

**Statement from David Maguire, Chairman of the Irish Solar Energy Association
to the Joint Committee on Climate Change
Wednesday 4th December 2019, Leinster House.**

Dear Cathaoirleach,

On behalf of ISEA, I want to express our appreciation to you, the committee members and the secretariat for providing us with the opportunity to present to you this afternoon. Joining me today is our CEO Michael McCarthy, and ISEA committee members John Swan, Gerhard Heyl and Dan Moloney.

The Irish Solar Energy Association (ISEA), the all-island trade representative body, was founded in May 2013. ISEA seeks to bring attention to the value of solar energy's contribution to Ireland's economic and environmental future. ISEA is committed to delivering cost effective sustainable renewable energy policies with a particular focus on the community that support the decarbonisation of Ireland's economy and achieve carbon neutrality by 2050.

There is not enough action is being taken to address the most pressing and potentially catastrophic crisis, Climate Change.

While recent publication of the *Climate Action Plan and The Renewable Energy Support Scheme (RESS)* are to be welcomed, many concerns remain on our ability to effectively deliver on the 2030 and 2050 targets. The revised goal to deliver 70% renewables in our electricity mix by 2030 shows real ambition. To achieve this will be challenging and not achievable without a major shift in direction across all sectors both public and private.

It is a matter for regret that we will fail in achieving our 2020 climate change targets resulting in massive costs to the exchequer in obligations to acquire statistical transfers to 'buy' our way out of this interim failure. More than 500MW of solar projects across Ireland have been ready to build since 2017 and would have been able to plug some of the gap had an adequate support mechanism been in place.

Last week the European Parliament voted to declare a climate emergency. The need to decarbonize our society and industry has never been more urgent. With an incoming Commission that has set a European Green Deal and just transition as high priorities, it is likely that Ireland will face increasing costs if it fails to deliver on its targets and given it took 20 years to deploy 3.8GW we need a fundamental step change in our approach to renewable energy. Solar PV can significantly mitigate this impending financial liability and contribute to the growth of the economy and assisting reaching our 2030 climate change targets.

Solar is the fastest growing source of generation in the world and it is anticipated that by 2030 solar PV will meet 20% of electricity demand in Europe and become the dominant source of generation by 2050. To date, however, **Ireland is the only EU member state not to provide a support mechanism for this technology** and subsequently has seen very low levels of deployment compared to other countries. This is despite the fact that **solar is the cheapest form of renewable generation after on-shore wind in Ireland** and significantly cheaper than

offshore wind, biomass and wave power, technologies that have attracted significant government interest over the last few years.

Nevertheless, Ireland is now well positioned to sustain a significant deployment of solar PV over the next decade and benefit from late mover advantage. Financing costs are at record lows, while improvements in technology have resulted in the cost of solar panels falling by more than 80% over the last 10 years. These factors mean that deploying solar in Ireland is now viable without the need for significant subsidies in the medium to long term. ISEA estimate that the deployment of **3 Gigawatts (GW) of solar over five years would cost less than €20m per annum over 15 years, or circa €1 per month on the PSO, while avoiding a potential fine/cost of €400m per annum .**

As an industry, we have made considerable investment in developing solar in Ireland in anticipation of a support mechanism being introduced and is ready to deliver today with over 1.3 Gigawatts (GW) of projects with land, planning and grid connection offers and a further 1GW due to receive offers in the next 12-18 months. Solar can be constructed quickly, with a typical 10 MW project being completed within 4 -6 months. As such, ISEA estimates that with the right mechanism in place up to 1.5 GW of ground mounted and rooftop solar could be constructed in Ireland by 2022 and a total of between 3.5 GW and 6 GW constructed by 2030.

In relation to the support mechanism, ISEA supports the introduction of the RESS programme and welcomes the proposal by DCCAE to run the first auction by June 2020. In addition, In particular, the statement issued by Minister Bruton on December 2nd that sets out the intention to provide a carve out in the auction for solar is a step in the right direction, although it is disappointing that this is limited to 10% for the first auction.

In terms of community, ISEA is supportive of the target of 30 MWh for community projects in the first auction. We have made a comprehensive submission to DCCAE on community benefit and participation. DCCAE have proposed that for every MWh of generation, €2 will be contributed to a community fund. ISEA would like to see this fund reserved for investment in community energy efficiency and renewable energy projects. Specifically, we believe that funds should be deployed initially in delivering solar to roof tops on schools and community buildings.

In terms of community owned schemes, we believe that crowdfunding could potentially allow members of the community to invest as little as €10 or as much as €100,000 with the same transaction cost. It is important that the raising of community investment does not delay the deployment and would thus, like to see Government provide bridge funding.

On roof-top solar, ISEA is calling for a modest Feed-in-Tariff to encourage deployment. On domestic we have proposed a modest micro-generation tariff that ensures that, like in other European countries, owners of solar rooftop projects are fairly paid for the electricity that they generate.

In addition to helping Ireland avoid significant fines in 2030 for failing to meet emission reduction targets, solar can deliver a material net gain to the economy. KPMG estimate that from 2018 to 2030 the solar industry could “reasonably deploy over 3.75GW of solar supporting over €2bn in Gross Value Added and over €800m in direct taxes”. They estimate that **the industry would create and sustain over 7,300 jobs per year** in the same period.

Despite the positive progress made by industry, support of the public and evolving policy, several barriers to the effectively deployment of solar and renewables remain to be removed. To remove these barriers, consideration should be given to:

- 1 There should be more frequent (and perhaps smaller) annual auctions rather than the four proposed between 2020 and 2027.
- 2 Further action is required to reduce cost and time to connect generation to the grid. Ireland has amongst the highest cost and longest period of application to connect to the grid in Europe driving up the cost of renewables to the consumer.
- 3 Legislative change is required to remove the restriction on the ability for generators to ‘private wire’ across 3rd party land and public roads. This would unlock the potential for corporate PPAs and behind-the-meter generation at scale.
- 4 A standardization of the local authority rates applied to renewable projects. The current system creates a significant element of uncertainty for upcoming auctions and a national acceptable rate should be set for the various technologies.
- 5 A standardization of the local authority development contribution. The development contribution varies dramatically from county to county. A standard contribution should be set nationally for each renewable generation technology.
- 6 A review of the TUOS and DUOS charges applied to solar should be carried out and a standard charge applied.
- 7 Zero rate VAT for solar PV should be introduced. This would encourage an earlier up-take of the technology in the domestic and commercial sector.
- 8 Legislative change to planning law to minimize delays in process.
- 9 Legislative change to planning law to tighten the qualification for appeal hearings.
- 10 Legislative change to make roof-top solar exempt from planning requirements.

I would like to thank the Committee for taking the time to meet with us today and welcome any further questions that you may have. ISEA have a comprehensive suite of supporting documentation and are happy to provide any supporting evidence that may be required in your deliberations.

Yours Sincerely,

David Maguire
Chairman, ISEA