



## Climate Change Advisory Council Meeting –Carbon Budgets Working Group

### Meeting 4

#### APPROVED MINUTES

**Date:** 29<sup>th</sup> June 2023

**Start time:** 13:30

**Venue:** EPA officers, Clonskeagh and Video Conference Meeting

**Present: In person:** Niall McInerney, Kian Mintz-Woo, Mert Yakut, Stephen Treacy, Trevor Donnellan, David Styles, James Murphy

**On MS Teams:** Emma Lynch, Brian Ó Gallachóir, Jeanne Moore, Oliver Gedden

**Apologies:** Colm Duffy, Hannah Daly, Jim Scheer, Kevin Hanrahan, Yvonne Buckley, Kelly de Bruin, Niamh Garvey,

**Observers:** John Fitzgerald (in person), Patricia King (online), Jillian Mahon (online)

**Secretariat:** In person: George Hussey, Meabh Gallagher, Kieran Craven; Philip O'Brien, Gina Kelly

### 1. Opening of meeting

#### 1.1. Adoption of Agenda

The agenda was adopted by the Carbon Budgets Working Group (CB WG).

#### 1.2. Minutes for the Carbon Budgets Working Group Meeting

The minutes from the previous meeting were accepted by the CB WG

#### 1.3 Actions

Actions 3 & 5 of the Actions Log will be kept open and will be developed as the CB WG continues.

## **2. Scoping of Modelling Work**

Emma Lynch presented an overview on National Energy Modelling Framework (NEMF) used by the SEAI. This modelling work is underpinned by legislation and tasked with providing projections on energy production and use in Ireland. Model inputs, outputs, sensitivities and assumptions were outlined. The focus of the model is on policy impacts to energy supply, demand and energy related emissions. Discussions included model precision, the openness of the model and associated code, and modelling constraints such as the ability to include consumer behaviour and the inclusion of relevant new data.

Niall McInerney presented an overview of the Core Structural Model (COSMO) used by the Central Bank of Ireland and which is a medium scale structural econometric model of the Irish economy. Model inputs, outputs, sensitivities and assumptions were outlined and how COSMO could be incorporated with other Irish models through both inputs and outputs. Discussions included the availability of input data, and interaction with international models and how global scenarios such as energy price shocks are incorporated in the modelling.

Mert Yakut presented an overview of the I3E model used by the ESRI and its application for improving the understanding of the impacts of climate change policies in Ireland, including the interaction between energy use and the economy. Model inputs, outputs and assumptions were outlined. Discussions included the complementary nature of COSMO and I3E, sensitivity to calibration year and challenges associated with modelling the Irish economy.

## **3. Macroeconomic impacts of carbon budgets**

Mert Yakut presented on the potential of the I3E model to assist with understanding the macroeconomic impacts of carbon budgets. Upcoming developments to the model were outlined. It was noted by the Secretariat that the CB WG would return to this topic in future meetings.

An update to the methodology (V1.3) was circulated as part of the meeting material, which included an update to Section 3.3 of the document following feedback from ESRI on the scope of the Department of the Taoiseach's Research & Modelling Macroeconomic Subgroup.

## **4. Climate Justice and Paris Test**

Kian Mintz-Woo outlined some of the main philosophical considerations of Climate Justice and the Paris Test with regard to Carbon Budgets. The focus was on broad philosophical considerations and their implications for climate change and defining carbon budgets. Considerations included equity principles, the reference year for calculations, the clear definition of the end point and probabilities for reaching this, the choice of metrics, the gas mixture and the responsibility of emitters. Discussions included macroeconomic

considerations, the solidarity principle within decision making, and changing global carbon budgets.

## 5. Carbon Budgets Work Plan

The Secretariat outlined the work programme for the CB WG, including future thematic topics and schedule for modelling by the CB WG. At the July CB WG there will be an overview of the NTA and FERS models along with a focused discussion on methane. In September, there is both the regular CB WG meeting and a workshop for agreeing model inputs. There is no CB WG meeting scheduled for August.

Follow-up letters have been issued by the Secretariat to modelling teams under the terms of the MoU. There is a Liaison Officer meeting planned for mid-July.

## 6. Next Steps and Agenda for next meeting

No actions were raised from this meeting. The Secretariat will update the CB WG on outcomes from the Liaison Officer July meeting. The next meeting will include a discussion on methane and further outlines of modelling work.

## 7. AOB

No items raised under AOB

Action Number	Date Raised	Description	Owner	Due	Status
3	20/04/23	Expand discussion of macroeconomic inputs/ drivers	CCAC Secretariat and relevant CB WG Members	Q3 2023	Ongoing – Update to be provided at CB WG Meeting 4 and 6
5	20/04/23	Further develop the approach and preparation for topical discussions	CCAC Secretariat	Q3 2023	Ongoing – Secretariat to provide an update on the approach and preparation for upcoming topical discussions at each meeting.