

Taoiseach Micheál Martin, Tánaiste Leo Varadkar and Minister Eamon Ryan
Government Buildings,
Merrion Street Upper,
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12th April 2022

CC: *Minister Paschal Donohoe TD, Minister Michael McGrath TD*

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RE: Energy Security and Climate Action

Dear Taoiseach Micheál Martin TD, Tánaiste Leo Varadkar TD and Minister Eamon Ryan TD,

The Climate Change Advisory Council empathises strongly with the people of Ukraine in their suffering and supports the Irish response to the unfolding humanitarian crisis caused by the Russian Government's unprovoked invasion of Ukraine. The crisis has highlighted the EU and Irish dependence on imported fossil fuels, along with the societal and economic exposure to volatile and high prices, and implications for energy security. The Council acknowledges the severe challenges that this situation presents but is concerned that short-term measures taken to mitigate price shocks and ensure resilience of energy supplies could be taken without regard to climate objectives.

Global instability in energy markets may be enduring, therefore responses need to take a long-term perspective and focus on those already in fuel poverty. The Council supports the recent payment to those availing of the Fuel Allowance. Whilst the Council understands the rationale for the recent temporary cut in excise duty as an emergency measure, the Council recommends that policy measures in relation to fuel excise duty are better focused. The ESRI¹ has found that high income households account for most of the cost to the exchequer of recent measures. Subsequent measures should, instead, be better targeted to those in challenging circumstances, fuel poverty and with low incomes.

This crisis further emphasises the urgency with which we need to reduce our reliance on imported fossil fuels. This will have the benefit of shielding consumers from volatile energy prices, increasing our security of energy supply and supporting the achievement of our climate objective. More than ever, ensuring security of energy supply through development of our renewable resources, demand measures and energy efficiency is a no regrets policy.

Strong political, all of government support is urgently required to support the delivery of the renewable ambition and ensure that new renewable generation can become operational as soon as possible. Lengthy and delayed planning timelines are currently impeding development of critical grid infrastructure and renewable projects. This needs to be addressed as a matter of priority. It is imperative that the planning system is appropriately resourced to ensure that planning decisions on strategic infrastructure development meet required statutory timelines, while ensuring full compliance with environmental legislation and protection of biodiversity.

Small-scale renewable energy infrastructure such as solar can be installed relatively quickly and provides an opportunity for household energy production and demand reduction. The Council appreciates the government's approval of the Micro-generation Support Scheme but regrets that tariffs are still not widely available to customers and the government has so far failed to produce updated planning regulations to facilitate expedited roll out of solar installations on schools, homes and businesses. Accelerated rollout of smart meters and provisions for consumer access to smart meter usage data must be progressed as a matter of urgency to facilitate informed energy saving practices. The Council supports measures to encourage greater uptake of Time-of-Use tariffs for electricity customers, which would incentivise a change in the patterns of electricity usage and move demand away from peak times, with potential to reduce both the cost of electricity and overall emissions. Accelerated implementation of a Demand Side Management Strategy

¹ <https://www.esri.ie/publications/quarterly-economic-commentary-spring-2022>

including demand response by large energy users and demand side flexibility services are crucial to meet future system needs as Ireland progresses to 80% renewable electricity.

A price on carbon, via the carbon tax which is ring fenced, raises important revenues to support climate action across the whole of society. The Council supports the government's current carbon tax plans including the use of revenue raised for the continuation and enhancement of retrofit supports, welfare transfers to protect the most vulnerable households and investment in sustainable agriculture. The certainty of the carbon tax increments is key to informing investment decisions and meeting decarbonisation targets. The most recent IPCC working group report published last week reaffirms the effectiveness of economic instruments such as the carbon tax as part of a suite of measures.

The Council welcomes the scale and ambition of the recently launched National Retrofitting Scheme. Support for retrofit and zero carbon systems needs to be prioritised towards households in receipt of the fuel allowance and towards the worst performing buildings, including in particular those heated by coal and peat. Current policies and grant criteria however can prevent support for the deployment of zero carbon solutions. Heat pump assessments should be freely available and 'Heat Loss Indicator' requirements should be widened and better communicated to facilitate rollout to a larger number of homes. In the short term, there should be a focus on investment in and rollout of home energy upgrades which are low cost and straightforward to implement such as attic insulation, in order to further support vulnerable and energy poor households for next winter.

Zero carbon district heating has the potential to supply a significant proportion of residential heat demand across Ireland in urban and some suburban areas. The efficiency and effectiveness of District Heating has been demonstrated internationally. The Council sees the deployment of zero carbon district heating as a priority solution for decarbonisation in the heat sector and recommends adoption of concrete plans for its deployment across Ireland with acceleration of actions set out in the Climate Action Plan 2022.

In order to mitigate against rising fuel prices for consumers, the Council supports measures to increase the use of public transport such as the recently announced reductions in public transport fares. There should be a much greater focus on overall demand reduction and a number of organisations have recently proposed practical steps to reduce energy demand in transport. The government should initiate a broad-based communication of options to assist the public to manage their energy consumption.

The recent adoption of the Carbon Budgets by the Oireachtas is an important milestone. The Council stresses that the most impactful measures within the Climate Action Plan must urgently be prioritised and accelerated at a rate not previously foreseen. The Council is concerned that the current timelines for delivery of core measures are too long and the procedures to facilitate the delivery of these measures are not progressing fast enough. An accelerated and strategic approach to decarbonising the electricity sector and escalating the clean energy transition in heating and transport will reduce our fossil fuel dependence while also helping to achieve climate targets.

The Council looks forward to providing any further assistance or advice as required to government in developing responses to these unprecedented challenges.

Regards,



Marie C. Donnelly

Chair of Climate Change Advisory Council