



**AN BILLE UM ÁIRITHIÚ FUINNIMH AGUS ATHRÚ
AERÁIDE, 2012**

ENERGY SECURITY AND CLIMATE CHANGE BILL 2012

EXPLANATORY MEMORANDUM

Purpose of Bill

The main purpose of the Bill is to provide for the adoption of a national policy for ensuring greater energy security whilst reducing energy demand; to reduce greenhouse gas (GHG) emissions; to reduce fossil fuel dependency; to support these aims through the making of a National Energy Security and Climate Change Action Plan; and to make provision for binding emission reduction targets to support the transition to a low carbon, climate resilient and environmentally sustainable economy.

Whilst providing for a specific programme of GHG reduction to 2050, the Bill has no effect on the commitments undertaken by Ireland to reduce total emissions as part of the European Union's 2020 targets.

Main Provisions

- The bill defines specific, legally binding Greenhouse Gas (GHG) emission reduction targets compared to a baseline year. The bill lists six compounds which are the main climate forcing by-products emitted into the atmosphere of industrial, agricultural, domestic and other human activities. The Bill also defines a “climate forcing agent” as any greenhouse gas, aerosol and any other anthropogenic atmospheric emission.
- The baseline year is set as 1990 for carbon dioxide, methane and nitrous oxide, and 1995 for hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.
- The emission reduction targets are set at:
 - (a) 40% of the aggregate of net emissions of greenhouse gas emissions compared to the baseline by 2030,
 - (b) 80% of the aggregate of net emission of greenhouse gas emissions compared to the baseline by 2050.
- The Bill leaves scope for the introduction of further climate forcing agent reduction targets.

- The Bill sets a target of a 95% reduction on 1990 levels of fossil fuel use by 2050.
- The Bill makes provision for the establishment of a National Energy Security and Climate Change Action Plan by the Minister of the Environment, Community and Local Government and sectoral plans by each Minister of the Government in their respective areas of responsibility.
- The Bill makes provision for the presentation of an annual Transition Statement by the Minister for the Environment, Community and Local Government to Dáil Éireann. The Transition Statement will summarise the efforts undertaken in respect of meeting emissions targets in the preceding year, the effectiveness of the measures and the targets achieved. It will also outline what additional measures, if any, are required to achieve specified targets.
- The Bill establishes the Commission on Energy Security and Climate Change to advise and make recommendations to the Government on the mitigating measures adopted in the national plan and the sectoral plans; the Commission will also undertake its own research and consultations in partnership with the Environmental Protection Agency and the Sustainable Energy Authority of Ireland.
- The Commission is mandated to prepare and submit an annual report to the Government summarising the progress made in respect of the National Energy Security and Climate Change Action Plan, and other related data, in the preceding year. The Commission is also granted powers to review and recommend changes to the Action Plan in respect of changes to international law, developments in scientific knowledge relating to climate change, and evolving understanding of the reliability and effectiveness of existing mitigating measures adopted by Government.
- Public bodies are required to have regard to the National Energy Security and Climate Change Action Plan, and associated Sectoral Plans, in the performance of their functions.

Sections 1 and 2

These sections outline the short title of the Bill, list interpretations of terminology used throughout the Bill and lists the chemical compounds which are classed as “Greenhouse Gases”; namely Carbon Dioxide, Methane, Nitrous Oxide, Hydrofluorocarbons, Perfluorocarbons and Sulphur Hexafluoride.

Section 3

This section details the purpose of the Bill and defines the specific objectives of Government in respect of the various provisions of the Bill. Achieving these objectives is considered essential in order to adapt Ireland to a low-carbon economy whilst also providing the legislative framework needed by businesses operating in the renewable sector. The objectives are: (a) to increase energy efficiency, (b) to reduce energy demand, (c) to reduce fossil fuel dependency, (d) to reduce greenhouse gas emissions and emissions of other climate forcing agents, and (e) to address the necessity of adapting to climate change.

Section 4

Section 4 outlines the specific GHG reduction targets the Government is required to achieve, viz.: a 40% reduction on the baseline year level by 2030 in the medium term, and an 80% reduction on the baseline year level by 2050 in the longer term. The section allows Government to alter the percentage amount referred to after consultation with the Commission, it enables Government to set other reduction targets for other climate forcing agents, and it requires Government to set energy demand reduction targets in response to the likelihood of increases in energy costs in the longer term, due to the decline in non-renewable fuel sources. It sets an overall target of a 95% reduction on 1990 levels of total fossil fuel use by 2050. The section further requires the approval of both Houses of Oireachtas for any proposal for an order under the terms of the section before such order can be made.

Sections 5 and 6

These sections outline the National Energy Security and Climate Change Action Plan, which is the primary vehicle through which the Government will achieve the specific targets and objectives laid out in earlier sections, and make provision for an annual Transition Statement to be presented to Dáil Éireann summarising progress made in the preceding year.

A National Energy Security and Climate Change Action Plan will be drafted within one year of the passing of this Bill and thereafter once every five years. The Action Plan is required to specify the measures being adopted by the Government to achieve the objectives laid out in section 3 and the specific targets laid out in section 4. The Government is required to direct each Minister of the Government to prepare a related sectoral plan within the areas of their respective responsibilities which will similarly detail the measures adopted by them to achieve the objectives laid out in section 3 and the specific targets laid out in section 4. Section 5 also makes provision for the primacy of the emissions reduction targets for the year 2020 as laid out in Decision 406/2009/EC of the European Parliament and of the Council of the 23rd April 2009, to which Ireland is committed, regardless of the targets specific in section 4 of the Bill.

The Bill makes provision for public consultation on the development of the Action Plan and requires it to be laid before Dáil Éireann after approval by Government.

Section 6 makes provision for an annual Transition Statement to be made by the Minister for the Environment, Community and Local Government to Dáil Éireann. The Transition Statement will record the measures adopted by the Government in meeting the objectives of section 3 and the targets of section 4 of this Bill, and assess the effectiveness of these measures. The Transition Statement will also include inventories and analyses of total emissions and total energy use relating to the preceding year. The Transition Statement will also recommend supplementary measures, if any, which may be required to achieve the purposes laid out in section 3 of the Bill for the preceding year.

Sections 7, 8 and 9

The Bill establishes a commission entitled the Commission on Energy Security and Climate Change. It will be the function of the Commission to advise the Government and make recommendations to it in respect of the targets defined in section 4 of the Bill; the preparation of a national plan; the preparation of sectoral plans and

the approval of a national plan. The Commission will advise and make recommendations to the Government on any aspect of Government policy which may have an effect upon meeting the objectives of section 3 and the targets of section 4 of this Bill. In addition, the Commission may also gather information and conduct research and meet and consult with any person or persons it considers appropriate in the performance of its functions. The Commission may also request the Environmental Protection Agency (EPA) or the Sustainable Energy Authority of Ireland to conduct the aforementioned information gathering or research on its behalf.

The Commission will be composed of a chairperson and not fewer than 5 and not more than 7 ordinary members. The Director General of the Environmental Protection Agency and the Chief Executive Officer of the Sustainable Energy Authority of Ireland are defined as ex-officio members of the Commission. The Bill defines the appointment, term, tenure, dismissal, removal and resignation of members of the Commission and related matters; and empowers the Commission to act notwithstanding vacancies amongst its members. The Commission may also establish a subcommittee to assist in carrying out its functions.

The Commission will prepare an annual report on progress made in the preceding year in respect of the objectives laid out in section 3 and the targets laid out in section 4 of the Bill. The Bill provides that the annual report must contain a summary of the most recent national inventory of GHG emissions which is prepared by the EPA in compliance with Article 7 of the United Nations Framework Convention on Climate Change. The annual report must also contain a projection of future GHG emissions and other climate forcing agents, an inventory and analysis of total energy use, projections and analysis of future energy use, recommendations as to the best means to meet the objectives laid out in section 3 of the Bill and targets specified in section 4 of the Bill, other related recommendations and a detailed summary of the activities of the Commission over the preceding year. The Commission is required to publish an annual report which will be laid before Dáil Éireann by the Government.

Section 10

This section provides that the Commission may conduct a review of progress made in meeting the objectives and targets of sections 3 and 4 of the Bill, the adequacy of the targets specified in section 4 of the Bill, the adequacy of the most recent national plan and the effectiveness of the national plan's implementation. Any review by the Commission must have regard to significant developments in scientific understanding of the effects of climate change, significant developments in law or policy of the European Union or international law in relation to climate change, significant developments in the law or policy of the EU in relation to energy, and the need to maintain progress in achieving the objectives laid out in section 3 of the Bill. The Commission is required to submit a report of the findings and recommendations arising from a periodic review to the Government, and the Bill provides for specific considerations the report must have regard to. The annual report shall be laid before Dáil Éireann by the Government.

Section 10 also provides that the Minister for the Environment, Community and Local Government may at any time direct the Commission to conduct such a periodic review, which must be commenced not later than 30 days after the request is made, unless the Commission indicates in writing to the Minister that a periodic

review is not necessary, stating the reasons why a review is not necessary.

Section 11

This section outlines the duties of public bodies with regard to the provisions of this Bill. A public body must, in the performance of its functions, have regard to the most recent national plan approved by the Government, any sectoral plan that has a bearing on its performance, and the objectives of the Bill laid out in section 3. This section also empowers the Minister for the Environment, Community and Local Government to direct a public body to prepare and submit a report outlining measures taken in compliance with the aforementioned plans and objectives, and any such progress made. The Minister may also direct a public body to adopt any measures necessary to achieve compliance with the aforementioned plans and objectives.

Deputy Catherine Murphy,
May, 2012.