CLIMATE CHANGE ADVISORY COUNCIL

Recast Renewable Energy Directive

Fact Sheet

Disclaimer: *This series tracks the progress of EU Green Deal legislation, providing point-in-time updates on how each law is being adopted into national law and the implementation status of specific article-level measures. This publication was compiled by the Climate Secretariat who are solely responsible for the content and any views expressed therein. It does not represent the views of the Council.*

EU's Recast Renewable Energy Directive (RED III) Directive (EU) 2023/2413	
Link	➢ https://eur-lex.europa.eu/eli/dir/2023/2413/oj/eng ➢ https://energy.ec.europa.eu/topics/renewable-energy/renewable-energy-directive-targets-and-rules/renewable-energy-directive_en
Key Dates	➢ The amending Directive EU/2023/2413 entered into force on 20 November 2023. ➢ There will be an 18-month period to transpose most of the directive's provisions into national law (21st May 2025), with a shorter deadline of 1st July 2024 for some provisions related to permitting for renewables.

Introduction

The Renewable Energy Directive is a legal framework for the development of clean energy across all sectors of the EU economy, originally introduced in 2009 (RED I). Directive 2023/2413 ('RED III'), which amends Directive 2018/2001 ('RED II'), came into force in November 2023. The share of renewables in overall EU final energy consumption increased from 12.5% in 2010 to 24.5% in 2023.

RED III introduces a new binding renewable energy target of at least 42.5% of gross final consumption of energy[1] by 2030 for the EU, while also aiming for a target of 45% of the share of energy from renewable sources by 2030. The Directive also includes sector specific targets for renewables in heating and cooling, transport, industry, buildings and district heating/cooling, along with a framework promoting electric vehicles and smart recharging.

Ireland's Renewable Energy Targets

Under RED I, Ireland's target for the overall RES was 16% of gross final energy consumption in 2020. Ireland's overall RES in 2020 was 13.5%, meaning that Ireland was obligated to acquire statistical transfers of 3.3 TWh of renewable energy from other Member States[2] to compensate for this shortfall.

As set out in its NECP[3], Ireland is aiming to achieve a 43% share of renewable energy in total energy consumption by 2030, in line with the formula set out in the Governance Regulation. In 2023, Ireland's RES-Overall result was 15.3% which is the 4th lowest result in Europe[4] and still below the RED I 'baseline' level of 16% that required the purchase of statistical transfers.

Ireland's proposed trajectory to reach higher RES H&C, RES-E and RES-T shares will not be in line with the trajectory set out in the Governance Regulation. This is due to larger projects such as offshore wind and district heating not being operational by the end of the decade[5].

RES-E

RES-E relates to the gross final consumption of electricity from renewable sources. There is no mandatory RES-E target specified in REDIII. Ireland's updated NECP 2021-2030 and Climate Action Plan 2024 (CAP 24) includes a target to increase the share of electricity generated from renewable sources to 80% in 2030.

In 2023, RES-E increased to 40.4%[6], marking its highest ever level, despite a temporary decline during 2021-2022 caused by restrictions including electricity from certain types of biomass and biogas in the renewable energy share[7]. Renewable electricity makes the largest contribution to the overall renewable energy share for Ireland (RES) and has driven most of the growth in renewable energy since 2005 through wind. However, when measured in terawatt-hour (TWh) of gross final energy consumption, the absolute amount of electricity consumed is less compared to energy consumed for transport and heating and cooling. This means that the total electricity demand is smaller than the energy demand for heating/cooling and transport. Since transport and heating/cooling consume more energy overall, a small percentage increase in renewable energy in these sectors would result in a larger absolute increase in renewable energy use compared to electricity.

RES-T

RES-T relates to the final consumption of energy from renewable sources in the transport sector and is subject to a mandatory target under the Directive. The 2020 RES-T target (under RED II) was for at least 10% of energy consumed in road and rail transport to come from renewable sources. The actual RES-T achieved in 2020 was 10.2%, meaning that Ireland did meet this target.

RED III has increased the 2030 RES-T target to 29%, on an energy basis. Alternatively, a Member State may choose to follow a target to reduce the greenhouse gas intensity of energy in transport by 14.5%. RED III also slightly changed the scope of the RES-T to include additional forms of transport.

The RES-T increased from 5.8% in 2022 to 7.6% in 2023. Methodological changes between the iterations of the RED I and II in the years 2020 and 2021 caused a significant drop in the RES-T

percentage but renewable energy in transport regardless of calculation adjustments has been steadily increasing since. The RED III methodology for calculating RES-T may impact the 2024 and subsequent annual figures but this remains to be seen.

RES H&C

RES H&C relates to the gross final consumption of energy from renewable sources in heating and cooling. RED I & II did not specify binding targets for RES-H. RED II required Ireland to "endeavour to increase" the RES-H by an indicative 1.1 percentage points (pp) as an annual average calculated for the periods 2021–2025 and 2026–2030. However, RED III introduced a requirement for states to increase RES-H by at least 0.8 pp and 1.1 pp as annual averages calculated for 2021-2025 and 2026-2030, respectively. Thus, the target for 2030 is 15.8%[8]. RES-H for Ireland currently stands at 7.9% in 2023[9].

Renewable Infrastructure Permitting

Article 16 of the Renewable Energy Directive seeks to reform the permit-granting procedures for renewable projects. Member States must speed up and simplify renewable infrastructure permitting procedures by ensuring that procedures for granting permits to build, repower and/or operate energy assets do not exceed certain timelines, depending on the asset type, size and location.

Ireland did not transpose the required measures under RED III by the 1st July 2024 deadline and on 26th September 2024 received, along with 25 other Member States, formal notice from the European Commission requiring that full transposition of the provisions be notified to the EC by late November 2024[10][11][12].

RED III defines 'Renewable Acceleration Areas' (Article 15c) as areas designated by Member States as being particularly suitable for developing renewable energy projects, where permit-granting procedure shall not exceed 12 months for renewable energy projects and for offshore renewable energy project shall not exceed 2 years (Article 16a). Permit-granting outside these areas shall not exceed two years for onshore or three years for offshore projects (Article 16b). The European Commission has provided guidance on designating these areas[13]. Several EU countries have established frameworks to designate and prioritise renewable acceleration areas;

- Germany targets 2% of the national surface for onshore wind by 2032, with interim goals for federal states by 2027 and some states have already mapped designated go to areas;

- France has adopted a Renewable Energy Acceleration Act which requires municipalities to identify suitable areas using state-provided data and conduct public consultations, with regional committees ensuring alignment with national objectives by 2027;
- Denmark has conducted national screenings to identify suitable areas for onshore wind, solar PV and Power-to-X to quadruple renewable energy by 2030 along with establishing government supported municipal energy parks;
- Portugal identified acceleration areas covering 12% of the country;
- Spain developed environmental sensitivity maps and digital tools to identify suitable areas for wind and solar and; Italy has established federal processes to define acceleration areas.

In the case of Ireland, the revised Wind Energy Guidelines, issued for public consultation in December 2019, remain a key enabling policy document related to RES targets that is outstanding and it remains unclear when the revision of the NPF will be finalised, including targets for renewable energy allocation at a regional level, a key factor in advancing renewable energy deployment[14]. RED III requires by 21 May 2025, Member States to carry out coordinated spatial mapping for the deployment of renewable energy to identify available land surface, subsurface, sea or in-land water areas that are necessary for the installation of renewable energy plants and their related infrastructure, such as grid and storage facilities, including thermal storage, to meet the national contribution towards the overall Union renewable energy target for 2030.

Significant delays in permitting to build wind developments continue to hinder Ireland's progress towards meeting its renewable energy share targets. As highlighted by the Central Bank in Ireland, the share of renewables has not increased at previous rates and has become stagnant since 2020 with growth failing to keep pace with the rising electricity demand[15]. In 2023, onshore wind development stalled, with the first project approval granted only in September and now under appeal[16]. In 2024, decisions did improve by 16% compared to the number of decisions made in 2023, with 10 new wind farms granted permission by ABP, however, 12 projects were rejected largely due to inconsistency with County Development Plans, and 30 projects remain in the planning system without verdict[17].

Article 16 (f) of RED III provides for the presumption of overriding public interest for renewable projects (IROPI) through the restriction of application of Article 6(4) of the Habitats Directive in certain areas under specific circumstances[18]. Other EU countries have made progress regarding

IROPI, Germany adopted the principle of overriding public interest for solar and wind projects through the Renewable Energy Sources Act (EEG) in July 2022 and has since started to see the granting of renewable energy projects increase significantly[19][20]. France introduced legislation in 2023 establishing an imperative reason of major public interest for specific renewable energy projects aimed at reducing appeals against such projects[21]. A recent significant ruling in the Irish courts has the potential to speed up renewable energy developments; on the 10th of January 2025, the High Court ruled that An Bord Pleanála must prioritise climate law when making planning decisions[22]. This judgement could impact all public bodies including Local Authorities ensuring that climate obligations will need to be considered within County Development Plans.

Innovation

RED III sets a target of at least 5% of new RE capacity to be of innovative RE technology by 2030 (Article 3). Ireland is addressing this challenge through different instruments. A business case was to be developed for a new Low Carbon Technology Demonstration Pilot Call in 2024 by the SEAI National Energy RD&D Funding Programme. The proposed pilot would invest in several key innovative technology development and demonstration projects in Ireland and would be open to applications from a range of RE technology areas, effectively fostering an indigenous innovative technologies pipeline to contribute to installed capacity.

ESB is advancing several innovative projects on renewable energy technology such as the 100 MW Malin Sea floating offshore wind farm, the 4.9 MW Saoirse Wave Energy pilot and hydrogen production and storage initiatives. Additionally, ESB is exploring a 100-hour Iron-Air battery technology and deploying industrial heat pumps along with commissioning a Static Synchronous Compensator system in Ireland on the 110 kV transmission system to support grid stability and decarbonisation[23].

Joint Projects

RED III strengthens the obligation on Member States to cooperate on joint projects involving electricity production, heating or cooling from renewable sources. By 31st December 2023, Members states are required to establish a framework for cooperation on joint projects with one or more other Member States to produce renewable energy (Article 9). By the same date, MSs must have endeavoured to establish at least two projects along with a third joint project for countries with an annual energy consumption of more than 100TWh (Article 9). Ireland's annual energy consumption for 2023 was 140.77 TWh[24]. The two projects are not explicitly stated in

Ireland's NECP however, Ireland has committed to opening the RESS to other MSs with whom Ireland has a direct electricity connection provided an agreement is in place that outlines the rules to prove physical delivery of green electricity. Additionally, the planned 700MW Celtic interconnector connecting Ireland to the south-west coast of France further strengthens cross-border renewable energy cooperation[25].

Ireland is a member of the North Seas Energy Cooperation[26] (NSEC) which is a voluntary market-oriented, regional cooperation initiative established in 2016 with the aim of ensuring a sustainable, secure and affordable energy supply in the North Seas region. The NSEC has a particular focus on supporting the deployment of offshore wind in the North Seas through serving as a platform to work jointly on offshore projects and coordinated electricity infrastructure including transmission infrastructure. Ireland contributes to this group through establishing common impact assessment methodology and through developing policies for cooperation on hybrid projects.

Renewables in Industry

RED III aims to encourage MSs to boost renewable energy use in industry by at least 1.6% per year on average between 2021-2025 and 2026 and 2030 (Article 22 (a)). There are instructions for MSs to outline their plans to meet these goals in their NECPs. By 2030, at least 42% of hydrogen used in industry must come from renewable non-biological sources, increasing to 60% by 2035 (Article 22 (a)). In Ireland's NECP, the projected growth of renewables in industry is outlined under the WEM and WAM scenarios. By 2030, the share of renewables in industry is expected to reach 10% under the WEM and 12% under the WAM, primarily driven by increased biomass use. However, these projections may fall short of the RED III requirement as stated above. Industry in Ireland has been identified as a potential end user of renewable hydrogen, particularly the pharmaceutical industry[27]. Hydrogen is already used in some industrial processes in Ireland but small-scale use of renewable hydrogen in industry is planned to begin from 2027 onwards according to the Roadmap for the Decarbonisation of Industrial Heat[28].

Both the carbon tax and the ETS act as drivers to encourage industry to make the switch to renewables. In Ireland, industrial companies who take part in the ETS may qualify for a full (electricity generation, chemical reduction, electrolytic or metallurgical processes) or partial (installations with permits issued by the EPA) exemption to carbon tax on natural gas[29]. Natural

gas used as fuel for CHP plants is not eligible for relief but there is full relief for use of gas in an environmentally friendly way in high efficiency CHP.

The Support Scheme for Renewable Heat (SSRH) in non-ETS industry has been operational since 2018 and will run until 2027. It includes two financial supports covering transition from fossil fuel to renewable heating systems: (1) Operational tariff support for a biomass and biogas heating system and; (2) An installation grant of up to 40% for a commercial heat pump.