

## **SEAI submission to the Joint Oireachtas Committee on the Citizens Assembly on Climate Leadership and the National Energy and Climate Plan**

### **Introduction**

1. SEAI is Ireland's national energy authority investing in, and delivering, appropriate, effective and sustainable solutions to help Ireland's transition to a clean energy future. We work with Government, homeowners, businesses and communities to achieve this, through expertise, capital funding, educational programmes, policy advice, research and the development of new technologies. SEAI is part-financed by Ireland's EU Structural Funds Programme co-funded by the Irish Government and the European Union.
2. SEAI have direct experience of incentivising and delivering measurable climate mitigation in the residential, commercial and industrial sectors across a range of our programmes. In a separate advisory note provided to the Committee, we take the recommendations of the Citizens Assembly relating to SEAI's mandate one by one, and for information, provide some insight into ongoing activities supporting and related to these recommendations – both within Ireland and at a European level.
3. A central part of SEAI's remit is to contribute to the evidence base for policy making in Ireland. This is supported by statistics and modelling functions based on a range of data sources, including via the collection of data from the programmes delivered by SEAI, and funded by the Government of Ireland through DCCAE. We administer the national energy modelling framework as part of our statutory functions. We execute this through partnership with a range of domestic organisations, Departments and state agencies and through ongoing dialogue with international organisations and bodies such as the European Commission, the International Energy Agency and EuroStat. This modelling function is central to the preparation of the National Energy and Climate Plan.

### **Citizens Assembly on Climate Leadership**

4. Ireland's Public Sector building stock represents an opportunity for the Government of Ireland and the bodies under the aegis of various Departments to take a leadership role in our low carbon transition. By the end of 2017, the public sector in Ireland had reached a 20% reduction in energy demand, meeting the overall national 2020 target. However, further work needs to be done in order to reach the 'stretch' target of 33% energy savings from efficiency improvements that was set by the government for the public sector, over and above the overall national target.
5. To facilitate this, SEAI has run an award winning Public Sector programme for a number of years, funded by DCCAE. The programme delivers material impact through delivery of capital projects, mentoring on energy management systems and capacity building within

state bodies, such as the HSE, OPW, various local authorities and Department of Education and Skills *inter alia*. It includes a strong monitoring and reporting mechanism that requires all public sector bodies and schools to engage with their energy performance annually and work towards the 33% target.

6. This focuses not only on delivering impact from the capital funding of exemplar projects, but also on capacity building within state entities to bring sustainable energy practices to the core of retrofit in Ireland. With bodies such as the Department of Education and Schools, the HSE and the OPW, SEAI is developing a long-term pipeline of projects, supported by a robust evidence base, to assure high impact and cost-effective delivery of sustainable energy retrofits. The use of a pipeline aggregation model will also allow non-exchequer funding to be brought to bear on this activity, as volume increases to meet Ireland's ambition. SEAI is currently working with state bodies to pursue non-exchequer finance alternatives.
7. We also note a clear opportunity to aggregate and deliver significant upgrade of homes through the housing inventory owned by the state. The use of this stock as an exemplar, and as a test of efficient methods of aggregation and leveraging non-exchequer funding, should be considered a real and immediately actionable opportunity to meet our overarching residential retrofit targets.
8. An extension to the carbon tax could play a crucial role in reducing energy demand and greenhouse gas emissions – especially if a long term trajectory is sent as a clear market signal. In many countries, the hypothecation, or ring-fencing, of a carbon tax for specific climate mitigation activities can help finance cost effective sustainable energy interventions. It can also link the taxation more directly to the factor that it is seeking to address, heightening awareness of its need and impact. Once the indirect consequences of this linking were properly analysed, hypothecation of carbon tax revenue to activities which mitigate climate could be explored further by the Irish government.
9. SEAI has been supporting microgeneration technologies through programmes, delivered on behalf of Government, for several years. In 2018 SEAI removed support for new fossil fuel boilers (which increased efficiency over old boilers) from our better energy homes programme. In the first half of 2018, SEAI then introduced a heat pump incentive programme, followed by an incentive programme for solar PV, and domestic battery storage, in the third quarter of 2018. As the principles of the EU Clean Energy Package make their way into the statute book of national jurisdictions, facilitating the generation, export and receipt of a market price for microgeneration export, the evidence base provided by these programmes nationwide will help to ensure that this transition is de-risked. Many other jurisdictions have paid a high price by introducing early incentives for micro-generation, but with this evidence base, Ireland should be able to deliver the best fit market mechanism which does not entail excessive cost to the exchequer and which provides high value to the consumer.
10. In 2017, SEAI commissioned the report "*Assessment of Models to Support Community Ownership of Renewable Energy in Ireland*". This was to support the development of options to provide for community renewable energy development alongside the Renewable Electricity Support Scheme (RESS). Over the last three years SEAI has

developed the energy community network which today boasts over 200 communities spread across every county in the country. This provides free technical mentoring and advice, and dedicated funding for communities to develop their own energy masterplan. This process identifies the needs and opportunities that they may pursue as they determine their own low carbon transition, including the potential for renewable energy generation. Through both the Renewable Electricity Support Scheme, and by looking at other market constraints, it is essential that communities are empowered to invest in renewable energy projects where these are economically, socially and environmentally sustainable. SEAI will continue to work with the various Departments and regulatory bodies to help to ensure that this becomes a reality.

11. Funded by DCCAE, SEAI currently delivers Ireland's incentives for EV's for new vehicle purchase and for the installation of home chargers for purchasers of both new and second-hand vehicles. We are also engaged with the motor industry in delivering roadshows at festivals, universities and in areas of high employment to increase the level of test-driving and user experience. Through the latter half of 2018 we will also be finalising a fleet replacement programme which supports public and private sector businesses to test a range of EV's alongside their existing fleet, analyse the data from extended use of same, and then consider the investment decision to switch to EVs.
12. Our data shows that 2018 will likely see a doubling of EV take-up in Ireland as a result of arrange of incentives including the grants above, as well as those relating to toll-charges, Benefit-in-Kind, and taxi purchase scheme. As adoption of EV's grows, it is increasingly important that the charging infrastructure in the country meets demand. In our role supporting the Low Emission Vehicle Taskforce (co-chaired by DCCAE and DTTAS) SEAI will continue to be central to the provision of this infrastructure and a transition to lower emission vehicles.

### **Ireland's National Energy and Climate Plan**

13. National Energy and Climate Plans (NECPs) are the new framework for EU Member States to plan, in an integrated manner, their climate and energy objectives, targets, policies and measures to the European Commission. The proposed Governance Regulation consolidates a range of existing obligations for energy system planning, monitoring and reporting which Member States have under the different pieces of EU legislation across energy, climate and other Energy Union related policy areas.
14. Under the Governance Regulation countries will have to develop NECPs on a ten-year rolling basis, with an update halfway through the implementation period. The NECPs covering the first period from 2021 to 2030 will, collectively across the EU, have to ensure that the Union's 2030 targets for greenhouse gas emission reductions, renewable energy, energy efficiency and electricity interconnection are met.
15. The NECP process will be an iterative one between each Member States and the Commission. MS are required to indicate their ambition on energy efficiency and renewable energy, initially to 2043 and provide detail on the policies and measures that will deliver on that ambition. The Commission will review draft plans to be submitted by December 2018 and form a view as to whether individual countries have pledged high enough contributions towards the delivery of EU targets. If a view is taken that a MS is

under-ambitious, the Commission can issue recommendations to the Member State requiring increased levels of effort.

16. In its review, the Commission will consider outputs from a new model, currently under development at the Joint Research Centre (JRC), the Commission's science and knowledge service, called POTEnCIA. SEAI is supporting DCCAIE and liaising with officials in the JRC to critique the input assumptions being used in that model to ensure they reflect the use of latest available and relevant data for Ireland. This process is being supported by the ESRI, Eirgrid and other key stakeholders.
17. Further to these inputs, SEAI is providing a central supporting role to the DCCAIE via development of several energy projections for Ireland to 2030 and 2040 as part of its statutory authority to produce the national energy statistics and National Energy Projections. These will meet many of the analytical requirements of the NECP. The scenarios are being developed in consultation with the DCCAIE, the ESRI and the EPA together with other key stakeholders including Eirgrid, and UCC. We are further supporting the Department across the wider policy development, RD&D and innovation on sustainable energy.
18. The EU's recent suite of legislation, including the Governance Regulation, mandate minimum levels of effort for MS to adhere to in terms of emissions reductions across the economy. Member States are however fully entitled to design more ambitious plans. This is crucial, as it is currently unclear as to whether the EU targets are ambitious enough to deliver on its commitments under the Paris Agreement.