

**Meeting of the Joint Oireachtas Committee on Climate Action
5 December 2018, 2pm**

**Opening Statement of Minister for Communications, Climate Action
and Environment**

Introduction

I would like to thank the Committee for its invitation to appear before it here today.

The Committee is examining the Citizen's Assembly's Third Report on the topic of *How the State can make Ireland a Leader in Tackling Climate Change*.

The Committee's work is extremely important. It will help determine the level of cross-party Oireachtas support for our climate policy ambition for the next number of years.

This work is being undertaken against in the context of ever more stark warnings from the scientific experts of the IPCC, as well as from UN bodies such as the UN Environment Programme and the World Meteorological Organisation, that the international community is completely off-track in reducing its emissions in line with the goals of the Paris Agreement.

The IPCC's Special Report on Global Warming of 1.5°C, published in October, found that limiting global warming to 1.5°C could be achieved by the international community but would require global "rapid and far-reaching" transitions in land, energy, industry, buildings, transport, and cities".

From National Mitigation Plan to National Development Plan - stepping up Climate Action

There is no question that we, as a country, are playing catch-up on our obligations in relation to climate change. EPA figures published today show that, while there was a marginal improvement in 2017, Ireland remains off course in terms of meeting its EU 2020 commitments on emissions reduction. This is deeply disappointing, but 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.

I want to make Ireland a leader in responding to climate change, not a follower.

In some areas, Ireland is already leading by example. By the end of 2017, over 30% of electricity consumed was coming from renewable sources. By 2030 we are aiming to increase this to a minimum of 55%. This would represent a significant achievement given the isolated nature of our electricity grid and Ireland is already recognised internationally for the work being done by Eirgrid to integrate renewables on to the system.

However, achieving economy-wide emissions reductions at the scale is now required in the transport and agriculture sectors. This will be a huge challenge which all countries will face over the coming decades.

To lay the groundwork for meeting these targets, my Department published Ireland's first statutory National Mitigation Plan in July 2017. This was initial step. By its own admission it did not set out the full suite of policies and measures necessary to achieve our 2020 or 2030 targets.

My Department published the 2018 Annual Transition Statement on Monday. This records the progress over the past year in implementing climate mitigation and adaptation policies. The Statement records that we are making continual, incremental inroads into addressing these long-term challenges – there is no ‘quick fix’ in any sector. Some highlights include:

- the Government has committed almost €22bn to climate-related investment in the new National Development Plan, representing €1 in every €5 that will be spent on climate action between now and 2027;
- the first round of funding under the €500m Climate Action Fund was awarded. 7 major climate change projects will share €77 million in government funding, leveraging a total investment of €300 million in round one of the scheme;
- Ireland issued its first sovereign green bond, once of the first countries in the world to do so. This bond will broaden the funding

base for Ireland's debt and, in future, may even allow the financing of climate related expenditure at a lower rate of interest than other expenditures;

- new regulations will increase the rate of biofuels in the transport fuel mix from 8% to 10% from the start of next year. This is estimated to lead to an additional 130,000 of CO2 emissions savings on a full year basis;
- Teagasc has produced a key report on the opportunities for cost-effective emissions reduction from the Irish agriculture sector. Over the next decade, the report sets out the potential to reduce agricultural emissions by 18.5 million tonnes;
- the Building Regulations are being amended to ensure all new houses built will have to meet the Net Zero Energy Building (NZEB);
- the Government is moving to more fully capture the climate impacts of its public expenditure through significantly strengthening the Public Spending Code; and
- the Government has established four Climate Action Regional Offices to support local authorities in meeting their climate obligations and to build capacity within the sector to engage effectively with climate change.

The National Development Plan (NDP), published this February, reflects Government's acceptance of the fundamental need to re-orient our public capital investment into the transformations needed to tackle climate change. It represented a significant step-change in our approach in terms of scale of ambition. Over the next decade the NDP sets out a €22bn climate focused investment plan.

To more fully capture the climate benefits of the wider envelope of NDP funding, the Government is now moving to significantly strengthen shadow carbon pricing rules in our Public Spending Code. The proposed changes will see a shadow price of €100 per tonne for 2030 and €265 per tonne by 2050. I understand that the Secretary General of the Department of Public Expenditure and Reform has already briefed the Committee on the details of these proposed changes.

Furthermore, the NDP investment envelope is aligned with the Government's new spatial strategy, the National Planning Framework, to ensure that future growth is compact, connected, regionally balanced and sustainable. Implementing this integrated vision and ensuring that climate is properly reflected in our capital investment decisions will, I

believe, create a profound shift in behaviour patterns and avoid locking us in to high carbon patterns of living.

As the Committee will be aware, key climate-related investment priorities envisaged under the NDP include:

- energy efficiency upgrades of 45,000 homes per year from 2021 and providing support for a major roll-out of heat pump technologies;
- delivering energy upgrades to BER 'B' level to all public buildings and a minimum of one third of commercial buildings;
- implementing the new Renewable Electricity Support Scheme to deliver an additional 3,000-4,500 MW of renewable energy with an initial focus on shovel ready projects which could contribute to our 2020 targets;
- rollout of the Support Scheme for Renewable Heat and National Smart Metering Programme;
- transitioning Moneypoint away from coal by the middle of the next decade;
- at least 500,000 electric vehicles on the road by 2030 with additional charging infrastructure to cater for planned growth; and
- a Climate Action Fund of at least €500m, for which I announced last week the first successful projects under round one of the initial funding call.

National Energy and Climate Plan (NECP)

I am aware that the Committee's Terms of Reference require it to make recommendations in relation to the National Energy and Climate Plan, or NECP, which my Department is currently preparing. This Plan, addressing the period 2021-2030, is one of the key reporting provisions of the recently agreed Governance Regulation of the EU Clean Energy Package.

The NECP represents an overarching, consolidating reporting framework which streamlines a large number of existing energy and climate planning and reporting requirements and also introduces a large number of new requirements. Work has been underway over the course of this year in marshalling a huge amount of information, as well as generating new energy and emissions projections, to provide the key analytical underpinning for the draft Plan.

My Department has already held an initial consultation on the NECP and expects to hold a further consultation on the basis of the draft to be submitted to the Commission by the end of 2018.

This is very much an incremental process. By the time we come to submit the final NECP of next year, it will set out clearly how we will meet our emissions targets for 2021-2030 and what contribution we will make to the overall EU level targets on renewable energy and energy efficiency.

All of Government Climate Plan

How we propose to fill in the policy gaps in meeting our 2030 targets, and move beyond that to become a leader in climate action, brings me neatly to the work which will be the focus of my attention over the next number of months.

As the Committee knows, I have recently received a mandate from Government to begin the preparation of a new All of Government Plan to bring about a step change in our climate ambition over the next decade, and beyond.

My vision is that this new Plan will set out the actions which must be taken in every Government Department and Body to make Ireland a leader in responding to climate change. It will have a strong focus on implementation, including actions with timelines and steps needed to achieve each action, assigning clear lines of responsibility for delivery.

The new plan will also be informed by successful approaches in other countries, where such approaches could be adapted for implementation in Ireland. The Plan will build on the previous actions taken by Government, including in the National Mitigation Plan and the National Development Plan.

I am currently working with my officials to identify supplementary actions, and I will shortly be engaging with my colleagues across Government in this regard. These actions will cover

- regulatory framework
- adoption of known technologies
- addressing market failure
- driving change in business models, and

- the public sector leading by example

Analysis is underway based on least-cost pathway scenarios to 2050. It is quite clear that to lift our ambitions on carbon emissions we shall have to stretch our targets in relation to:

- Significant decarbonisation (not less than 55% renewables) of the electricity system;
- Higher adoption of EVs beyond that envisaged in the National Development Plan, and E10 and B12 biofuel blends achieved;
- Increased investment in energy efficiency and renewable heat (in particular heat pumps), again over and above that set out in the National Development Plan;
- Significant contribution from industry and Agriculture and Public Sector

Within the policy framework set out above, we shall need to develop specific additional policy action. This will include:

- Setting a clear trajectory for carbon price
- Identifying innovative funding mechanisms for the investments needed
- Strengthening the infrastructures and policy context to make it easier for enterprise, citizens and communities to underline change

It should be noted that more work is required to validate the modelling, to tease out further the detailed policy implications and to specify the incremental cost and mitigation potential.

National Adaptation Framework

I would also like to spend a few minutes addressing the second key pillar of national climate action policy.

Earlier this year my Department published Ireland's first statutory National Adaptation Framework which aims to reduce the vulnerability of our environment, society and economy to the impacts of climate change and thus increase our overall climate resilience. The impacts of climate change are clear to see in the extreme weather events that we have experienced over recent years. For example, a recent Met Éireann

report¹ on the warm dry weather this June and July noted that we experienced weather including thunderstorms, heat waves, droughts and storm force winds. Climate change is a reality.

It is important to note in the context of the Committee's discussions that the National Adaptation Framework does not identify specific locations or propose adaptation measures or projects in individual sectors. Respecting the principle of subsidiarity, detailed adaptation measures will be developed across sectors and Local Government, in accordance with the National Adaptation Framework.

Twelve key sectors, under the remit of seven Government Ministers, are required to prepare sectoral adaptation plans. The sectoral plans will specify the adaptation policy measures each Minister proposes to adopt and are to be submitted to Government for approval no later than 30 September 2019.

The National Adaptation Framework also identifies the critical role to be played by local authorities in addressing climate change adaptation, and in January 2018 it was announced that my Department would provide €10 million to the local authority sector to establish four Climate Action Regional Offices. This commitment recognises the significant obligation which has been placed on local government to develop and implement its own climate action measures, as well as the need to build capacity within the sector to engage effectively with climate change; both in terms of mitigation and adaptation. Local authorities, as the level of government closest to communities, have a key role to play in helping to make Ireland a leader in responding to climate change.

On Monday of this week Minister Sean Canney launched guidelines to help local authorities prepare for the impacts of climate change. This fulfils a key action under the National Adaptation Framework. All local authorities will be required to adopt a local adaptation strategy in line with these new guidelines.

This approach will ensure consistency and coherency across all local authorities. The Department will review these local strategies once completed, with a view to mainstreaming effective initiatives and sharing learnings both locally and regionally.

¹ Met Éireann Warm Dry Weather of June and July 2018 – see <https://www.met.ie>

National Dialogue on Climate Action

The Citizens' Assembly demonstrates that individual citizens can produce very clear recommendations when provided with an opportunity to reflect and consider in detail a specific societal change. It also underlines for me that Ireland will not achieve its climate objectives through Government action alone and engagement with wider society on an ongoing basis will be vital.

As part of the effort to engage with communities, the National Dialogue on Climate Action will help drive awareness around specific steps people can take daily in their lives to try to tackle climate change. A number of regional events have already been held across Ireland and Dialogue events will continue to roll out in 2019 to provide an on-going opportunity to capture the views and concerns of citizens around the country as we work to achieve the national transition objective. As a concrete example of our direct engagement with communities, just last week I launched the SEAI Community Energy Grant Scheme for 2019 which will support projects that will help communities save money on their energy bills and allow them to play their part in tackling climate change.

Conclusion

To conclude, I believe that the time is right now for the type of determined action to make Ireland a leader in responding to climate change. Being a leader means acting now, stretching ourselves and seizing the enterprise opportunities in a low carbon economy. Being a follower means the final costs of adjustment are much higher and opportunities much lower or completely lost.

I am under no illusion as to what is required to achieve this ambition. Every person, every home, every community, every school and every business will have to make changes in the way we live, learn and work. Nothing less will do if we are to make the changes needed to create a sustainable future for everyone.

Given the scale of the challenge, there is a need for a growing political consensus on this issue and this Committee is well placed to help deliver this consensus. As such, it is my intention to work with all parties and none to put us back on course to achieving our targets and position Ireland at the forefront of global efforts to tackle climate change.

I look forward to the input of Committee members.

ENDS

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