial arrangements. Conversely, entities with no apparent connection may constitute linked enterprises where they are subject to common control. The assessment of whether enterprises are linked is therefore based primarily on the level of ownership and control, in accordance with the applicable regulations.
- 20.30** A formal declaration process for new dealers joining the scheme was introduced in February 2025 and was not in place prior to that date. However, dealers were required to confirm that they had not exceeded the applicable *de minimis* funding thresholds in respect of each demonstration vehicle grant claimed both before and after February 2025.
- 20.31** SEAI states it continues to rely primarily on these self-declarations, with responsibility resting with applicants for their accuracy and compliance. While further verification of individual declarations can be undertaken, SEAI states that this is resource intensive and may require engagement with dealer groups to establish their status.
- 20.32** As of 18 September 2026, a number of dealer groups had repaid the *de minimis* overpayment totalling €109,400.
- 20.33** Of the remaining dealer groups, some accept SEAI's determination regarding their linked status, whereas others are contesting SEAI's determination that they constitute linked enterprises.

Conclusions

- 20.34** Subsidisation of the cost of EVs is a key government intervention designed to encourage the uptake of EVs to assist in meeting climate targets. This includes the subsidisation of the cost of vehicle dealership demonstration vehicles. Of the €66.5 million in subsidy grants for EVs paid by SEAI in 2025, €9.9 million (14.9%) was in the form of subsidies for vehicle dealership demonstration models. Since such subsidies were introduced in 2020, a total of €35.1 million has been paid.
- 20.35** SEAI was aware from the outset that the demonstration vehicle subsidies were a form of State aid and could only be paid up to the limits allowed under the EU *de minimis* regulation. It developed a grant management system that could apply the rule across linked dealerships within a single undertaking. This prevented payment of subsidies to any group dealership applying for a grant if the group as a whole had reached the limit.

- 20.36** A key part of SEAI's controls for compliance with State aid rules in respect of electric vehicle grants is self-declaration by car dealerships as to their linked status. This process did not result in full identification of all such groups, leading to potential grant payments above the *de minimis* thresholds. Following an investigation, SEAI has estimated that payments over the permitted limits for individual commercial undertakings totalled up to €3.9 million. This represents an excess payment rate of up to 11% of the amount paid to undertakings.
- 20.37** Under EU State aid rules, SEAI is obliged to recover the excess payment amounts from the undertakings. This could be done on a 'whole-of-group' recovery basis, or by recoupment from the individual dealerships that were paid grants after the limit for the group had been reached. The recovery of overpayments will need to be achieved without impacting the payment of grants to dealerships for the benefit of purchasers of EVs.
- 20.38** Amounts recovered by the SEAI are liable for surrender back to Vote 31 Transport.