

**Roinn Cumarsáide, Gníomhaithe
ar son na hAeráide & Comhshaoil**
Department of Communications,
Climate Action & Environment



28 November 2018

Ms. Margaret Falsey,
Committee of Public Accounts Secretariat,
Committee of Public Accounts,
Leinster House,
Dublin 2,
D02 XR20.

Dear Ms. Falsey,

I refer to your correspondence dated 16 November 2018, your reference PAC32-I-1160, in relation to the recommendation at point B.1 of the Committee's Periodic Report no. 2.

An update on the 71 priority Category A historic landfill remediation sites

Work has continued on 22 of the Category A landfill sites in 2018. Of these, 2 have commenced Tier 1 assessments and consultants have been appointed for 7 sites with a view to progressing their Tier 2/3 Assessments in 2019. This will allow for completion of Certificate of Authorisation (COA) applications to the Environment Protection Agency (EPA) to proceed with remediation works in compliance with the EPA Code of Practice Environmental Risk Assessment for Unregulated Waste Disposal Sites (April 2007). The completion of each Tier assessment (1, 2 and 3) informs the final risk assessment for each site. This is considered by the EPA to inform the decision to issue a COA, as required, and to commence actual remediation works. This process, in turn, also informs the scope of works that Local Authorities must tender for, to complete the site remediation.

Table 1: Progress to date on 15 Category A sites undergoing Tier assessments

Local Authority	Site	Current Status	2019 Work Projections
Longford County Council	Ballymaurice	Site Investigations Tier 1 commenced	Site Investigations Tier 2/3 Assessment
Longford County Council	Longford Town No. 1	Site Investigations Tier 1 commenced	Site Investigations Tier 2/3 Assessment
Kerry County Council	Ahascra (Ballydonogue)	Consultants Appointed	Tier 2/3 Assessments, COA application to be submitted on completion
Kerry County Council	Caherciveen	Consultants Appointed	Tier 2/3 Assessments, COA application to be submitted on completion
Kerry County Council	Coolcaslagh (Killarney)	Consultants Appointed	Tier 2/3 Assessments, COA application to be submitted on completion



Local Authority	Site	Current Status	2019 Work Projections
Kerry County Council	Dingle	Consultants Appointed	Tier 2/3 Assessments, COA application to be submitted on completion
Kerry County Council	Kenmare	Consultants Appointed	Tier 2/3 Assessments, COA application to be submitted on completion
Kerry County Council	Milltown	Consultants Appointed	Tier 2/3 Assessments, COA application to be submitted on completion
Kerry County Council	Tralee	Consultants Appointed	Tier 2/3 Assessments, COA application to be submitted on completion
Cork County Council	Blacksticks	Site Investigations Tier 2/3 Assessments	Complete Tier 2/3 Assessment and COA application to be submitted to the EPA
Kildare County Council	Greenhills Refuse Depot, Athy	Site Investigations Tier 2/3	COA application to be submitted to the EPA
Kildare County Council	Prusselstown Refuse Depot, Athy	Site Investigations Tier 2/3	COA application to be submitted to the EPA
Longford County Council	Cartron Big	Site Investigations Tier 2/3	COA application to be submitted to the EPA
South Dublin County Council	Lucan Demesne*	Site Investigations Tier 1/2/3	COA application to be submitted to the EPA
Limerick County Council	Churchtown	Site Investigations Tier 3	COA application to be submitted to the EPA

*Is a privately owned site as per Table 5 below.

While Local Authorities must apply for funding each year, my Department will prioritise funding for sites that have progressed works in preparation for COA applications to support the continued progression of the programme.



Table 2: Three Category A sites have COA applications under consideration by the EPA

Local Authority	Site	Current Status	2019 Work Projections
Kildare County Council	Carrigeen	COA under consideration	Remediation works
Louth County Council	Carlingford Town Dump	COA under consideration	Remediation works
Tipperary County Council	Tipperary Town	COA under consideration	Remediation works

The EPA issued COA applications for 4 sites, in Table 3 below, in 2018 which will allow Local Authorities to progress to remediation works in 2019. To support this, the funding allocations for 2019 will be prioritised accordingly in consideration of the applications for funding which are made year on year. Funding commitments are not carried over into the new financial year. This allows for the submission of revised, up to date applications for funding with more informed timelines and cost projections for works based on the Tier assessments that have been completed.

Table 3: Four sites have received approved COAs in 2018

Local Authority	Site	Current Status	2019 Work Projections
Sligo County Council	Finisklin	COA issued	Remediation works
Cork County Council	Kealanine	COA issued	Part 8 Planning for Remediation works and progress to Remediation
Westmeath County Council	Moate	COA issued	Remediation works
Kilkenny County Council	Shermans Site, Ballyraggett	COA issued	Remediation works

In previous correspondence we indicated that 10 of 11 landfill sites completed between 2013 and 2017 were historical municipal landfill sites. On review, this should be amended to state that 8 of 11 sites completed between 2013 and 2017 were historical municipal landfill sites, the details of which are outlined in Table 4 below. The other 3 sites referred to previously which were completed from 2013 – 2017 are cases that fall within the ECJ C494/01 infringement case which was closed in 2015. These are Ardristan, Carlow remediated at a cost of €1.03m, Long Pavement, Limerick remediated at €4.95m and compensatory wetlands at Dungarvan, Waterford costing €2.95m.



Table 4: List of 8 historical municipal landfill sites that have been completed 2013 – 2017

Local Authority	Site	Site Category	Total € Funded across all years
Cavan County Council	Mullagh	Historic (C)	2,588,000
Cavan County Council	Cootehill	Historic (B)	570,000
Cavan County Council	Kingscourt	Historic (A)	840,000
Donegal County Council	Dunkineely	Historic (A)	39,000
Kildare County Council	Silliot Hill	Historic (C)	6,417,000
Limerick City and County Council	Churchtown	Historic (A)	1,679,000
Waterford City and County Council	Kilbarry	Historic (A)	5,150,000
Westmeath County Council	Marlinstown	Historic (A)	532,000
Total			17,815,000

Note on the monies recouped from the privately run sites

Subsequent to my appearance before the Committee in November 2017, the Committee requested information regarding ownership status of the 71 historic landfills currently classified as 'high risk' sites. My reply stated that 10 sites were private and 61 sites were public. To date, my Department has expended funds on 3 of these private sites details of which are listed in Table 5 below:

Table 5: List of Category A Private Sites and Funding Allocation by year

Local Authority	Site	Year	Current status	Allocation (€,000)
South Dublin County Council	Lucan demesne*	2018	Tier 1/2/3 Assessments	115
South Dublin County Council	Corbally Saggat	2017	Tier 2/3 Assessments, Appropriate Assesment (AA) , Remediation & Final Reporting	128.5
South Dublin County Council	Clondalkin Papermill	2017	Tier 1/2 Assessment and AA	110.5

*This site is also listed in Table 1 above

Applying the 'polluter pays principle' may not be applicable in relation to historical landfill sites as they are defined as local authority operated in the regulations, in a given time period. While



the Department of Communications, Climate Action and Environment supports the competent authorities in applying the polluter pays principle where it is feasible to do so, this can be a complicated and protracted process, often requiring costly legal services which may not result in any net gain. In such cases, not just in the case of historical landfill sites but also in other waste impacted sites, this is carefully weighed up on a case by case basis and is a matter for the relevant competent authority.

ESD Compliance Working Group

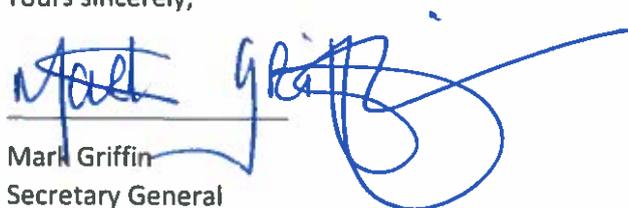
Ireland will face a compliance gap in relation to its greenhouse gas emissions targets for the non-ETS sectors of the economy 2013-2020 period under the EU Effort Sharing Decision (ESD). In light of this compliance gap and the need to formulate a strategy for the State to purchase the necessary emissions allowances to meet its obligations under the ESD, an inter-Departmental group was established and chaired by this Department in 2018 to explore options and propose recommendations to the Minister on a strategy for compliance with these targets. The remit of the group concerned specifically the purchasing of emissions allowances for compliance and it did not address the question of further domestic policies and measures to reduce greenhouse gas emissions or the question of the purchase of renewable energy statistical transfers for Ireland's compliance with the EU Renewable Energy Directive. The group comprised officials from my Department, the Department of Finance, Department of Public Expenditure and Reform, the Environmental Protection Agency and the National Treasury Management Agency.

The Group has met a number of times in 2018 and its recommendations to the Minister have formed the basis of proposals to Government, which were approved on 2 November. I enclose a copy of the Minister's Press Release on this Government Decision for the information of the Committee. On the basis of this Decision, the Department proposes shortly to provide instructions to the NTMA in relation to re-commencing the purchase of international market based credits and to commence formal inter-Governmental negotiations with a view to concluding one or more agreements for the purchase of surplus allowances from other EU Member States.

For the further information of the Committee, I am also enclosing the text of a Dáil written answer of 12 June last which sets out the total amount spent by the State to date on the purchase of emissions allowances, which includes costs associated with compliance with Ireland's Kyoto Protocol obligations during the period 2008-2012.

If you require further information, please do not hesitate to contact me.

Yours sincerely,


Mark Griffin
Secretary General

Minister Bruton Secures Government Approval to Develop All of Government Climate Plan

Purchase of greenhouse gas emissions allowances and renewable credits to recommence

21st November 2018

The Minister for Communications, Climate Action and Environment announced today (Wednesday) that he has secured government approval to draw up an all of government plan to make Ireland a leader in responding to climate change. The Minister also announced that Ireland would have to recommence the purchase of greenhouse gas emissions allowances and renewable credits.

Minister Bruton said: "Ireland had agreed to reduce greenhouse gas emissions by 20% below 2005 levels. While Ireland has jointly the most demanding targets (the EU average is 10%), Ireland is far off course. Current projections suggest that we might achieve a 1% reduction, meaning we would be 95% off target.

"During the recession, when output in the economy collapsed, Ireland was meeting its climate change targets. However, it is clear that we were only meeting our climate targets in those years because of the huge fall in output. Once economic growth resumed, the growth in carbon resumed with it, highlighting the very significant structural issues which still exist within the economy in terms of reliance on carbon.

"Ireland will need to purchase compliance in order to meet the 2020 targets. While this cost is currently estimated to be between €6m-€13m, depending on the cost of carbon at that time, the cost to Ireland is less because we can offset the years where we produced less carbon than targetted, with the years where we are now producing more. This cost estimate is in addition to the costs already incurred from previous purchases and agreements entered into by the State, amounting to some €120m in total since 2007.

"However, from 2020 onwards the cost of not meeting our climate commitments will grow very significantly, and result in the displacement of productive investment from Ireland with the associated low carbon economic opportunities. Being a leader in responding to climate change means acting now, stretching ourselves and seizing the enterprise opportunities in a low carbon economy, including the new circular and bioeconomies. Being a follower means the final costs of adjustment are much higher and opportunities much lower or completely lost.

"In terms of renewable energy, analysis published by the Sustainable Energy Authority of Ireland in November 2017 projects that we will achieve between 12.7% and 13.9% of our 16% renewable energy target by 2020. In the worst case scenario of a four percentage point shortfall, the cost of purchasing renewable credits could be in the range €90m or significantly more. However, the actual outcome and associated cost is likely to be lower than the minimum of this monetary range.

"It has never been more clear that we need to make a step change across government. I have now secured government approval to develop an all of government plan which will set out the actions which must be taken in every government department and body. The central ambition of this plan will be to make Ireland a leader in responding to climate change. I will be seeking to work with colleagues across government to develop new initiatives across electricity, transport, heat, as well as a range of other sectors. The focus will be on implementation. We will identify actions with clear timelines and the steps needed to get there, and assign clear lines of responsibility for delivery."

"Increasing carbon taxes will have a strong role to play and I believe that we need to set a trajectory for increasing carbon taxes between now and 2030. It is important that people have this certainty. I welcome the comments by Eamon Ryan in the Dáil today that each party should sign up to such a trajectory. This would give people certainty in deciding on the types of purchases to make in the coming years, regardless of the shape of the government."

Notes to editor:

Ireland is projected to cumulatively exceed its obligations by between 16.3 Mt CO₂eq and 17 Mt CO₂eq over the period 2013-2020.

Government approval is required to re-commence the purchase of credits as this will involve entering into a legal agreement with (an)other Member State(s) with surplus emissions allowances and/or renewable energy statistical transfers, and legal advice has indicated that Government approval is necessary in order to grant the Minister for Communications, Climate Action and Environment (the Department) authority to negotiate and to enter into such an agreement on behalf of the State. The Minister will revert to government at a later point on the successful conclusion of negotiations with (an)other Member State(s).

1004. Deputy Catherine Connolly asked the **Minister for Communications, Climate Action and Environment** the likely penalties that will be paid by Ireland for failure to meet EU 2020 carbon emissions targets; and if he will make a statement on the matter. [24489/18]

1007. Deputy Michael McGrath asked the **Minister for Communications, Climate Action and Environment** the estimated number of fines Ireland will receive from 2020 onwards for missing emissions targets; and if he will make a statement on the matter. [25242/18]

1023. Deputy Sean Sherlock asked the **Minister for Communications, Climate Action and Environment** the status of Ireland's obligations in respect of the Kyoto Protocol including the purchase of carbon credits over the period from the signing of the protocol (details supplied); and if he will make a statement on the matter. [24907/18]
Minister for Communications, Climate Action and Environment (Deputy Denis Naughten): I propose to take Questions Nos. 1004, 1007 and 1023 together

Under the first period of the Kyoto Protocol (2008-2012), Ireland committed to limiting total national greenhouse gas emissions to 13% above 1990 levels. In anticipation of a requirement for the State to purchase carbon credits in partial fulfilment of Ireland's Kyoto Protocol and ongoing obligations, the Carbon Fund Act 2007 established a carbon fund for this purpose and empowered the National Treasury Management Agency (NTMA) to undertake such purchases on behalf of the State, under my policy direction in consultation with the Minister for Public Expenditure and Reform.

Prior to the enactment of the Carbon Fund Act 2007, the State entered into investments in a number of multilateral funds to invest in projects aimed at achieving greenhouse gas emissions reductions, namely the Multilateral Carbon Credit Fund, managed by the European Bank for Reconstruction and Development, as well as the Carbon Fund for Europe and Bio-Carbon Fund, both managed by the World Bank. Ongoing management of these investments is a matter for my Department. However, since enactment of the Carbon Fund Act 2007, payments in respect of these funds are made by the NTMA through the Carbon Fund in accordance with the provisions of the Act. The BioCarbon Fund remains the only Fund with outstanding payment commitments and these currently amount to \$756,781 (approximately €640,000 at current exchange rates).

In addition to these three funds, the NTMA has engaged in a number of direct market transactions for the purchase of carbon credits directly from the market in order to assist with compliance with Ireland's obligations under the first period of the Kyoto Protocol.

Through the direct market purchases and investment in the three funds listed above, a total of 8,382,380 credits were received by the State and a further 620,000 are expected to be received on foot of the State's investment in the BioCarbon Fund. Of this total, 3,052,416 have been surrendered for compliance with the first commitment period of the Kyoto Protocol.

Details of all transactions entered into the NTMA are published annually in a Carbon Fund Report at www.ntma.ie in accordance with section 6 of the Carbon Fund Act 2007.

The following table details the level of expenditure on these funds and transactions in the period between 2006 and 2017. All amounts are in millions of euro.

YEAR	Multilateral Carbon Credit Fund	Carbon fund for Europe and BioCarbon	NTMA Market transactions	Total
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		Fund		
2006	20			20
2007		3.7		3.7
2008			53	53
2009		2.3	33.8	36.1
2010		4.1		4.1
2011		1.9		1.9
2012		0.4		0.4
2013				0
2014				0
2015				0
2016		0.4		0.4
2017		0.4		0.4
	20	13.2	86.8	120

Ireland's commitments under the second period of the Kyoto Protocol, (2013-2020), will be discharged via the 2009 EU Effort Sharing Decision 406/2009/EC (ESD). The ESD established annual emission limits for the period 2013 to 2020 for each EU Member State. For the year 2020 itself, the target set for Ireland is that emissions should be 20% below their value in 2005. This is jointly the most demanding 2020 reduction target allocated under the ESD, and one shared only by Denmark and Luxembourg. The latest projections of greenhouse gas emissions, published by the Environmental Protection Agency (EPA) in May 2018, indicate that emissions from those sectors of the economy covered by the ESD could be between 0% and 1% below 2005 levels by 2020.

While this is very disappointing, it is not surprising given the recent pace of economic growth, and the consequent increases in emissions from the agriculture and transport sectors in particular. The projected shortfall to our targets is further exacerbated by both the constrained investment capacity over the past decade due to the economic crisis, and the extremely challenging nature of the target itself. In fact, it is now accepted that Ireland's 2020 target was not consistent with what would be achievable on an EU wide cost-effective basis.

The ESD includes a number of flexibility mechanisms to enable Member States to meet their annual emissions targets, including provisions to bank any excess allowances to future years and to trade allowances between Member States. Using our banked emissions allocations from the period to 2015, Ireland is projected to comply with its emissions reduction targets in each of the years 2013 to 2017. However, our cumulative emissions are expected to exceed targets for 2018, 2019 and 2020, which will result in a requirement to purchase additional allowances. While this purchasing requirement is not, at this stage, expected to be significant, further analysis will be required to quantify the likely costs involved, in light of the final amount and price of allowances required.

At present Ireland holds a total of 5,329,964 credits (5,255,000 Certified Emission Reductions [CERs] and 74,964 Emission Reduction Units [ERUs]) on behalf of the State in the NTMA Account on the EU Registry, of which 5,265,088 are eligible for compliance under the Effort Sharing Decision.