

Presentation to the Joint Oireachtas Committee on Communications, Climate Action and the Environment

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Report for the public record.

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Friends of the Earth strongly support the proposal that micro generators are entitled to a fair payment for the surplus power they currently give to the grid for free. We believe citizens and community energy groups are key to unlocking the potential for renewable generation in Ireland and should be treated fairly as contributors in our energy transition. We support the legislation as proposed.

Introduction

At Friends of the Earth our vision is for a just world, where people and nature thrive. To that end, we are working to ensure Ireland does its fair share to tackle climate change, and reduce greenhouse gas emissions in line with the temperature goals agreed in the Paris Agreement.

Ireland's record on climate change is not inspiring. Despite agreeing to do so, we have failed to reduce our greenhouse gas emissions in any significant way. Like An Taoiseach, I am not proud of our reputation as the 'climate laggards of Europe'.

I think people are angry about that. And scared. This committee is well aware of terrifying reality of climate science and the injustice that those who have done the least to cause climate change are suffering the worst effects. Without concerted global action now, within a decade or two we are looking at ecosystem break down, food shortages, frequent extreme weather events and mass climate migration.

In Ireland historically our energy system has been dominated by large energy producers, state and semi-state organisations, and large companies. Even as wind energy has been developed across the island, people for the most part have not had much of a role to play, other than to object to particular projects.

Research undertaken by the National Economic and Social Council, on Wind Energy in Ireland, Building Community Engagement and Social Support[1] states

"We believe it is possible to build social support with appropriate measures; we also believe it is necessary to enable continued development of wind energy and energy infrastructure, and beneficial to Ireland's energy transition and society, given the job potential, social and environmental benefits of a low carbon future".

The power of people

Scared and angry as people are about climate change. I also see that they are motivated to participate in and embrace the solutions. The solutions that transition our energy system from fossil fuels to renewable energy.

Ireland excels at the community level, e.g. GAA, Tidy Towns. And supported by the Sustainable Energy Authority of Ireland (SEAI) a network of sustainable energy communities have sprung up in

every county in Ireland. They want to decarbonise, and they want to create local jobs and build local resilience.

They have been severely constrained and restricted in their efforts to build local renewable energy solutions. Not because they are lazy, or not committed enough, but because the rules for generating energy do not work for them. The rules work against them.

A route to the market is an essential component of any renewable energy project, at all scales. They include roof top solar power, micro wind turbines, micro hydro turbines, and larger scale projects too. We are working to support a network of local power generators with a number of these Sustainable Energy Communities to build a community based virtual power plant (cVPP). In this system communities and individuals invest in renewable energy generation, and then buy the power back from themselves.

These projects will go nowhere unless it is possible for small generators to sell the power they generate. Without the ability to sell excess power, the generator has to use all of the power on site at the time that it is being generated. If it is not all used on site, it is given to the grid for free. It is not measured or counted. Without the ability to sell power, there is no business case for investment in it.

Blocking citizens and communities from selling power is akin to supermarkets only paying corporate farmers and forcing small farmers to eat all their produce and give the rest away for free.

Public Support for climate action

The Citizens Assembly gave a clear and unequivocal message to this state. Together they recommended that the state should take a leadership role in tackling climate change, and within the recommendations on energy they placed strong emphasis on facilitating people and communities to take part in the energy transition, including a recommendation to pay for microgeneration spilt onto the grid, and ensuring greater levels of community ownership in renewables projects.

In theory the Citizens Assembly recommendations are already our energy policy. The White Paper from 2015 [2] commented,

“The energy system will change from one that is almost exclusively Government and utility led, to one where citizens and communities will increasingly be participants in energy efficiency and in renewable energy generation and distribution”.

But in practice, this is not the case. A fair payment for microgeneration spilt into the grid would be a very significant step in the right direction.

Friends of the Earth have been collecting signatures on a petition calling on the Government to introduce ‘a fair payment’ for solar electricity, specifically from microgeneration. There are over 20,000 signatures on this petition [3].

We are also running a project with a number of Sustainable Energy Communities to support the installation of solar panels on schools. With initial support from a philanthropic trust, we have applied for match funding under the sustainable energy better energy communities (BEC) programme which provides grants to sustainable energy projects to raise the necessary grants to install solar panels on schools. Students were invited to come up with ideas on what they could do in their community to raise awareness of the energy transition. Schools are beacons of the community, centres of education, and host the people now who in our country will be most affected by climate change. We were overwhelmed by the number and quality of the applicants, and in the

online public vote received 20,000 hits in one week. Not surprisingly, they want to play their part in the solution. Under current circumstances however, the investment in microgeneration does not make sense, because schools are not open almost 50% of the days in the year. They would be generating power and sending that power into the grid with no payback at all. Every € not spent on energy bills is a € for students, and if income could be generated from the rooftop, that's more € directly for schools. However, without the grant support that will be provided through this demonstration project, it would not be a sensible economic decision for the schools.

I am pleased that there is political agreement that if we are to take action on climate change, we need to do it in a way that includes people. We will not succeed if it is something that is done to people. Perhaps, as a country we have done so poorly at reducing our greenhouse gas emissions in all sectors because people have not been given the opportunities to participate in the effort. And while this is not to undermine the important role of the state in effecting system change, I do agree that effecting change will be most effective if we put the levers for climate action into people's hands, as Minister Bruton has eloquently described recently.

The energy transition needs to be fair

Microgeneration may not offer the MW's of renewable power that will put us on track to our Paris Agreement obligations. We will continue to need major investment in major energy infrastructure and large scale renewable development. However, if we do not offer people the opportunity to benefit from this energy transition, I fear we will not manage to achieve it.

Research from a European think tank, CE Delft, found that by 2050 half of Europe's citizens could be producing half of Europe's electricity.

Currently energy subsidies are paid to professional developers, large utilities and semi state organisations under the Public Service Obligation, which is a charge on all consumers bills. The forthcoming renewable electricity support scheme (RESS) will include a separate subsidy for community led renewable projects (bigger than microgeneration), but notably not at first.

And while any subsidy regime can have distributional impacts, we see no logic for demanding that bill payers only subsidise professional developers, and why rooftop generators or community generators are different to these other actors.

Research undertaken by Joseph Curtain of the IIEA [5] on the costs and benefits of subsidising rooftop solar showed that a subsidy for microgeneration should be introduced to encourage investment in this technology. A generation tariff of 10c (the subsidy), and an export tariff of 6.6c (the market price) is recommended. The subsidy is recommended to be capped at 50,000 households by 2030, resulting in an estimated cost of approximately €12.5-13.8 million Euro per annum. [Note PSO in 2018/19 estimated at €209 million, 2018/17 was €471 million, 2017/16 was €392 million, 2015/16 was €325 million] [6].

EU Renewable Energy Directive

The benefits of people and communities in the energy transition are now recognised at an EU level through the Renewable Energy Directive (RED II), within the Clean Energy for all Europeans Package, which will need to be transposed into Irish law by 2021.

The Renewable Electricity Directive contains a core set of enforceable rights to ensure that citizens are protected in investing in renewables, these include

- The right to produce, store, consume and sell renewable energy.

- Protection against discriminatory procedures and certain charges that could dissuade or penalise involvement in renewables.
- The right to access appropriate remuneration or support for engaging in renewables production.
- Protection of consumer rights, and the right to access information on these rights.

And obliges Governments to put in place an ‘enabling framework’ to facilitate the development of renewable self-consumption and sale of excess power. These enabling frameworks again have to cover a number of points. Including

- Remove obstacles so that everyone can access renewable for self consumption;
- Address financial and regulatory barriers and incentivise building owners to create opportunities for renewables self-consumption;
- Ensure prosumers’ non-discriminatory access to support schemes for the electricity they feed into the grid; and
- Ensure that the systems costs they are required to pay for electricity they feed into the grid are adequate and balanced.

Microgeneration is also supported by BEUC, the European Consumer Organisation [7], who produced a report in 2017 detailing recommendations to enable consumers to

“engage in the energy market by making it easy for those consumers who are interested in producing their own electricity to install self-generation technologies, access the grid and be able to sell excess electricity that they do not consume. They should be able to consume electricity they produce in-house without any burden. Tenants should also be enabled to engage in renewables.”

The BEUC report also notes,

“The energy transition that the EU is promoting could yield huge benefits for citizens and businesses. Its success depends on how tangible it can be made for people and whether the benefits will be shared across society.”

Selling microgeneration is going to happen in Ireland. It is only a matter of time. EU policy will demand it. The only choice Ireland has now is whether to be dragged into this at a later date by Europe, or to welcome it and do it ourselves now and in doing so build the democratic, fair and renewable energy system we need. Climate Change is not waiting. We need to completely transform our energy system. Let’s give some power to the people to do it too.

Friends of the Earth support this Bill.

References

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[4] The potential of energy citizens in the European Union, CE Delft, September 2016

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[5] The case for residential Solar PV. A cost benefit analysis. Jo Curtain

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