



IRELAND'S ENERGY & CLIMATE PLAN



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Ireland’s Energy And Climate Plan: Consolidation, Cohesion, Consultation

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Executive Summary

Ireland is falling behind on meeting its decarbonisation and renewable targets for 2020, and Government has acknowledged that a new approach and vision will be required in the years ahead. Under European law, Ireland must produce a Draft Integrated National Energy and Climate Plan (NECP) by the end of 2018 in any case, and this plan must set out detailed policy measures to realise targets across five dimensions of the EU's Energy Union Flagship Project.

This policy brief argues that this requirement under EU law provides an opportunity to revisit Ireland's energy and climate policy, and identifies three important steps to producing an NECP:

- 1. Stock-taking: Existing energy and climate policy must be **consolidated** from a range of policy documents relevant to the five dimensions of energy and climate policy proposed by the European Commission. Relevant measures are mainly contained in the National Mitigation Plan (NMP) and the National Development Plan 2018-2027 (NDP).*
- 2. Coherence and ambition: European law requires Ireland's NECP to be **coherent**, not just in itself but also with overarching EU climate and energy objectives. To achieve this, in the area of decarbonisation, a very significant challenge will be ensuring that the consolidated policies are sufficiently **ambitious** to meet 2030 objectives, which have already been agreed at EU level. However, in the areas of energy efficiency and renewables, new targets will need to be defined first of all, and policies must then be aligned and sufficiently ambitious to meet these newly enumerated targets. This process will be complicated by the tight timelines and the uncertain backdrop created by Brexit.*
- 3. Consultation: This is a complex process with potentially profound implications for Ireland's future social and economic development. It is therefore suggested that this stock-take and concretisation of existing policy should go hand-in-hand with public **consultations** to "fill the gaps" and to foster ownership of Ireland's NECP.*

This policy brief demonstrates that there are considerable gaps left to be filled in order to bring Irish policy in line with the new EU vision for energy and climate policy, but also that there is a substantial base of policy and process to build upon

1. Introduction

In the early hours of 20 June 2018, representatives of the European Commission, the European Parliament and the European Council, reached an agreement on a key piece of legislation that will shape the direction of the EU's energy and climate policy to 2050: the Regulation on the Governance of the Energy Union.¹

The Governance Regulation is the keystone of the Energy Union project, one of the Juncker Commission's ten priorities for its 2015-19 term.² In a 2015 Communication, the Commission set out its vision of the energy union as an overarching framework that combines and harmonises energy and climate policy.³

The Governance Regulation is designed to unite the European Union's energy and climate policy under a single governance mechanism, with the Commission responsible for supervision and, if need be, enforcement. It will do so by requiring Member States to produce **Integrated National Energy and Climate Plans (NECPs)** every ten years, setting out national energy and climate targets and policies. These plans will be used to make sure that the Union as a whole remains on track to deliver its overarching climate and energy targets (table 1).

Greenhouse Gas Emissions Reductions (compared to 1990 levels)	40%
Share of Renewable Energy in Gross Final Energy Consumption	32%
Energy Efficiency	32.5%
Interconnection Target	15%

Member States have to submit draft NECPs for the period 2021-2030 to the European Commission by 31 December 2018. The Commission will evaluate all NECPs in light of overarching Union-level energy and climate targets and revert to Member States with recommendations. Final NECPs must be submitted to the Commission by the end of 2019.

This policy brief argues that compiling Ireland's draft NECP will be a challenge given the short timeframe, but also an opportunity to conduct a "stock-take" of existing national policy. It is also an opportunity to combine the significant progress made over the past year into a coherent and ambitious energy and climate strategy and to "lock-in" this strategy at European level. Finally, if approached in an open and consultative

1 Hereafter referred to as "Governance Regulation"; the final compromise text can be accessed here: data.consilium.europa.eu/doc/document/ST-10307-2018-ADD-2/en/pdf

2 European Commission, "Energy Union and Climate: Making Energy More Secure, Affordable and Sustainable", ec.europa.eu/commission/priorities/energy-union-and-climate_en

3 European Commission, *A Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy*, COM(2015) 80 final, eur-lex.europa.eu/resource.html?uri=cellar:1bd46c90-bdd4-11e4-bbe1-01aa75ed71a1.0001.03/DOC_1&format=PDF; for further background on the genesis of the Energy Union, see also Marie Vandendriessche, "The Road to the Energy Union" (Florence School of Regulation, 11 December 2017), fsr.eui.eu/road-energy-union/

fashion, it could foster further ownership and public engagement with Ireland's decarbonisation strategy.

This policy brief recommends that three processes should be undertaken in parallel: **consolidation** of existing policy; ensuring **coherence and sufficient ambition** of national policy; and **consultation** of the public to "fill the gaps" and to foster ownership of and public engagement with Ireland's NECP.

After an overview of the NECP process, each of these actions will be examined in turn.

2. Integrated National Energy and Climate Plans (NECPs): Preconditions and Process

Moving away from the approach of national legally binding targets that dominated the Union's energy and climate policy to 2020, European heads of state and government in 2014 opted to move towards an approach of targets binding at Union level in the period 2021-2030.

To this effect, in June 2018, agreement was reached on an EU-wide renewables target of a 32% share of renewables in gross final energy consumption,⁴ while EU institutions settled on a 32.5% energy efficiency target.⁵ The only nationally binding target pertains to emissions not covered by the EU Emissions Trading System (ETS), which includes agriculture, transport and heat from buildings: the **Climate Action Regulation** will oblige Ireland to reduce its emissions by 30% compared to 2005 levels by 2030 from these sectors.⁶

All EU Member States are required to produce NCEPs, and the EU aims to ensure the achievement of these targets through an iterative process where final plans are agreed with the Commission.

The Energy Union Governance Regulation sets out a comprehensive checklist or template for the format of NECPs, which have to cover all five dimensions of the Energy Union (table 2). A simplified version of the five dimensions and the most important targets and measures that need to be included in Ireland's NECP can be found below.

4 European Parliament, "Energy: new target of 32% from renewables by 2030 agreed by MEPs and ministers" (Press Release, 14 June 2018), www.europarl.europa.eu/news/en/press-room/20180614IPR05810/energy-new-target-of-32-from-renewables-by-2030-agreed-by-meps-and-ministers

5 European Commission, "Energy Efficiency First: Commission Welcomes Agreement on Energy Efficiency" (Press Release, 19 June 2018), europa.eu/rapid/press-release_STATEMENT-18-3997_en.htm

6 Regulation (EU) 2018/842, eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018R0842&from=EN

1. Decarbonisation

Under this dimension, Ireland's NECP will need to set out policies and measures designed to meet Ireland's **binding target of achieving a 30% reduction of greenhouse gas emissions** in non-ETS Sectors by 2030 compared to 2005 levels.

The plan will also need to specify Ireland's planned share of **energy from renewable sources** in gross final energy consumption by 2030 and set out a **trajectory** for the achievement of that target over the period 2021-2030, both overall and on a sectoral level for electricity, heating and cooling. This target and trajectories must be in line with the **overarching Union-level target of achieving a 32% share of renewable energy** in gross final energy consumption by 2030.

The NECP will also need to set out **specific policies and measures** to achieve this national target and trajectory, including measures for regional cooperation; for the financing of renewable energy; and for the empowerment of renewable self-consumers and energy communities.

2. Energy Efficiency

This section of Ireland's NECP will need to determine **Ireland's contribution to the EU-level energy efficiency target of 32.5% by 2030**. It will also have to set objectives for the long-term renovation of residential and commercial buildings.

These targets need to be backed up by specific policies designed to achieve them, including energy efficiency obligation schemes and policies to stimulate renovations.

3. Energy Security

This dimension of the NECP must include strategies and policies designed to **increase diversification of energy sources** (with particular emphasis on the deployment of domestic renewable energy sources); to increase storage capacities in case of emergencies; and to **reduce import dependence on third countries**.

4. Internal Energy Market

This dimension of the Energy Union is a cross-cutting one, which acts as a catalyst for the first three dimensions by creating a more flexible, consumer-focused energy market.

It requires targets and policies for interconnectivity, for the planning and completion of **major transmission infrastructure projects**, for the **protection of vulnerable consumers** and for the introduction of more flexibility into the electricity market.

5. Research, Innovation & Competitiveness

The fifth dimension of the Energy Union is also the broadest, requiring Member States to set out the **public and private research funding** they envision to support advances in the other Energy Union dimensions. Member States are also invited to set out their **long-term decarbonisation strategies to 2050**.

Table 2 Energy Union dimensions and main targets and measures to be included in NECP

NCEPs must therefore determine national targets in line with meeting pan-European objectives, and clearly back up these targets with specific policies and measures. The exception is non-ETS emissions: in this case, the national target is determined at EU level, and the NCEP must set out a coherent strategy for meeting this objective.

Draft NECPs covering the period 2021-2030 have to be submitted to the European Commission by the end of 2018.⁷ The Commission will then revert to Member States with recommendations on their content and whether they suffice to reach overarching European energy and climate goals by 30 June 2019.⁸ Final plans taking “due account” of these recommendations⁹ must be submitted by the end of 2019.¹⁰

The Governance Regulation includes an upward revision clause,¹¹ which allows Member States to submit a draft and final update of their NECP by 30 June 2023 and 30 June 2024 respectively. Any proposed change in policies and targets must reflect “increased ambition”.¹²

Member States must submit an *Integrated National Energy and Climate Progress Report* on the implementation of their NECP to the Commission by 15 March 2023 and every two years thereafter.¹³ This is the main tool through which the Commission will monitor and coordinate Member States’ energy and climate policies.¹⁴ NECP updates and reports will also be made available to the public online.¹⁵

7 Governance Regulation, Article 9(1).

8 Governance Regulation, Article 9(2).

9 The Commission’s proposal from November 2016 required Member States to take “utmost account” of its recommendations on draft NECPs, a wording that was endorsed by the European Parliament. However, in trilogue negotiations, the European Council’s preferred wording of “due account” prevailed, albeit with the additional requirement that Member States must provide and make public reasoning if they do not address one or more Commission recommendations on the draft NECP.

10 Governance Regulation, Article 3(1).

11 Governance Regulation, Article 13.

12 Governance Regulation, Article 13(3).

13 Governance Regulation, Article 15(1); see Chapter 4 of the Governance Regulation for detailed reporting requirements.

14 In addition to the biennial reports, there are reporting requirements for greenhouse gas policies and projections; technology transfer; as well as annual reporting obligations of certain statistics. See Governance Regulation, Articles 16, 17 and 23.

15 Governance Regulation, Article 24.

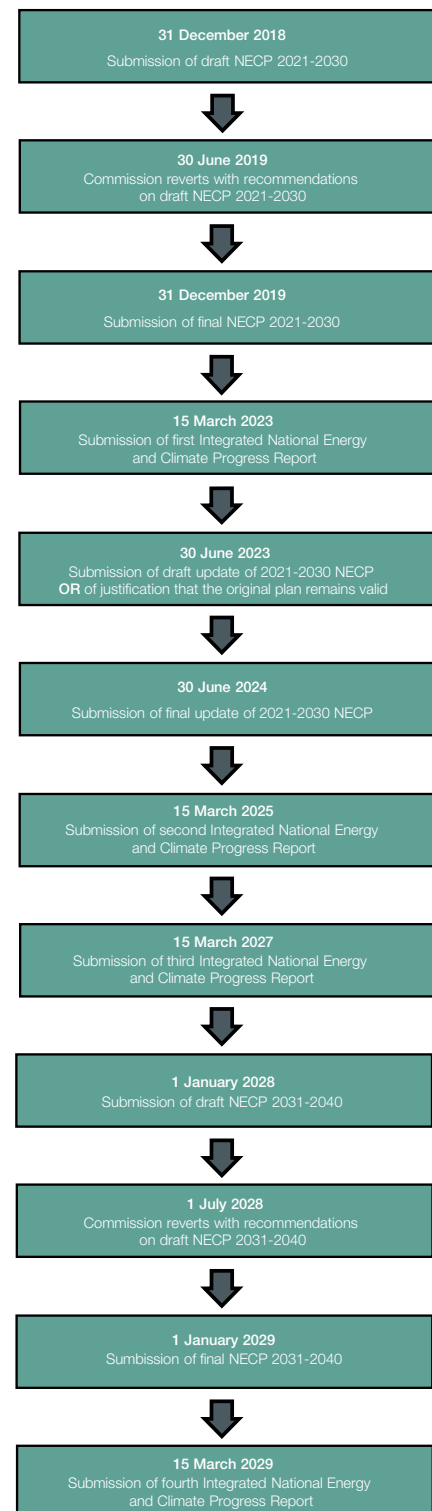


Figure 1 Main reporting and submission deadlines 2018-2030

The Governance Regulation gives the Commission several “gap filling” tools to adjust course if all 27 NECPs do not collectively add up to reaching the Union’s overarching 2030 energy and climate targets.¹⁶

Figure 1 shows a timeline of the main reporting and submission deadlines to 2030.

3. Pathways to Ireland’s NECP

The compilation of an NECP by the end of 2018, even in draft form, will be challenging. This policy brief offers a perspective on three key tasks that need to be addressed to meet the requirements of the Governance Regulation effectively.

3.1. Stock-taking

The obligation to produce a draft NECP is an opportunity to combine the actions proposed in the National Mitigation Plan (NMP) with the measures of the National Development Plan 2018-2027 (NDP).^{17 18} Other key pieces of government policy to be considered in an initial “stock-take” include the *National Adaptation Framework* and the White Paper on *Ireland’s Transition to a Low Carbon Energy Future 2015-2030*.^{19 20}

Matching the actions proposed in existing policy to the individual detailed requirements of the NECP is beyond the scope of this brief. However, a review of the NMP and NDP shows that a starting point for developing the detailed measures required is already present. For example, an assessment of the 106 actions proposed in the NMP alone suggests that these actions are relevant to the five dimensions. In fact, in several cases, these actions are relevant to more than one dimension, and figure 2 below divides these actions according to the dimension(s) to which they are relevant.

Sixty-six of the one hundred and six actions of the National Mitigation Plan are relevant to the first dimension of the Energy Union: **decarbonisation**. A significant share of the €21.8 billion in investment in the *Transition to a Low-Carbon and Climate-Resilient Society* from both the private and public sector announced in the National Development Plan will contribute to this dimension (figure 3). This is not immediately discernible: in a breakdown of investment actions, Government indicates that 63% of planned investment, constituting almost all of planned non-exchequer investment, will go towards a catch-all “Energy Investment” heading.

¹⁶ See Governance Regulation, Chapter 5 and in particular Article 27.

¹⁷ Department of Communications, Climate Action and Environment, *National Mitigation Plan* (DCCA, July 2017), www.dcca.gov.ie/documents/National%20Mitigation%20Plan%202017.pdf

¹⁸ Department of Public Expenditure and Reform, *National Development Plan 2018-2027* (Government of Ireland, February 2018), www.per.gov.ie/en/national-development-plan-2018-2027/

¹⁹ Department of Communications, Climate Action and Environment, *National Adaptation Framework* (DCCA, January 2018) www.dcca.gov.ie/documents/National%20Adaptation%20Framework.pdf

²⁰ Department of Communications, Energy and Natural Resources, *Ireland’s Transition to a Low Carbon Energy Future 2015-2030* (DCENR, December 2015), www.dcca.gov.ie/documents/Energy%20White%20Paper%20-%20Dec%202015.pdf

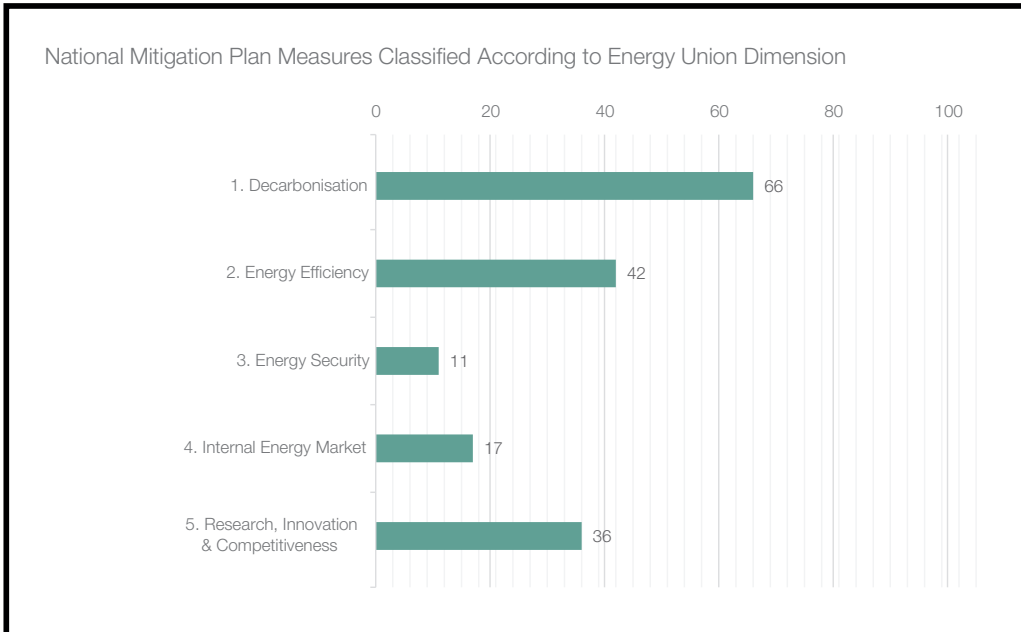


Figure 2 Actions of the National Mitigation Plan classified according to their relevance to the five dimensions of the Energy Union. Note that a single action may be relevant to multiple dimensions.²¹

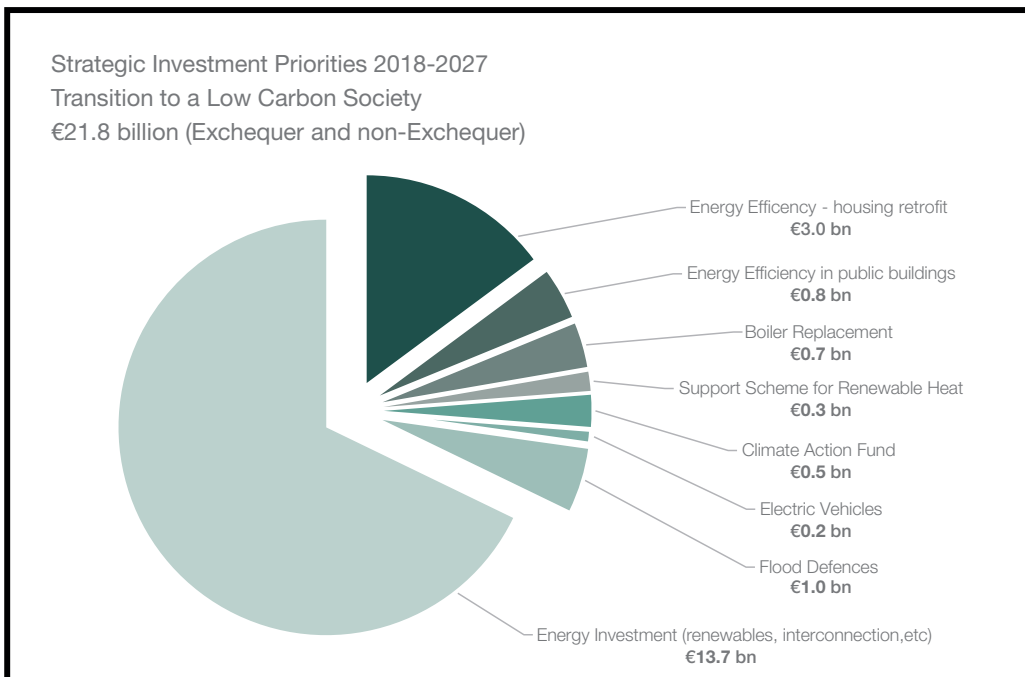


Figure 3 National Strategic Outcome 8: Total Investment by Category²²

21 For an overview of all actions proposed in the National Mitigation Plan, see National Mitigation Plan, 148-158.

22 National Development Plan, 22.

While this “energy investment” heading seems rather broad, many more specific decarbonisation actions are mentioned in the text of the plan. For example, the NDP calls for a significant addition of renewable energy sources to the national energy mix. This includes a Renewable Support Scheme to support up to 4,500 additional megawatts of additional renewable electricity by 2030 and the introduction of a new Support Scheme for Renewable Heat.²³ It also calls for significant steps to decarbonise heating, cooling and transport.

Regarding **energy efficiency**, the NDP touches on several aspects of the NECP requirements. This includes a commitment to increase home upgrades to 45,000 per annum from 2021 through exchequer investment of €4 billion in the period 2018-2030. This would be combined with “taxation and regulatory measures”.²⁴ The NDP also calls for support schemes replace oil-fired boilers with heat pumps along with the provision of rooftop solar in “at least 170,000 homes”.²⁵ This is complemented by commitments in the NMP such as the implementation of the deep retrofit pilot,²⁶ the rollout of the Excellence in Energy Efficiency Design (EXCEED) programme,²⁷ and the establishment of a behavioural economics unit, all overseen by the Sustainable Energy Authority of Ireland (SEAI).²⁸

The step-up in the deployment of domestic renewable energy sources as outlined in the NDP is also of relevance for the objectives of diversification and the reduction of import dependency under the **energy security** dimension of the NECP. Potential exploitation of another gas field after the depletion of the Corrib Gas Project, according to the NDP, also serves the twin energy security objectives of diversification of energy sources and reduction of import dependency.²⁹ The Celtic Interconnector, the first planned electricity connection with mainland Europe, is another significant step in this direction.³⁰

The Celtic Interconnector is also of relevance for the **internal energy market** dimension of the NECP as it pertains to the achievement of the electricity interconnectivity target of 15% by 2030.³¹ ³² The NMP further contains several actions designed to protect consumers living in energy poverty or those vulnerable to falling into energy poverty.³³

Under the **Research, Innovation & Competitiveness** dimension of the NECP, the NMP proposes a host

23 National Development Plan, 75.

24 National Development Plan, 76.

25 National Development Plan, 75.

26 National Mitigation Plan, Action 33.

27 National Mitigation Plan, Action 35.

28 National Mitigation Plan, Action 39; See also the June 2018 presentation by SEAI CEO Jim Gannon at the IIEA on progress regarding the use of behavioural economics in the SEAI: www.youtube.com/watch?v=ayfMq3SKe3M

29 National Development Plan, 85.

30 National Development Plan, 78.

31 A Commission Communication from November 2017 acknowledges the difficulty for Ireland in reaching this target in consideration of Brexit. European Commission, *Communication on Strengthening Europe's Energy Networks*, COM(2017) 718 final, ec.europa.eu/energy/sites/ener/files/documents/communication_on_infrastructure_17.pdf

32 See also: Government of Ireland, *National Policy Statement: Electricity Interconnection* (Government of Ireland, July 2018), www.dccae.gov.ie/en-ie/energy/publications/Documents/19/National%20Policy%20Statement%20on%20Electricity%20Interconnection.pdf

33 See for example National Mitigation Plan, Actions 31, 32, 46 and 47.

of research to be conducted. Thirty-six actions of the NMP are relevant to this dimension, while Ireland's overarching long-term target on emissions reductions can be found in the National Policy Position on Climate Change.³⁴

3.1.1. Interim Conclusions

A cursory survey of the main Irish policy documents shows that solid building blocks for Ireland's NECP are already present. A thorough "stock-take" of existing policy and its examination through the lens of the five dimensions of the Energy Union is a vital starting point.

3.2. Coherence and ambition

Once existing measures that are relevant to the five dimensions of the Energy Union have been identified (see the previous section on stock-taking), the second step is to assess whether these measures are both adequate and coherent within the context of EU objectives. This process will differ across the dimensions of the NCEP.

Ireland's binding non-ETS emissions reductions target for 2030 is determined by European law, while in the areas of renewable energy and energy efficiency, Ireland is required first of all to set its own domestic targets, representing a meaningful contribution to overall European goals before it identifies how these targets are to be met with new policies and measures. Targets and policies in the NECP dimensions of Energy Security and the Internal Energy Market, meanwhile, are subject to uncertainties due to the potentially adverse consequences of Brexit for the Irish energy sector.

3.2.1. Non-ETS Emissions

The non-ETS emissions aspect of the NECP can be seen as the most clear-cut part: the nationally binding target for 2030 is set by European law. It is up to Member States to specify in their NECP measures to ensure the achievement of this target.

In Ireland, the main source of these measures is the National Mitigation Plan (NMP), which, however, acknowledges that the actions set out are insufficient for meeting Ireland's EU objectives for 2030.³⁵ The subsequently published National Development Plan (NDP) went some way to closing this gap. Preparation of the GHG emissions and removals section of the National Energy and Climate Plan (NECP) will necessitate a review of whether the combined decarbonisation measures of both plans present a credible pathway to achieve the 30% emissions reductions target. Their sufficiency can be assessed through energy modelling, and this can be used to identify areas where further policies and measures will be required in order for targets in the five dimensions to be met.

³⁴ Department of Communications, Energy and Natural Resources, *National Policy Position on Climate Action and Low Carbon Development* (DCENR, April 2014), www.dccae.gov.ie/en-ie/climate-action/publications/Documents/5/National%20Climate%20Policy%20Position.pdf

³⁵ National Mitigation Plan, 8.

According to the Climate Action and Low Carbon Development Act 2015, there may be a role for Ireland's Climate Change Advisory Council in this process. The Act states that the Council may, "at any time it considers appropriate" or pursuant to a request by the Minister of Communications, Climate Action and Environment, review the most recently approved NMP, having regard to, among other factors, "any significant developments in the law of the European Union or international law relating to the control and reduction of emissions of greenhouse gases".³⁶ The agreement of a new EU target would appear to meet the criteria for a "significant development". A review by the Council would enable the Minister to submit to the government for approval a plan, which could, according to the Act, lead to "varying, revising or replacing an approved national mitigation plan".³⁷ In August 2018, the Minister for Communications, Climate Action and Environment stated that he would "reopen" the National Mitigation Plan in light of "changed circumstances".³⁸

3.2.2. Renewable Energy and Energy Efficiency

Compared with non-ETS emissions, drafting the renewable energy and energy efficiency sections will involve a more complex process. Here, the Governance Regulation relies on a **bottom-up approach, whereby Member States determine their own contribution to EU-level targets and set out the policies designed to achieve them. Thus, both the target and policy must be determined at Member State level.**

With regard to **renewable energy**, for which the EU-level target is a 32% share of renewables in gross final energy consumption by 2030, Ireland's NECP must also include a trajectory for the achievement of its nationally determined 2030 share of renewables. The Governance Regulation sets three reference points for the achievement of the total planned increase of the share of renewable energy between 2021 and 2030 as shown in figure 4. It is important to note that the starting point in 2021 will be Ireland's binding renewables target under the 2009 Renewable Energy Directive of 16% rather than the actual share of renewables achieved at that time.³⁹

As a simple example, if Ireland were to set a target of achieving a 26% share of renewables by the end of 2030, representing a 10% increase on its binding 2020 target, it would have to achieve a 17.8% share of renewables in 2022; a 20.3% share in 2025; and a 22.5% share in 2027. However, Ireland is expected to miss its 2020 target by up to three percentage points,⁴⁰ which will render the trajectory towards the first reference point in 2022 considerably steeper.

³⁶ Climate Action and Low Carbon Development Act 2015. See Section 13, and in particular, subsections 2, 3 and 7 in conjunction with Section 4, subsections 2(c), 5, 6 and 7, <http://www.irishstatutebook.ie/eli/2015/act/46/enacted/en/html>

³⁷ Climate Action and Low Carbon Development Act 2015, Section 4, subsection 5.

³⁸ Kevin O'Sullivan, "Naughten Admits Plan to Cut Carbon Emissions is Not Working" (Irish Times, 30 August 2018), www.irishtimes.com/news/environment/naughten-admits-plan-to-cut-carbon-emissions-is-not-working-1.3611689

³⁹ Governance Regulation, Article 4(a)(2)(i).

⁴⁰ Sustainable Energy Authority of Ireland, *Ireland's Energy Projections: progress to Targets, Challenges and Impacts* (SEAI, 2017), 4, www.seai.ie/resources/publications/Irelands_Energy_Projections.pdf

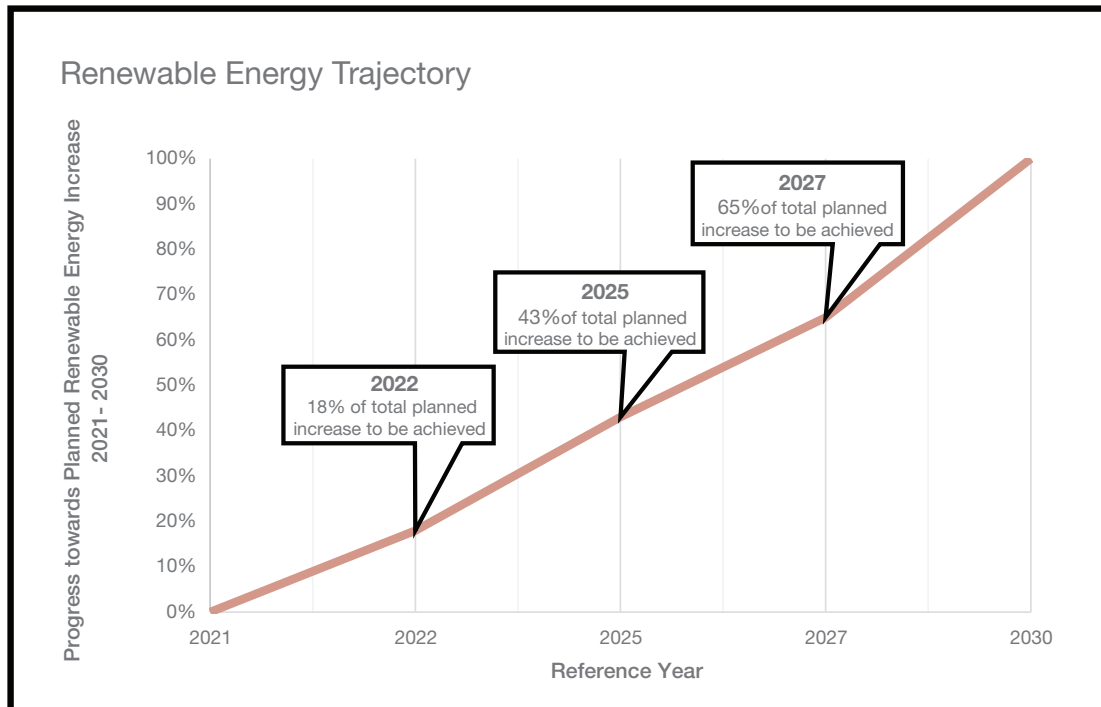


Figure 4 Renewable Energy trajectory as defined in the Governance Regulation

This poses the question of the adequacy of the renewables measures proposed in the NDP, which commits to supporting up to 4,500 additional megawatts of renewable electricity by 2030 and to completing the roll-out of the renewable heat support scheme.

With regard to **energy efficiency**, Ireland must specify a 2030 efficiency target as a meaningful contribution to the Union-level target of 32.5%, accompanied by the proposed policies by which to reach this target. The overarching goal must be supplemented by sub-targets for energy savings to be achieved through energy saving obligations; for the renovation of residential and non-residential buildings; and for energy savings from public bodies' buildings.⁴¹

For these two key areas of the NECP, the process will thus be a complex and iterative one that will involve identifying what Ireland's contribution to these targets should be, and if the consolidated policies of NMP and NDP are sufficient for meeting these objectives.

3.2.3. Energy Security and Internal Energy Market: Adapting to the Impact of Brexit

The NECP dimensions of energy security and Internal Energy Market stand out as being particularly challenging for Ireland as an island nation and are profoundly impacted by Brexit. While a comprehensive

⁴¹ Governance Regulation, Article 4(b).

review of the energy security, market and interconnectivity implications of Brexit is beyond the scope of this policy brief, two issues in particular are worth highlighting here.⁴²

First, with regard to **energy security**, it is important to note that Brexit will likely affect Ireland's gas supply security. Ireland has no functioning Liquefied Natural Gas (LNG) regasification capacity and no direct gas interconnection with the continent. While the Corrib Natural Gas Project is currently meeting the majority of domestic gas demand, the NDP acknowledges its limited producing life of just 15 years. In a January 2017 Policy Brief by the Oxford Institute for Energy Studies, Dr Thierry Bros explains: "Post-Brexit, it would be impossible for Ireland alone to mitigate a serious gas supply disruption".⁴³ A July 2018 Report by the Irish Academy of Engineering concludes that, post-Brexit, Ireland will likely not be able to comply with EU law regarding security of supply in natural gas.⁴⁴

Second, and of relevance to the **internal energy market** dimension of the NECP, Brexit will likely also impede Ireland's ability to meet the European target of 15% electricity interconnectivity by 2030.⁴⁵ All of Ireland's current electricity interconnections are with the United Kingdom, which is set to become a third state post-Brexit. Even at the moment, however, at just 7.4%, existing interconnection with the UK does not suffice to meet the EU's 2020 interconnection target of 10%. The so-called Celtic Interconnector between Ireland and France, which is expected to become operational in 2025 or 2026, will have a capacity of 700MW. This is unlikely to satisfy the 15% target. The *National Policy Statement on Electricity Interconnection* is an important starting point for a more detailed post-Brexit interconnection strategy.⁴⁶

Producing the energy security and internal energy market dimensions of the NECP will thus necessitate a strategy of how the Irish energy sector will adapt to the potentially adverse implications of Brexit.

3.2.4. Interim Conclusions

After taking stock of existing policy, it is necessary to assess or reassess the ambition and coherence of Irish policy. The challenges of doing so vary across the dimensions of the NECP.

The process will be somewhat more straightforward for the first part of the decarbonisation dimension, which centres on non-ETS emissions. Here, European law determines the target, while the 2015 Climate Action and Low Carbon Development Act sets out a clear procedure for review of existing policy in light of

42 For an analysis of the implications of Brexit for the all-island Single Electricity Market, see Joseph Curtin, *Brexit and Electricity Cooperation Between Northern Ireland and Ireland*, (IIEA, June 2018), www.iiea.com/publication/brexit-and-electricity-cooperation-between-northern-ireland-and-ireland/

43 Thierry Bros, *Brexit's Impact on Gas Markets* (Oxford Institute for Energy Studies, January 2017), www.oxfordenergy.org/wpcms/wp-content/uploads/2017/01/Brexit-impact-on-gas-markets-OIES-Energy-Insight.pdf

44 Irish Academy of Engineering, *Natural Gas: Essential for Ireland's Future Energy Security* (IAE, July 2018) iae.ie/publications/iae-report-on-security-of-irelands-gas-supply/

45 European Commission, *Communication on Strengthening Europe's Energy Networks*, COM(2017) 718 final, ec.europa.eu/energy/sites/ener/files/documents/communication_on_infrastructure_17.pdf

46 Government of Ireland, *National Policy Statement: Electricity Interconnection* (Government of Ireland, July 2018), www.dccae.gov.ie/en-ie/energy/publications/Documents/19/National%20Policy%20Statement%20on%20Electricity%20Interconnection.pdf

changes in European law obligations. The Minister of Communications, Climate Action and Environment in August 2018 signalled his intention to trigger this process. However, identifying a pathway to compliance with Ireland's decarbonisation target will be very challenging.

Preparing the renewable energy and energy efficiency aspects of the NECP will be a more complex process. This is because here, both the target as well as the policies and measures to achieve them must be determined at the national level. A particular challenge for renewable energy will be to set out policies to credibly underpin a renewable energy trajectory with EU-mandated reference points. A potential danger is contained in the fact the starting point for this trajectory in 2021 will be Ireland's binding 2020 target, rather than its actual share of renewables in gross final energy consumption, which is projected to be around 3% lower. This may actually disincentivise the setting of an ambitious renewables target for 2030, as the trajectory towards the first reference point in 2022 would be particularly steep.

The objectives and measures that need to be set out under the energy security and internal energy market dimensions of the NECP should take account of the potentially adverse affects of Brexit on the Irish energy sector, particularly with regard to security of supply of gas and electricity interconnection infrastructure.

3.3. Consultation and Engagement

The previous section has identified the need for the definition or redefinition of policies and targets in Ireland's energy and climate policy, especially with regard to renewable energy and energy efficiency.

Determining these targets, and, more importantly, achieving them, will necessitate comprehensive public engagement, which must entail "traditional" public consultations, but also proactive measures to make all citizens an active part of a low-carbon roadmap.

The need for doing so becomes clear when considering that, as mentioned above, €14.2bn (65%) of the €21.8bn investment in the low carbon transition envisaged in the NDP is expected to come from non-exchequer sources. The importance of bottom-up citizen participation is particularly apparent in the dimensions of energy efficiency, where housing retrofits are expected to make major contributions; and renewable energy, where community-owned projects, self-generation, and the uptake of electric vehicles will play a major role.

The aforementioned considerations are just some of the factors that make the consultation of the public an important step in compiling an Irish NECP. Recognising this importance on the European level, Article 10 of the Governance Regulation provides:

Member States shall ensure that the public is given early and effective opportunities to participate in the preparation of the draft plans - as regards the plans for the 2021-2030 period, in the preparation of the final plans well before their adoption.⁴⁷

⁴⁷ Governance Regulation, Article 10.

The Governance Regulation also calls for the establishment of a **Multilevel Climate and Energy Dialogue**,

*where local authorities, civil society, organisations, business community, investors and other relevant stakeholders and the general public can actively engage and discuss the different scenarios envisaged for energy and climate policies [...] Integrated National Energy and Climate Plans could be discussed within the framework of such a dialogue.*⁴⁸

Due to the short timeframe, EU Member States are not required to consult the public in the composition of the *draft* of the first NECP, which covers the period 2021-2030, but only on the final plans before their submission to the Commission by the end of 2019. For all subsequent draft NECPs, however, Member States are legally obligated to consult the public.

A deadline of 31 December 2018 for the draft NECP does not leave much time for extensive public consultation. This is why it will be important for government to incorporate and build on existing input from the public. The recommendations of the Citizens' Assembly on *How the State can make Ireland a Leader in Tackling Climate Change* form an obvious starting point.

The third report and recommendations, published in April 2018, recommends many measures that are of direct relevance to the NECP, such as a carbon tax; the selling of self-generated electricity back to the grid at least at the wholesale market rate; and community ownership of renewable energy projects.⁴⁹ The Joint Oireachtas Committee on Climate Action, which was established on 3 July 2018 to consider the Citizens' Assembly report, is a promising step in incorporating these recommendations into Ireland's climate strategy.⁵⁰

The first *Regional Gathering*, held on 23 June 2018 in Athlone by the Department of Communications, Climate Action and Environment (DCCA) as part of the *National Climate Dialogue*, is another valuable channel through which the views of the public can be sought. The format of these events also seems to fit the description of Multilevel Climate and Energy Dialogues as outlined in the Governance Regulation. The clear structure for the NECP as laid out by European law can serve as a useful guide and structure for future climate dialogues and similar initiatives to engage the public.

More "traditional" channels of consultation of experts and key stakeholders, meanwhile, will also be crucial in allowing Government to fill the gaps to target that might be identified from modelling work, after consolidating existing policy.

⁴⁸ Governance Regulation, Article 10a.

⁴⁹ *Third Report and Recommendations of the Citizens' Assembly: How the State Can Make Ireland a Leader in Tackling Climate Change* (The Citizens' Assembly, 18 April 2018), www.citizensassembly.ie/en/How-the-State-can-make-Ireland-a-leader-in-tackling-climate-change/Final-Report-on-how-the-State-can-make-Ireland-a-leader-in-tackling-climate-change/Climate-Change-Report-Final.pdf

⁵⁰ The Committee on Climate Action is Chaired by Hildegard Naughton, T.D. and held its first meeting on 5 September 2018. For further information, see: <https://www.oireachtas.ie/en/committees/32/climate-action/>

3.3.1. Interim Conclusions

While European Law does not require the Irish government to hold public consultations on the *draft* NECP, the considerable work that remains to be done in defining or redefining targets and policies, as well as the reliance of the NMP and NDP on private sector investment and public engagement make early and comprehensive involvement of the public essential.

Similar to the “stock-take” of policies described above, however, this is not a matter of starting from scratch. The recommendations of the Citizens’ Assembly are just one example of the valuable work that has already been done, while the National Climate Dialogue and the Climate Action Committee present already existing channels through which to continue the involvement of the public. These efforts could commence as soon as possible and continue through 2019, even while the draft NECP is under review by the European Commission, so that the final plan that is due for submission by 31 December 2019 is a comprehensive, ambitious and achievable climate and energy roadmap that is backed by public engagement and ownership.

4. Conclusions

This policy brief has discussed the preparation of Ireland’s draft Integrated National Energy and Climate Plan (NECP), which is due for submission to the European Commission by the end of 2018.

While this tight deadline may seem daunting at first blush, this policy brief has sought to break the challenge down into three distinct, yet interdependent, sub-tasks. An overview of what processes will be involved in completing these tasks has shown both the considerable gaps left to be filled, but also the substantial base of policy and process already present.

This is particularly true for the **first step**, which involves a **stock-take** of existing measures. It is apparent that a substantial number of measures are already contained in the NDP and NMP, particularly across the first two dimensions of the Energy Union – decarbonisation and energy efficiency.

An analysis of the **second step** of assessing the **coherence and ambition** of policy identified in the first step has shown that mechanisms are in place to adjust the National Mitigation Plan to align it with an EU-mandated national greenhouse gas reductions target. For renewable energy and energy efficiency, the process is much less clear-cut, as both the target and the supporting policies need to be determined at national level. Putting together a comprehensive strategy across the energy security and internal energy market dimensions of the NECP, meanwhile, will be particularly challenging for Ireland given the potentially adverse consequences of Brexit on the Irish energy sector.

The third step, **consultation and engagement**, has shown the importance of involving the public for the timely delivery of a credible and ambitious plan. The recommendations of the Citizens’ Assembly are a particularly valuable resource, while more could be made of existing channels for engagement and

consultation such as the National Climate Dialogue and the Climate Action Committee.

Viewing the NECP process through this lens is useful for Government as it highlights areas that may be particularly challenging, but also processes that make these challenges easier to tackle. The public, as well as private sector stakeholders and experts, meanwhile, can also benefit from this framework as it shows the areas where most impact can be had and where advocacy for ambitious policies can be most successful.



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