Public Accounts Committee

9th November 2023

Briefing Paper on Appropriation Account 2022

Vote 29 – Environment, Climate and Communications

Contents

Introduction

The Department of the Environment, Climate and Communications is central to the delivery of policies and programmes which are of significant strategic national importance, and which are essential to our national economic and sustainable development. Its functions encompass critical policy areas, including climate action and environment leadership, energy transformation, circular economy development and connectivity and communications delivery as well as responsibility for 14 commercial and non-commercial state bodies and regulators.

The Department and its agencies play a key leadership role in the delivery of a number of commitments under the Programme for Government and investment priorities identified in the National Development Plan (NDP).

The allocation of €12.9 billion over the period of the NDP (2021 – 2030) represents a significant increase in the Department's capital allocation and reflects the significant scale of ambition and pace set for the delivery of our vision for a climate neutral, sustainable and digitally connected Ireland.

2022 Financial Summary and Delivery Highlights

Gross expenditure under Vote 29 in 2022 amounted to €2.366billion, an increase of €1.702billion (256%) on the 2021 outturn figure of €664million and €1.439billion (155%) above budget allocation of €926million (including capital carryover). The main drivers behind the large variance on budget related to supplementary estimates required to fund the electricity credit cost emergency benefits schemes and to fund the additional emergency generation capacity required for winter 2023/24 through to winter 2025/26 to offset a potential capacity shortfall of electricity supply.

Set out below are the key highlights across each programme with further detail on the 2022 funding provision versus outturn by Programme/Subhead set out in Appendix 1 on page 7.

Programme A – Climate Action and Environment Leadership

2022 Provision: €134m, Expenditure €97m, Underspend €37m

- €42 million was provided to the Environmental Protection Agency to support the protection, improvement and restoration of our environment through regulation, scientific knowledge and working with others.

- €10.3 million was provided for funding research, modelling and analysis in areas including environment policy, environment and climate action delivery, and just transition and sectorial policy projects, funded through and implemented by the EPA and other research and analysis partners.

- The Department contributed €16 million to International Climate Change Commitments. This contributes to Ireland's input to initiatives in the field of international climate policy, including financial grant-aid from developed countries to developing countries.

- Over €5 million was provided for Climate Actions Regional Offices (CARO's) and Local Authority climate action training programmes and action plans. The CAROs provide guidance, advice and support to Local Authorities to leverage the capability, reach and resources of the sector to effectively address climate change across Ireland.

- Ireland's Just Transition Programme and Territorial Plan was not approved by the European Commission until 15th December 2022 and as a result it was not possible to commence programme expenditure under the EU Just Transition Fund, contributing almost €23 million to the €30 million underspend on the subhead.

Programme B – Energy Transformation

2022 Provision: €2.213bn, Expenditure €1.975bn, Underspend €238m (post supplementary estimate)

- €151 million was expended in 2022 on residential and community retrofit programmes under subhead B4. A further €49 million was also expended on residential and community retrofit programmes from the Energy Efficiency National Fund in 2022.
  27,200 home energy upgrades were supported in 2022 of these 4,438 homes were delivered across the fully funded energy poverty schemes. Of the overall 27,200 upgrades delivered, 8,481 homes were upgraded to a post works BER of B2 or better in 2022, representing a 95% increase year-on-year.
  SEAI also established a network of One Stop Shops offering a start-to-finish project management service for the National Home Energy Upgrade Scheme, including access to financing, for home energy upgrades.

- A further €44 million was spent on other energy efficiency programmes such as business and public sector energy efficiency schemes.

- Due to the rise in international energy prices and the knock-on effect for domestic customers, the Government approved two Electricity Costs Emergency Benefit Schemes totalling €1.588 billion which was provided for through the Department in 2022. The first scheme saw €176.22 (ex. VAT) credited to over 2.1 million domestic electricity accounts in April/May 2022. In response to continued price rises, the Government introduced a second scheme of three payments of €183.49 each (ex. VAT) to be credited to over 2.1 million domestic electricity accounts between November 2022 and April 2023.

- In June 2022, the Commission for Regulation of Utilities directed EirGrid to procure circa 450 MW of additional generation capacity for winter 2023/24 through to winter 2025/26 to offset a potential capacity shortfall of electricity supply. Following the enactment of the EirGrid Electricity and Turf (Amendment) Act in July 2022, €350 million was provided in two supplementary estimates to cover the anticipated financial support required by EirGrid to (i) place orders on the electricity generation units and (ii) to ensure that they are delivered and installed in time for winter 2023/24. However, the complexity of the procurement process led to delays in finalising contracts, and the eventual drawdown by EirGrid was only €151 million. EirGrid have confirmed that the remaining costs of the project will be funded through their own corporate resources and transmission use of system charges and that no further Exchequer funding will be required.

Programme C - Circular Economy Development

2022 Provision: €98m, Expenditure €91m, Underspend €7m

- Over €11 million was spent on geological survey programmes in 2022. INFOMAR is on track to complete the mapping of all Irish waters, as planned, at end 2026. At end 2022 the programme had mapped a further 5,676 km.sq, for a total of 91,933 km.sq equal to 74% completion of INFOMAR. At end 2022 under the Tellus programme, the airborne geophysics was 83% completed with 63,275 km.sq and is on track to complete by 2025. The soil geochemistry programme was 66% completed with 13,618 sites visited and is on track to complete collection by end 2024 and all data analysed and released by end 2026. Completion is however dependent on recruitment of suitable technical Geochemical staff in 2024.

- €34 million was spent by Inland Fisheries Ireland to support the protection, conservation and development of Ireland's inland fisheries resource in 2022.

- €33 million was spent on waste management programmes of which €24 million was provided to 21 Local Authorities to support the risk assessment and landfill remediation work on 68 sites around the country in 2022. Over €8 million was spent under the Local Authority Waste Enforcement Measures Grant Scheme and €1 million was spent under waste communications and awareness initiatives to target priority areas such as Household & Commercial Waste Collection, Waste Prevention, Segregation and Recycling.

Programme D - Connectivity and Communications Delivery

2022 Provision: €225m, Expenditure €203m, Underspend €22m (post supplementary estimate)

- Expenditure on the NBP was €177 million in 2022 an increase of €32 million on the 2021 outturn of €145 million. Despite the rate of growth year on year an underspend was forecasted by the Department before year end and a reallocation from the programme of €30 million via a Supplementary Estimate was approved, giving a year end underspend of €18 million.

- By the end of 2022, design work was completed on 351,240 premises with network build complete for 122,440 premises, 109,256 premises passed and over 19% of the intervention area completed. 27,682 premises were able to avail of high-speed broad band services, with a further 4,029 connections pending.

- By the end of 2022, 281 public Broadband Connection Points (BCP) were in place with 278 of these open for business. These are located in places of community importance including community centres, library hubs, local sports facilities, tourism locations and other public places. In addition, more than 561 schools in remote rural locations had a connection installed with 199 of these schools provided with high-speed connectivity by the end of 2022.

- Over €6.5 million was provided for the funding of the Digital Hub Development Agency (DHDA) activities and the operating costs of the National Digital Research Centre (NDRC). The DHDA supports digital companies through the creation of a cluster focussed on digital content and technology enterprise. NDRC funds digital innovation initiatives and facilitates the creation of new ventures through its principal investment/accelerator and pre-accelerator support programmes.

- The Department is responsible for cyber security policy in Ireland and for co-ordinating government's emergency response to any national-level cyber security incidents. The Department discharges these responsibilities through the National Cyber Security Centre (NCSC). Over €3 million was expended under subhead D6 National Cyber Security Centre in 2022.

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Appendix 1 – VOTE 29 2022 Estimate and Expenditure by Subhead

Programme / Subhead	2021 Final Outturn €'000	2022 Estimate €'000	2022 Final Outturn €'000	2023 Estimate €'000
Programme A - Climate Action and Environment Leadership		[1]		
A.1 Administration – pay	7,696	8,240	7,079	8,225
A.2 Administration – non pay	1,967	2,187	1,957	2,696
A.3 Environmental Protection Agency	33,422	41,619	41,600	43,761
A.4 Environmental and Climate Research	18,043	14,300	13,536	17,250
A.5 Carbon Fund	1,797	4,500	-	2,905
A.6 International Climate Change Commitments	14,972	15,000	16,045	26,500
A.7 Climate Initiatives	3,111	11,077	9,776	10,931
A.8 Just Transition	1,172	34,000	3,397	12,420
A.9 Shared Island Fund	-	-	-	1,800
A.10 Climate Action Fund	7,636	-	-	-
A.11 Subscriptions to International Organisations	3,021	3,200	3,400	2,100
	92,837	***134,123***	***96,790***	***128,588***
Programme B - Energy Transformation				
B.1 Administration – pay	7,038	9,872	8,483	14,688
B.2 Administration – non pay	1,708	2,623	2,345	4,808
B.3 Sustainable Energy Authority of Ireland - administration and general expenses	16,098	21,475	19,509	27,971
B.4 Residential/Community Retrofit Programmes	268,866	152,869	151,329	355,265
B.5 Other Energy Efficiency Programmes	22,601	46,065	43,676	82,765
B.6 Other Energy Programmes	-	2,050	625	7,506
B.7 Energy Research Programmes	10,358	25,010	9,450	30,350
B.8 Gas services	44	45	42	45
B.9 Renewable Energy Compliance	-	10,300	-	-
B.10 Single Scheme Pension Payment to CRU	-	6	-	6
B.11 Electricity Credit	-	1,592,000	1,588,208	-
B.12 Subscriptions to International Organisations - Energy	276	290	312	350
B.13 Emergency Generation Capacity	-	350,000	151,000	-
B.14 Regulation of District Heading	-	-	-	689
B.15 Residential Retrofit Loan Guarantee Scheme	-	-	-	4,780
	326,989	***2,212,605***	***1,974,979***	***529,223***
Programme C - Circular Economy Development				
C.1 Administration – pay	6,054	9,446	8,117	11,970
C.2 Administration – non pay	1,779	2,705	2,385	4,116
C.3 Mining services and Petroleum services	378	2,264	950	3,264
C.4 GSI services	10,294	12,900	11,406	14,800
C.5 Inland fisheries	27,162	33,449	34,186	36,838
C.6 Waste Management Programmes	34,762	37,010	33,477	42,890
C.7 Subscriptions to international organisations	24	135	121	135
C.8 Environmental Sustainability	-	-	-	500
	80,453	***97,909***	***90,642***	***114,513***
Communications				
D.1 Administration – pay	7,303	12,074	10,375	12,117
D.2 Administration – non pay	1,745	3,207	2,868	3,969
D.3 National Broadband Plan	144,862	195,000	177,282	212,200
D.4 Other Communication Infrastructure	1,750	3,570	2,614	9,870
D.5 Other Digital Economy Programmes	6,249	6,206	6,650	7,734
D.6 National Cyber Security Centre	1,813	5,100	3,424	10,950
D7. Emergency Alert System	-	-	-	3,000
D8. Brexit Adjustment Reserve - An Post	-	-	-	23,896
D9. Post Office Network	-	-	-	10,000
	163,722	***225,157***	***203,213***	***293,736***
GROSS EXPENDITURE	**664,001**	**2,669,794**	**2,365,624**	**1,066,060**
Note 4.1 Appropriations-in-Aid				
1. Proceeds of fines in respect of inland fishery offences	23	50	24	50
2. Receipts under the Minerals Development Act 1940 and the Petroleum and Other Minerals Act 1960	6,605	5,092	1,423	5,000
3. Petroleum Infrastructure Support Group	35	402	49	402
4. Geological Survey Ireland income	342	300	347	300
5. Rent on properties in GPO	85	223	364	223
6. Miscellaneous receipts	1,372	1,000	1,288	1,000
7. Pension contribution from agencies	380	340	223	340
8. Receipts from pension-related deduction on public service remuneration	3,188	3,079	3,680	3,300
9. Dormant accounts funding	256	-	-	-
	12,286	***10,486***	***7,398***	***10,615***
NET EXPENDITURE	**651,715**	**2,659,308**	**2,358,226**	**1,055,445**

[1] 2022 Provision post supplementary funding adjustment

Appendix 2 – Report on the Accounts of the Public Services 2022

Chapter 8 Performance of Certain Residential Retrofit Schemes

Focus of the examination:

The C&AG examination was undertaken to assess the systems, procedures and practices in place to monitor the performance of two of the key residential sustainable energy schemes funded from the Vote. The report:

- provides an overview of the BER-assessed housing stock in Ireland
- examines the performance of two of the key residential retrofitting schemes within the sustainable energy programme — the 'better energy warmer homes' scheme and the 'better energy homes' schemes, and
- examines how the effectiveness of the schemes is assessed against the targets set.

Recommendations and response

The findings of the Report made a total of three recommendations, two of which require action from the Department and are set out below:

Recommendation 8.2: The Department and the SEAI should periodically (at least every three years) formally review the estimation techniques and data bases they use to calculate the energy consumption savings and emissions reductions attributable to the home retrofitting schemes.

Response of the Accounting Officer (Department): Agreed. The Department accepts this recommendation and will work with the SEAI in this regard.

Timeline for implementation: 2024 and will follow three yearly cycles from that point onwards.

Recommendation 8.3: The Department and the SEAI should continue to explore opportunities for access to and use of actual energy consumption data at individual property level, to inform its measurement of the impact of retrofitting of homes.

Response of the Accounting Officer (Department): Agreed. DECC accepts the need to continue to explore opportunities for access to and use of actual energy consumption data.

Timeline for implementation: Ongoing.

Progress to date on Recommendation 8.3:
Developments are ongoing among various relevant stakeholders to facilitate access to actual energy consumption data, work in this area includes:

- The Commission for Regulation of Utilities (CRU) is currently developing a smart meter data access code which will facilitate the transfer of domestic electricity consumption to them, under certain conditions with the consent of the electricity account holder.

- The SEAI is in discussions with Gas Networks Ireland to establish a data sharing agreement, for a limited sample of 200 dwellings, and are discussing other data sharing agreements with CSO and Electricity Supply Board (ESB) respectively.

Overview of Better Energy Warmer Homes Scheme:
The Warmer Homes Scheme is a free energy upgrade scheme which aims to make eligible homes owned by people in or at risk of energy poverty, warmer, healthier and cheaper to run. The scheme is funded through the Exchequer/Carbon Tax and the European Regional Development Fund. The Scheme has been in existence in different forms since 2000 and has provided upgrades to over 150,000 homes since then.

The scheme is available to owner-occupied homes built before 2006 (ie the ESB meter was connected and the property lived in prior to 2006) where the household is in receipt of an eligible Department of Social Protection payment[1]:

Following a policy change in 2018, deeper retrofit measures have been available as standard under the scheme for suitable properties. However, the home energy improvements offered will depend on many factors, including age, size, type and condition of the property. The SEAI technical surveyor will determine which upgrades can be installed and funded. These can include:

- Attic insulation and appropriate ventilation;
- Wall insulation and appropriate ventilation – cavity wall, external wall or dry lining depending on the property;
- Secondary measures – lagging jackets, draughtproofing, energy efficient lighting;
- In certain circumstances: heating system replacements, window replacements.

The Scheme is delivering a greater volume of deeper and more complex upgrades in recent years and this is reflected in the average cost of upgrades which have increased from €2,600 in 2015 to €24,006 in 2023

The provision of deeper measures has both attracted greater demand for the Scheme but given the increased time it takes to complete these more complex retrofits has also impacted on the waiting time for people waiting for home upgrade works.

To date in 2023 the average waiting time has reduced to just under 19 months compared to 27 months in 2021. This is measured as the time from application to the time of completing the upgrade works. This has been achieved in part through the following actions taken to reduce the timeline to completion and increase output under the scheme:

- SEAI has been allocated additional staff for the Warmer Homes Scheme;
- A significantly increased budget allocation;
- SEAI work to increase contractor output through active contract engagement and management;

[1] Fuel Allowance; Job Seekers Allowance for more than six months (with children under 7yrs); Working Family Payment; One-Parent Family Payment; Disability Allowance for more than six months (with children under 7yrs); Domiciliary Care Allowance; Carer's Allowance where you live with the person you are caring for.

- Actions to address ongoing supply chain and inflationary pressures;
- A record budget allocation of €148.5 million in 2023;
- Additional ERDF funding of €264 million over the period from now until 2027; and
- A new €700 million contractor panel has been put in place for the next 4 years, which has increased contractor capacity to 36.

Overview of Better Energy Homes Scheme:

The Better Energy Homes Scheme is a part-funded scheme available to Homeowners or private landlords to support a step-by-step, self-managed approach to retrofit.

Under the Better Energy Homes Scheme, homeowners can:

- Apply themselves and have the grant refunded once works are complete;
- Apply themselves and have the grant paid to their contractor which can choose to offer them a discount upfront; or
- Apply through a registered Energy Partner which will carry out the works for the homeowner and pass on the grant savings as a discount on the works

The measures supported include attic and wall insulation, heating system upgrades and renewable energy technologies.

In February 2022, the reforms of the SEAI schemes announced by Government included the alignment of grants available for relevant measures under the Better Energy Homes Scheme to the rates available under the National Home Energy Upgrade Scheme.

Recent figures from SEAI show that the supply chain is continuing to grow with 1,384 registered contractors for energy upgrades (insulation, heat pumps, etc.), of which 181 are new first-time registrations in 2023.

In the period since 2014, SEAI has, through the Better Energy Homes Scheme, provided grant support to over 130,000 home energy upgrades.

Requested material: B

Further Update (as at 3 November 2023) from the Department of the Environment, Climate and Communications to Recommendations made in the PAC's Report on the examination of the 2019 and 2020 Appropriation Accounts for Vote 29 – Environment, Climate and Communications and expenditure on the National Broadband Plan

Issue 1 – Failure of the State to meet its greenhouse gas emissions and renewable energy targets

<u>Recommendation 1a</u>

The Committee recommends that the Department takes urgent action to meet these targets going forward, in order to reduce expenditure by the State on statistical transfers or carbon credits.

<u>Recommendation 1b</u>

The Committee recommends that the Department provide the Committee with progress updates on the following matters by August 2022:

- **Efforts being made to reduce the State's greenhouse gas emissions,**
- **How the State is increasing its production of renewable energy, and**
- **Up-to-date figures for the expenditure required on:**
    - **carbon credits to comply with the EU Effort Sharing Decision target set for the State in 2020, and**
    - **statistical transfers of renewable energy in 2021.**

<u>Efforts being made to reduce the State's greenhouse gas emissions</u>

The enactment of the Climate Action and Low Carbon Development (Amendment) Act 2021 and the subsequent adoption of Ireland's first carbon budget programme and sectoral emission ceilings, as well as the annual updates to the Climate Action Plan published in 2021 and 2022 reflect the enhanced ambition set out in the Programme for Government. Specifically, the ambition to halve Ireland's emissions by 2030, compared to 2018 levels and set Ireland on a pathway to reach net-zero greenhouse gas emissions by no later than 2050. This significantly strengthened legally binding framework has clear targets and commitments set in law, as well as strengthened governance structures will help ensure that Ireland achieves its national, EU and international climate goals and obligations in the near and long-term.

The adoption, in 2022, of a programme of carbon budgets, and sectoral emission ceilings that operate within the parameters of the budgets, introduced more immediate and sector-specific emission reduction targets; crystallising the 'emission reduction ranges' for different sectors of the economy previously introduced in Climate Action Plan 2021. The sectoral emissions ceilings assume 26 MtCO2eq. in unallocated emissions savings for the second carbon budget period (2026-2030) to reflect that certain measures and emerging technologies could not be fully determined at the time of ceilings being prepared.

A ceiling for the Land use, Land Use Change and Forestry (LULUCF) sector has not yet been determined due to the emergence of updated scientific information that needed to be considered as part of the ongoing Land Use Review.

Efforts to address the unallocated emission savings and the LULUCF ceiling are ongoing and further detail on these will be included in the upcoming Climate Action Plan 2024.

The most recent Climate Action Plan, Climate Action Plan 2023 (CAP23), was published in December 2022 and comprises the key actions, measures and policies to meet the emission reduction targets set by the 5-year carbon budgets and sectoral emission ceilings. CAP23's complementary Annex of Actions provided further detail regarding the Plan's actions; setting out the lead Departments, key outputs, timeline for delivery and supporting steps necessary to ensure their completion. This Annex supports the monitoring, reporting and delivery processes that underpin the delivery of Ireland's climate action and it is an integral document to support and inform the quarterly progress reporting that is coordinated by the Department of Taoiseach and published on the gov.ie website.

Climate Action Plan 2023 included enhanced ambition for action in a number of areas with commitments including:

- increase the proportion of renewable electricity to 80% by 2030 and a target of 9 GW from onshore wind, 8 GW from solar, and at least 5 GW of offshore wind energy by 2030.

- Support at least 500 MW of local community-based renewable energy projects and increased levels of new micro-generation and small-scale

- Retrofitting up to 120,000 dwellings to BER B2 status by 2025, and then reaching 500,000 by 2030

- Increase organic farming to up to 450,000 hectares, the area of tillage to up to 400,000ha

- Increase total share of carbon-neutral commercial heating to 50-55% by 2025, advancing to 70-75% by 2030.

- Adopting the Avoid-Shift-Improve approach to our Transport sector: reducing or avoiding the need for travel, shifting to public transport, walking and cycling and improving the energy efficiency of vehicles

To further support accelerated implementation of actions in potentially high-impact areas, the Department has supported the establishment of climate delivery taskforces that comprise representatives from all relevant Departments and Agencies to facilitate delivering enhanced climate action in areas like offshore wind, heating and built environment, and sustainable mobility.

<u>How the State is increasing its production of renewable energy</u>

The development of renewable energy is central to achieving our climate ambitions and to overall energy policy in Ireland. The international energy crisis created by the Russian invasion of Ukraine highlights the need for energy independence and for all countries to accelerate the development of renewable energy sources. Indigenous renewable energy reduces our dependence on imported fossil fuels, reduces the cost to consumers, improves our energy security of supply, and reduces greenhouse gas emissions. Ireland is already a leader in onshore wind energy and we are now seeing solar PV as a rapidly growing source of electricity which is further transforming Ireland's energy system. With a maritime area seven times the size of its landmass, ideal wind conditions, and our location at the edge of the Atlantic Ocean, Ireland's potential for offshore wind energy is enormous. The work currently being undertaken in this area will put us in the strongest possible position to realise this potential from the second half of this decade.

Onshore Renewable Electricity Development

Ireland has made considerable progress in decarbonising our electricity sector, with a major reason for this being the construction of renewable generation sources and their successful integration onto the grid.

Ensuring our energy security of supply is a priority and developing our own indigenous renewable energy sources is key to that. We must deliver a resilient energy system which will facilitate our transition to net-zero, reduces our demand for imported fossil fuels – making us less susceptible to volatile fuel markets, and rapidly increase the supply of renewable generation sources.

Ireland is in the top five globally for installed wind power capacity per capita, with circa 4.7 GW of onshore wind generation capacity, and is a world leader in the integration of variable renewable electricity onto the grid. While solar energy is currently a distance behind onshore wind generation, it is a growing source of electricity and is rapidly transforming Ireland's energy system.

Climate Action Plan 2023

The Climate Action Plan 2023 seeks to transform Ireland into an international leader in the development and generation of high-quality renewable energy. The Plan includes a series of measures to support our renewables programme, include the accelerated delivery of onshore wind, offshore wind, and solar through a competitive framework, where appropriate, to reach 80% of electricity demand being met by renewable sources by 2030. For onshore renewables this includes:

- Targeting 6 GW of onshore wind and up to 5 GW of solar PV by 2025;
- Targeting 9 GW of onshore wind and 8 GW of solar PV by 2030; and
- Supporting at least 500 MW of local community-based renewable energy projects and increased levels of new micro-generation and small-scale generation by 2030.

At a time when the energy system is under severe pressure to ensure the security of supply, amid projections of rapid electricity demand growth over the coming decade, the electricity sector has been set one of the smallest carbon budget allocations and the steepest decline (-75%) of all sectors. The scale of the challenge is immense and transformational policies, measures, and actions required to meet the electricity sectors carbon budget programme.

The Climate Action Plan 2023 also recognises the need for societal change to ensure we can meet the flexibility demands needed to achieve our ambitious targets. As the decarbonisation of the transport and heating sectors continues, we will need to introduce further demand side measures to mitigate and manage the increased electricity demand. The pattern and use of electricity by households and businesses will have to profoundly change to one where consumption is matched to, and incentivised by, times of high renewable generation.

Policy Measures to Support Onshore Renewable Electricity Generation

The Department of the Environment, Climate and Communications has developed a number of schemes to support the production of renewable energy and so to enable us to meet our 2030 targets. These schemes include the Renewable Electricity Support Scheme (RESS), the Small-Scale Renewable Electricity Support Scheme (SRESS), and the Microgeneration Support Scheme (MSS).

Accelerating Renewable Electricity Taskforce

The establishment of an Accelerating Renewable Electricity Taskforce, to focus on the development of onshore renewable generation, was a key action under the Climate Action Plan 2023. This Taskforce was established in March 2023, with the membership made up of senior officials from relevant Departments and State Bodies.

The Taskforce was established to identify, coordinate, and prioritise the required policies needed to achieve the onshore renewable electricity, and related, targets, and to ensure that barriers to the implementation of such policies are removed or minimised to the greatest extent possible.

Renewable Electricity Support Scheme

RESS is the major Government policy to help deliver the onshore renewable electricity generation capacity required to ensure Ireland meets our ambitious climate and energy targets. RESS is an auction-based, technology-neutral support scheme which invites grid-scale renewable electricity generation projects to compete to receive a guaranteed price for the electricity they generate under a two-way floating feed in premium.

The RESS design includes in-built consumer protection where bidders will provide a strike price for use in a two-way settlement arrangement, i.e. when the market price is lower than the strike price, support is provided by the Public Service Obligation (PSO) levy which is paid for by all final electricity customers. If the market price is higher (as is currently the case due to high gas and electricity prices), then a refund will be made by the bidder to electricity consumers through the PSO.

Three RESS auctions have been held to date, with a minimum of two more due to be held before the end of 2025. These auctions provide pathways for renewable developers to plan and develop their projects.

The first RESS auction, RESS 1, was held in 2020, with successful projects to be commercially operation before the end of 2023. RESS 2 was held in 2022, with successful projects to be commercially operational before the end of 2025. The third RESS auction, RESS 3, concluded in September 2023, with successful projects due to be operation by early 2027 at the latest.

The delivery of projects from RESS 1 resulted in 2022 being a record year for the connection of renewable projects to the grid in a calendar year in Ireland.

A key feature of RESS is that all successful projects must establish a Community Benefit Fund to be used for the wider cultural, environmental, and economic well-being of the local community. The Funds are intended to enable the local community to share in the benefits of renewable electricity generation.

Small-Scale Renewable Electricity Support Scheme

*Previously known as the Small-Scale Generation Scheme (SSG).

The SRESS offers supports for renewable electricity installations which are not suited to other support measures, such as the utility-scale RESS or the MSS. The scheme aims to provide increased levels of new small-scale generation and assist with providing at least 500 MW of local community-based renewable energy projects. It will provide support to larger businesses, farms, public buildings, and communities to install renewable electricity generators.

A key objective of the SRESS is to provide a simpler route to market for Community projects than the competitive RESS auction process. Community projects, of up to 6 MW, will be accommodated in the SRESS.

SRESS is in its first phase, providing assistance, in the form of grants, to renewable self-consumers, for installations between 50kW to up to 1 MW in size. These grants have been available since July 2023, under the amended Non-domestic Solar PV scheme, which now facilitates both micro- and small-scale generation applicants.

The second phase of SRESS, to support small-scale SME and community renewable exporting projects, is due to be launched later this year. Instead of grants this will provide a premium tariff support to:

- Community and SME Export projects between 1 MW and 6 MW;
- Export-only projects below 1MW.

It is envisioned that the final scheme design for this second export phase will launch in the coming weeks.

Spatial Planning

The Renewable Electricity Spatial Policy Framework (RESPF) is being designed to offer an intended policy basis to offer a more plan-led approach to the development and generation of onshore renewable electricity and improve consistency and coherence between national, regional, and local climate action policy, in line with all other planning, environmental, and community considerations.

The primary objective of the RESPF is the equitable translation and allocation of the national renewable electricity generation targets for onshore wind and solar PV, as set out in the Climate Action Plan 2023. to the regional assembly level.

These regional targets will be supported by a detailed proposed policy framework designed to underpin and safeguard the successful and timely delivery of these targets in a fair, equitable and ecologically sensitive manner, in line with the carbon budget programme and renewable energy targets.

The Department of Housing, Local Government and Heritage (DHLGH) is currently undertaking a focused review of the 2006 Wind Energy Development Guidelines. The review is addressing a number of key aspects including noise, setback distance, shadow flicker, community obligation, community dividend and grid connections.

Offshore wind - recent developments

Maximising offshore renewable wind energy is a significant priority for this government. This is matched by an ambition which includes one of the most significant projects of our generation. When our current government was formed, it signed up to an ambitious programme for government which included the delivery of 5 gigawatts (GW) of offshore wind by 2030. This Government has now ensured that that programme went further, with an additional 2GW earmarked for the production of green hydrogen and other non-grid uses and by developing a framework for the delivery of 30GW of offshore wind by 2050.

To deliver our climate and offshore wind energy ambitions, we have moved to a plan-led approach. This will ensure that development of offshore renewable energy is delivered through a number of overlapping phases in a planned, strategic, economical and sustainable way, which will also guide investment within this sector.

Reform of our Marine Planning System

In order to establish the foundations to underpin the emerging offshore energy sector Ireland has had to undergo the most extensive reform of marine governance since the foundation of the Irish State. The Maritime Area Planning Act was signed into law on at the end of 2021 and it provides an entirely new legislative framework and streamlined development consent process for activities in the maritime area.

This framework includes bespoke forward planning, permitting and enforcement regimes as well as introducing a new State agency, MARA, as the Maritime Regulator. Whereas under the old Foreshore regime, you might have to wait up to two years for a site investigation licence, the new regime has brought that down to 90 days or less in most cases. A new directorate has been established in An Bord Pleanála dedicated to consideration of Climate and Marine infrastructure applications, and this too will further buttress the efficiency of the new planning system.

Traditionally, any development of Ireland's natural resources has been led by developers and regulated by certain departments and agencies. However, increased development demands and the challenge of achieving the targets set out in Ireland's Climate Action Plan, which include offshore renewable generation of electricity from wind, means that we need a new approach to ensure the development of Ireland's marine resources is sustainable.

The MAP Act contains provisions for forward plans called Designated Maritime Area Plans or DMAPs and with the approval of Government, the Department has accelerated this forward planning regime and has published the State's first DMAP Proposal. When complete in early 2024, the DMAP will act as a management plan for a specific area of our marine waters – in this case off Cork, Waterford and Wexford – and designate areas suitable for offshore wind along with supporting grid infrastructure.

What this means in practice is that the State, in cooperation with local communities and key stakeholders, and with consideration for other maritime activities including fishing and seafood production, will determine the appropriate location for offshore renewable energy developments. We will continue this accelerated approach with more DMAPs over the next number of years. These plans will go through rigorous environmental assessment and will guide decision making and investment decisions within the area they cover. It will make for a more transparent, efficient, and democratic planning system where people know well in advance where projects will be sited and plan accordingly.

Offshore Wind Delivery Taskforce

As part of this State-led approach, a cross-Government Offshore Wind Delivery Taskforce has been established to create an action plan, drive delivery and capture wider and longer term economic and business opportunities associated with the development of offshore renewables in Ireland.

This includes the identification of supporting infrastructure development and supply chain opportunities as Ireland's offshore wind industry is developed.

Our plan-led approach will streamline future offshore wind energy developments and is underpinned by a robust legislative path. This way forward offers the best opportunity to match our growing offshore ambitions.

Offshore Achievements and Future plans: ORESS 1 offshore wind auction

The landmark results of ORESS 1, our first offshore wind auction, earlier this year is the clearest signal yet that Ireland can become a renewables powerhouse.

Over 3 Gigawatts of capacity has been procured from four offshore wind projects, which will deliver over 12 Terawatt hours of renewable electricity per year. This is the largest volume of renewable energy Ireland has ever procured at auction. It is also enough to power over 2.5

million Irish homes with clean electricity and reduce greenhouse gas emissions by over 1 million tonnes in 2030.

These developments come under Ireland's Phase One approach to offshore wind energy developments. Our second offshore wind energy auction, ORESS 2.1, is set to launch in 2024. ORESS 2.1 will be the first auction to take place in the new plan-led system and will procure up to 900 Megawatts of capacity from the aforementioned DMAP area off Ireland's south coast.

As well as helping to meet our climate goals, these processes, along with subsequent offshore development, will have a transformational impact on investment, regional communities and on sustainable jobs creation.

Electricity interconnection plans

We have also made very significant developments in our electricity interconnection plans. Our new interconnection policy, published in July 2023, will see Ireland increase its electricity interconnection capacity and explore new interconnection opportunities with Spain, Belgium and the Netherlands.

Along with increased interconnection to France, there are also plans for further connections to the UK. To sit alongside our plan-led approach to offshore wind, we are pivoting to a plan-led approach to interconnection, so projects are complementary, with generation and transmission aligned.

Future Framework

Work is also continuing on a longer-term offshore energy resource assessment of our sea area and this strategy will form a key building block of the future, long-term model for the offshore renewable energy sector in Ireland. This long-term model and vision for offshore renewable energy in Ireland is called the Future Framework. This policy will be published in early 2024 and will set out a framework for the delivery of 30 Gigawatts of offshore wind by 2050.

This vision for achieving our renewable energy goals is shared across government and the regulatory framework we have put in place will ensure that the economic, environmental and societal benefits are realised for all our citizens and stakeholders, now and into the future.

National Industrial Strategy for Offshore Wind

As part of their work on the cross-Departmental Offshore Wind Delivery Taskforce, the Department of Enterprise, Trade and Employment is developing a National Industrial Strategy for Offshore Wind. This Strategic Roadmap is to be published in the first half of 2024. This Strategy will aim to ensure that Ireland maximises the economic benefits associated with our targets for offshore wind. This will involve identifying measures to build a capable and resilient supply chain and ensure that our strong RD&I ecosystem to extends to offshore wind sector. In the longer term, it will aim to ensure that Ireland achieves the greatest economic impact possible arising from the routes to market for our abundant renewable energy, as well as assessing opportunities for strategic spatial development in our coastal areas and around our ports.

Up-to-date figures for the expenditure required on carbon credits to comply with the EU Effort Sharing Decision target set for the State in 2020

- The 2009 Effort Sharing Decision set annual binding emissions reduction targets for EU Member States for the period 2013-2020, covering emissions from sectors outside of the EU Emissions Trading System, such as agriculture, transport, buildings, and waste.

- Beyond direct emissions reductions, the Effort Sharing Decision allowed Member States to meet their targets by means of using surplus emissions allowances from earlier years, or through purchasing allowances from other Member States or on international markets.

- In terms of purchasing credits over this period, the State purchased a total of 7.09 million carbon credits at a combined cost of €5.02 million. These trades were made between 2019 and 2023 to acquire credits to use towards compliance with both 2019 and 2020 targets.

    - On credit purchases from international markets, trades were made between 2019 and 2021, carried out by the NTMA on behalf of the Department. These trades resulted in the purchase of 2.9 million credits at a total cost of €2.1 million (including VAT).

    - On credit purchases from other Member States, one bilateral trade was made (with Slovakia), in 2023. This resulted in the purchase of 4.15 million credits at a total cost of €2.9 million. This option was availed of following Government approval and on the basis that it maximised cost efficiency and secured the best possible value for the Irish taxpayer.

- 2020 was the last year covered by the Effort Sharing Decision; Ireland was fully compliant with its legally binding obligations under the Regulation and, as a whole, the EU outperformed its collective emissions reduction targets over this period.

- The Effort Sharing Decision (ESD) is succeeded by the Effort Sharing Regulation (ESR) for the period 2021 to 2030. The compliance architecture of the ESR is somewhat different from that of the ESD; for example, while the trade of AEAs between Member States remains an option, international carbon credits/externally generated allowances cannot be used for compliance. It is too soon to determine definitively the costs, if any, of purchasing allowances as a compliance option under the ESR. This will be determined largely by the availability of surplus AEA units from other Member States and the unit-price of available AEA units.
- *Spending Review 2023: Estimating the Potential Cost of Compliance with 2030 Climate & Energy Targets*, published in February 2023, was prepared by officials from DECC and DPENDR, as a first step at estimating the cost of compliance with EU climate targets under the ESR. The paper outlines the proposed approach to estimating the potential costs of compliance on an annual basis out to 2030, in order to present potential implications if Ireland fails to make sufficient progress towards its targets and in implementing the new Climate Action Plan 2023. However, the lack of an existing market for the trade of AEAs or any prior data on purchases under the ESR, precludes precise projections at this point. The stated objective of government policy is to comply with its EU targets through direct emissions reductions and, if necessary, to avail of the flexibility options that are available under the relevant EU legislation.
- DECC officials will continue to work closely with DPENDR to keep Government abreast of any developments on the fiscal risks associated with any failure to reach climate targets and to ensure we are achieving the best possible value for the Irish taxpayer.
- All further insights regarding the availability and price of AEAs, gained from annual emissions reviews and future trades of AEAs, will be integrated into Ireland's compliance strategy as they become available.

Up-to-date figures for the expenditure required statistical transfers of renewable energy in 2021.

2020 – RED I

In 2020, Ireland's overall share of renewable energy was 13.5%, compared to the target of 16%. This resulted in the requirement for Ireland to purchase compliance using a system of statistical transfers. The completion of statistical transfers in 2020 allowed Ireland to meet its obligations under the Renewable Energy Directive (**RED I**) regarding the target of reaching 16% of energy from renewable sources by 2020. Therefore, the provision made in 2021 for statistical transfers was not required.

2021- RED II

The Clean Energy Package, agreed in 2018, comprises four Regulations, including the Governance Regulation, and four Directives, including a revision to the Renewable Energy Directive (**RED II**). The Clean Energy Package sets out the energy related targets to 2030.

To encourage consistent progress towards the 2030 target, the Governance Regulation provides for interim renewable energy targets in 2022, 2025 and 2027[1]. Under RED II, Ireland is also required to maintain an outturn of at least 16% renewable energy per annum to 2030.

In 2021, Ireland overall share of renewable energy was 12.5%. This reduction was a combination of increasing energy usage following covid and the change in methodology from RED I to RED II.

From 2021 onwards, our renewable results must be calculated under the REDII methodology. This updated Directive contains stricter requirements on the countability of biomass, biogas, and biofuels, as they relate to our renewable energy share (RES) results. Under REDII, biomass fuel consumed in installations above certain sizes, must fulfil various sustainability and GHG saving criteria to be counted towards national renewable energy targets.

In terms of the interim target for 2022. This target is binding at a European level, and indicative at Member State level. If the European interim target is not met, the interim targets become binding at Member State level. The European interim target for 2022 is

[1] Energy-in-Ireland-2022.pdf (seai.ie) *section 1.3 The 'RED Shift' and our 2030 energy targets*

22.8% renewable energy. The European outturn for 2020 and 2021 was 22.0% and 21.7% respectively.

Compliance options

Under the Governance Regulation, there are a number of options available, if interim targets become binding and are not reached, or that Ireland does not maintain the baseline of 16%.

These additional options include

- statistical transfers, (as previously available under RED I)
- contributions to a financing mechanism that would fund future renewable energy projects in any Member State in the Union,
- investment in a joint project, or
- the introduction of additional measures to increase the national share of renewable energy.

Under the additional measures option, Ireland has 1 year to introduce additional measures and assess their impact. As the outturn for 2021 was not confirmed until December 2022, Ireland is pursing the additional measures option during 2023. The renewable energy outturn for 2023 will be confirmed in December 2024. If Ireland exceeds 16% renewable energy in 2023, under the additional measures option, Ireland will also be deemed to be compliant for 2021.

Cost of Statistical transfers

Following an initial feasibility study at the end of 2022, the DECC IGEES unit again investigated whether it's possible to estimate the potential cost of compliance with energy targets. However, at this early stage, it looks like it is not yet feasible to provide reliable estimates for the cost of statistical transfer mechanisms under the Renewable Energy Directive II. Accurate prices of statistical transfers are not yet available as there is no established market for trading statistical transfers

Issue 2 – Clarity on sustainable energy programmes' expenditure

<u>Recommendation 2</u>

The Committee recommends that, starting from the 2023 Appropriation Account, the Department provides the estimate provision and the outturn for the individual schemes that fall under the subheads entitled 'Residential/Community retrofit programmes' and 'Other energy efficiency programmes'.

Furthermore, the Committee recommends that the Department provides the Committee with a breakdown of the 2022 estimate provision for each of the schemes that fall under these subheads by the end of quarter two 2022.

The Department the Environment, Climate and Communications accepts this recommendation but notes that estimates and expenditure are reported in the appropriation account in line with the Department's vote structure as published by the Department of Public Expenditure and Reform in the annual Estimates Volume. The Department will identify a breakdown of the 'Residential/Community retrofit programmes' and 'Other energy efficiency programmes' expenditure as standalone notes in the 2023 appropriation account.

The Department provided a breakdown of the 2022 capital estimate provision for the individual schemes that fall under the subheads entitled 'Residential/Community retrofit programmes' (Subhead B4) and 'Other energy efficiency programmes' (Subhead B5) to the Committee in September 2022.

Issue 3 – Total cost of landfill remediation

Recommendation 3

The Committee recommends that the Department provides it with an estimate, by the end of August 2022, for the total cost of remediation for landfill sites where remediation works are still required.

The landfill remediation grant programme was established in 2006 in response to the findings of EU infringement case ECJ C494/01 which cited grounds of non-compliance by the State with the Waste Framework Directive relating primarily to historic landfill sites which posed an environmental threat. Several actions were agreed with the EU Commission to bring Ireland into compliance and the case was closed out in 2015.

The grant programme continues as a means to environmentally risk assess, authorise and remediate identified sites. Under Section 22 of the Waste Management Act, 1996 (amended) there is a statutory obligation on local authorities to identify waste activity sites, environmentally risk assess and address these to mitigate any environmental risk posed. The grant programme was established in recognition of the financial burden on local authorities in meeting this obligation.

A total amount of **€212m** has been spent on the programme since its inception. Of that amount a significant portion was expended on two projects ISPAT/Haulbowline (€52m) and Kerdiffstown (€60m).

There are currently 398 sites on the Historic Landfill Register which require further action, of which 374 have commenced site investigations. Currently, there are 8 other known sites that are not on the Historic Landfill Register that require further remediation works as they pose a significant environmental risk.

Significant progress has been made in the oversight and implementation of the landfill remediation programme in recent years including.

- High risk and private/illegal sites have been prioritised for commencement and funding.
- Dedicated EPA inspector working on Certificates of Authorisation since 2018.
- Regional co-ordinators in place across the regional waste planning offices since 2019 and training provided to staff.
- National steering group established in 2019.

- Procurement framework for local authorities in undertaking environmental risk assessments in place since 2021.
- Funding totalling €26.25m has been provided in 2023 enabling work to commence/continue on 125 sites throughout the State.
- A new National Waste Management Plan will be in place next year.

While there are a wide range of factors that can impact on costs at each site, the estimated cost of the programme to completion taken at nine years and considering the below factors is €154m. Due to the prioritisation of high-risk sites, this estimate would essentially be 'front loaded' and should reduce as the programme nears completion.

In arriving at an estimate of future expenditure it should be borne in mind that:

- Past costs may not be a reliable indicator of future costs given that the bulk of risk assessments have been carried out and work on the sites posing most environmental threat has commenced viz. most sites remediated to date were high risk, illegal or unauthorised and required immediate response.
- Most sites remaining on the register and still to be addressed are moderate and low risk, future costs *may* be lower.
- External factors such as inflation, supply chain issues will continue to influence the final amount.

Issue 4 – Failure of National Broadband Ireland to meet its targets for the rollout of the National Broadband Plan

Recommendation 4

The Committee recommends that the Department:

(a) urgently provides it with a copy of the remedial plan agreed with NBI for the number of premises to be passed in 2022 by the NBP network,

(b) works with NBI to minimise the delays to the deployment of the NBP network, and takes a strong oversight role in ensuring that NBI meet its 2022 targets for premises passed by the NBP network, once agreed,

(c) strives to dramatically increase the take-up rate of the network, given the level of investment by the State in this project, and

(d) provides a quarterly report to the Committee of the total amount of State subsidies received by NBI; the total number of connections made to, and premises passed by, the NBP network to date, indicating any milestones that have been achieved, missed, and/or amended; and the total value and nature of any penalties applied by the Department to NBI for failure to meet its contractual obligations.

Update for Recommendation 4

(a) On 29 April 2022, the Secretary General wrote to the Committee and provided an update on the Updated Interim Remedial Plan (UIRP) agreed with National Broadband Ireland (NBI). The targeted figure for Premises Passed for Contract Year 4 (end of January 2024) is 185,000. NBI have achieved this target by 13 October 2023.

(b) The Digital Connectivity Office team in the Department will continue to work with NBI in its efforts to mitigate delays to the network rollout and will maintain the strong role it currently has in the management and governance of the Contract.

Key areas to-date where the Department has played a key role in mitigating delays include:

- Supporting the process of engagement with eir to ensure the timely upgrade of the eir pole and duct network to ensure it is carried out ahead of schedule.
- Securing agreement to accelerate the rollout to all primary schools.
- Securing agreement around the rollout to the Islands.
- Assisting and overseeing the significant engagement between NBI and 31 Local Authorities where a significant volume of road opening licences and pole licence applications have been approved in a timely manner.
- Oversight of the NBI procurement of subcontractors to ensure adequate resources are available to the project.
- Oversight of the NBI procurement of materials to ensure adequate materials such as poles, fibre cabling, and equipment are available as required.

Revised targets agreed with NBI include:

- 185,000 Premises Passed by the end of January 2024.
- 283 Community Connection Points installed in 2023.
- 672 School Connection Points installed in 2023.

These targets will all be achieved by the end of the year. As of 20 October 2023, NBI have:

- Passed 191,146 premises.
- Installed high- speed broadband to 283 Community Connections Points.
- Installed high speed broadband to all primary schools, bar 3 schools, which will be completed by the end of the year.

In addition, NBI have reported significant progress and momentum as of 20 October 2023:

- Design work is completed in townlands across every county in Ireland, with over 432,411 premises surveyed. This survey work feeds into detailed designs for each deployment area (DA).
- The build process has already commenced for over 349,200 Premises, with over 226,800 of these Premises undergoing Main-Fibre-Build.
- Over 57,600 Fibre-To-The-Premises connections are now completed across all Counties.
- Over 202,000 premises across all counties can, if they wish, place orders and pre-orders through local broadband service providers.

(c) The rollout by NBI under the Contract with the Minister is a core element of the implementation of the Digital Connectivity Strategy. The availability of high-speed, reliable digital connectivity will support the delivery of Ireland's economic and social ambitions and will position Ireland at the forefront of European and global digital developments. High-speed broadband services are being delivered through investment by commercial enterprises coupled with intervention by the State in those parts of the country where private companies have no plans to invest.

The Digital Connectivity Strategy is a key aspect of government strategy across a number of key areas, including climate, agriculture, education, transport, tourism, sustainable growth, jobs and health.

A key principle of the strategy is also to support and stimulate commercial investment. Since the publication of the original NBP in 2012, the commercial telecommunications sector has invested over €2.75 billion. This was spent primarily on upgrading and modernising networks which support the provision of high-speed broadband and mobile telecommunications services. Significant additional investment is expected over the coming years.

NBI has confirmed to the Department that over 57,600 premises have been connected as of 20 October, and this is increasing every month by circa 3,500 connections. To date, the level of connections is in line with projections and some areas are exceeding targets. There is a strong commercial incentive for NBI to have a high percentage of connections to the network, and the Department will continue to monitor the communications and demand stimulation plans. Almost 30% of premises passed have been connected, which exceeds expectations in terms of the connection rate of premises availing of the network so soon after it is available. Some areas have over 40% take up to date. It is fully expected that over the next five years, take up will reach over 80% in areas completed.

The Government and NBI agreed in 2020 to accelerate the rollout of high-speed broadband to some 672 schools across the State in the Intervention Area. According to NBI, this acceleration will be complete by the end of 2023, with three schools left to complete by NBI. This will ensure that all schools across the State will have the necessary infrastructure to carry out their critical day-to-day educational activities unimpeded by poor broadband. As of 20 October 2023, NBI reports that the necessary infrastructure is installed in 669 Primary Schools in the Intervention area, with 29 installed by other operators as agreed with the Department of Education and the remaining installed by NBI.

(d) At present, the Department provides quarterly reports to the Committee. In addition, NBI has added monthly/weekly information to the NBI's political representative's webpage (www.nbi.ie/reps). The website displays information on the subsidy paid to date, the number of premises that have been passed, the number of premises surveyed, the number where the design process has been completed, the number under construction/constructed, the number of premises available for order/pre-order, the map of the deployment area by status, a breakdown of premises by use and a comprehensive FAQ's section.

Issue 5 – Develop in-house expertise to reduce reliance on external consultants for advice relating to the NBP.

Recommendation 5

(a) The Committee recommends that the Department urgently explores the recruitment of staff to develop in-house expertise with regard to the NBP project and its oversight.

(b) The Committee also recommends that the Department shares with the Committee any projections it has with regard to expenditure on external consultants over the lifetime of the NBP project and provides an estimate on how much could be saved if the Department takes on advisory services currently provided by external consultants.

Recommendation 5(a)

The Department, as the contracting authority, manages all elements of contract governance. The Department currently has a core existing team of 38 people, which is augmented by specialist external services (c.17 whole-time equivalents) to effectively manage the Contract. These include technical, commercial advisory, financial and legal services.

The Department has worked to build up the internal skills of the team so that there will be less reliance on external expertise as the NBP build programme moves to a more steady-state. As the build phase of the programme moves toward completion, there will be less reliance on external advisors, and these will continue to roll off the programme. Arrangements are in place for effective knowledge transfer between advisors and the core team in order to mitigate the reliance on external advisors.

The team in the Department has seen a significant increase in in-house personnel and expertise. However, given the bespoke nature of the NBI Contract and the significant rollout period, which will be completed by 2027, it is necessary to have external personnel for this period only, and the majority of the advisory work will not be required thereafter.

The work of the team in the Department now also includes work on other areas, for example, the Metropolitan Area networks, International Interconnectivity, advising on new policy initiatives such as Universal Service for broadband and other European

Directives/Regulations such as the upcoming Gigabit Infrastructure Act. The expertise drawn from the NBP project over the last ten years is now being leveraged as much as possible to cover all telecom areas of responsibility in the Department.

Recommendation 5(b)

The three advisory services contracts currently in place have end dates in 2024. The consideration of the cost savings that would result from DECC staff taking over the work of external consultants is an essential part of the tendering process. To this end, the Department has been in discussion with the CSSO regarding the Legal Advisory services, and where appropriate, a higher level of service provision from the CSSO has been agreed upon. The projected cost of the Legal Advisory services is 750,000 per annum ex VAT. This is a potential cost of €3 million over four years, which covers the life of the advisory Contract, including two optional one-year extensions permitted under the terms of that Contract. A similar exercise is being carried out for the retendering of the Commercial and Technical services contracts. The projected cost of these services will be known as the tender process progresses. However, the likely cost of commercial and technical advisors will remain significant while the rollout is at scale, and there are significant subsidy payments (€300 - 400 million per annum) being made each year to cover the costs of build- up to 2027.

It should be borne in mind that, like all large infrastructure projects, there will be an ongoing requirement for certain external expertise, which could not be done by DECC staff as the need for that role will expire once the build phase is complete in 2027.

Dáil Standing Order 218(2)

An Coiste um Chuntais Phoiblí
Committee of Public Accounts

Instructions

Please complete this template for each *ex-post* review of expenditure completed since 2015. Please include hyperlinks to the reviews where possible and otherwise provide the reviews in soft copy.

VFM Information

Title of ex-post review of expenditure	Grant Thornton Review of the Digital Hub Development Agency (DHDA) 2020[1] Hyperlinks provided in footer	Type of review:	A strategic review of the DHDA and an assessment of options for its future. Market Gap analysis, Cost Benefit Analysis and Multi criteria analysis were all undertaken in this review
Accounting period(s) to which it relates:	2003-2019	Authored by:	Grant Thornton
Related review(s) previously undertaken:		Started:	18 December 2019
Quantum of expenditure covered by review:	c. €28.8m	Completed:	30 June 2020
% of total voted expenditure covered by review:	0.4% of total voted expenditure over period of review	Expenditure type:	Current and Capital
Programme line(s):	Digital Hub Development Agency (DHDA)	Relevant subhead(s):	D.5
% of total programme expenditure:	5% of Communications programme expenditure over period of review	If the review is reflected in a Public Service Performance Report, please provide year and page number:	N/A

[1] https://www.gov.ie/en/publication/5b05c-grant-thornton-review-of-the-digital-hub-development-agency-dhda-2020/

VFM details

***Objectives*:**

The review comprised two phases:

Phase 1: evaluation of current rationale for the DHDA; and

Phase 2: evaluation of a range of potential options for the future direction of the DHDA

Findings:

The Market Gap Analysis found that the DHDA was not required in order to sustain the continued growth and development of the Irish digital economy.

The CBA component of the review evaluated four options for the future of the DHDA, all of which involve either dissolution of the DHDA or removal of the requirement for Exchequer funding. In assessing the four options, the report does not make a recommendation as to the option which should be pursued.

Actions taken:

The Government decided (S180/20/10/1136A) on the 27 April 2021, that the Digital Hub Development Agency (DHDA) was to be dissolved, and its land and property assets transferred to the Land Development Agency (LDA).

Dáil Standing Order 218(2)

R2213 (iv) PAC33

An Coiste um Chuntais Phoiblí
Committee of Public Accounts

Seirbhís Thithe an Oireachtais
Houses of the Oireachtas Service

VFM Information

Title of ex-post review of expenditure	Policy Review of the National Digital Research Centre (NDRC)[2]	Type of review:	Policy Review
Accounting period(s) to which it relates:	2006 - 2017	Authored by:	Indecon International Consultants
Related review(s) previously undertaken:		Started:	13 March 2017
Quantum of expenditure covered by review:	€39m	Completed:	15 November 2017
% of total voted expenditure covered by review:	0.7% of total voted expenditure over period of review	Expenditure type:	Capital
Programme line(s):	National Digital Research Centre (NDRC)	Relevant subhead(s):	D.5
% of total programme expenditure:	9% of Communications programme expenditure over period of review	If the review is reflected in a Public Service Performance Report, please provide year and page number:	N/A

VFM details

Objectives:

The review examined (i) the operations, performance to date against objectives and wider economic impacts of the NDRC endeavour, and (ii) its future relevance and the extent to which there is a rationale, if any, for continued State support beyond the expiry of the current Concession Agreement, having regard to the ecosystem within which the NDRC operates.

Findings:

The consultants were of the view that there is a market failure in terms of early stage supports for businesses. However, NDRC is one element of the State's extensive involvement in addressing that market failure. The private sector would not, without state support, be willing to provide the type of services provided by the NDRC to assist start-up companies overcome the barriers to development. The recommendation was that support for NDRC be continued for a further period of 3-5 years. The report also recommended that more resources be focused on regional investment.

[2] Contains sensitive information

Actions taken:

The Government decided S180/20/10/0817 in May 2018 to continue the current supports to the NDRC pending the appointment of a new service provider via a competitive procurement process with the provision of exchequer support of up to €3.5m per annum for a three-year period, extendable to five years subject to the outcome of a further policy review to be completed in year three.

The procurement process was completed in 2020 with a contract awarded to Dogpatch Labs to continue the NDRC endeavour supported by its regional partners in Kerry, Cork and Galway. The contract (signed on 30 November of 2020) is for a term of three years, extendable by up to two one-year periods at a value of €3.5million (inclusive of VAT) per annum.

Dáil Standing Order 218(2)

R2213 (iv) PAC33

An Coiste um Chuntais Phoiblí
Committee of Public Accounts

Seirbhís Thithe an Oireachtais
Houses of the Oireachtas Service

VFM Information

Title of ex-post review of expenditure	Review of Operation of National Digital Research Centre since 2020[3]	Type of review:	Review of NDRC since 2020 that would provide evidence to support the Minister's right to extend the term of the services contract by two years.
Accounting period(s) to which it relates:	2020 - 2023	Authored by:	Indecon International Consultants
Related review(s) previously undertaken:	Policy Review of the National Digital Research Centre (NDRC)	Started:	22 February 2023
Quantum of expenditure covered by review:	€7m	Completed:	30 June 2023
% of total voted expenditure covered by review:	0.2% of total voted expenditure over period of review	Expenditure type:	Capital
Programme line(s):	National Digital Research Centre (NDRC)	Relevant subhead(s):	D.5
% of total programme expenditure:	2% of Communications programme expenditure over period 2020 to 2022.	If the review is reflected in a Public Service Performance Report, please provide year and page number:	N/A

VFM details

Objectives:
Review of NDRC since 2020 that would provide evidence to support the Minister's right to extend the term of the services contract with Dogpatch Labs (DPL) by two years.

Findings:
Overall, the assessment was that the balance of evidence on performance under the current contract and the costs and risks associated with an immediate new procurement process, plus the need to complete a wider review of the rationale for the NDRC, together indicate a substantive case for considering the immediate extension of the services contract with DPL for a further two-year period.

[3] Contains commercially sensitive information

Actions taken:
The services contract with DPL was extended per contract provision for two years, and the contract will expire on 30 November 2025.

VFM Information

Title of ex-post review of expenditure	Post-Implementation Review of the National Broadband Scheme[4]	Type of review:	Post implementation review
Accounting period(s) to which it relates:	2009-2014	Authored by:	Indecon
Related review(s) previously undertaken:	1.6% of total voted expenditure over period of review	Started:	2017
Quantum of expenditure covered by review:	€43m	Completed:	2017
% of total voted expenditure covered by review:	1.6% of voted expenditure over period of review	Expenditure type:	Capital
Programme line(s):	National Broadband Scheme	Relevant subhead(s):	2014 Subhead A.3 – ICT Programmes
% of total programme expenditure:	21% of Communications programme expenditure over period of review	If the review is reflected in a Public Service Performance Report, please provide year and page number:	

VFM details

Objectives:	To assess whether the original basis on which the NBS project was taken was correct; To assess whether the expected benefits and outcomes from the scheme materialised; To examine whether the planned outcomes were the appropriate responses to actual public needs; To assess whether the scheme appraisal and management procedures adopted were satisfactory; and To draw conclusions on lessons learned from the operation of the NBS.

[4] Contains commercially sensitive information

Findings	Findings were made in relation to the following issues: Appropriateness of Gap Funding Model Projects where Needs are Changing Effectiveness of Reverse Payment Mechanism Effectiveness of Use of Strategic Value Need for Rigorous Estimation of Demand Importance of Quantification of Costs and Benefits of Options Need to Ensure Design of Mechanisms Reflects Risks for the State
Actions taken:	The findings and lessons learned informed future policy.

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VFM Information

Title of ex-post review of expenditure	Value for Money and Policy Review - Tellus Border Project[5]	Type of review:	Value for Money and Policy Review
Accounting period(s) to which it relates:	2010-2013	Authored by:	VfM Steering Group
Related review(s) previously undertaken:	N/A	Started:	2015
Quantum of expenditure covered by review:	12m	Completed:	2016
% of total voted expenditure covered by review:	0.2% of total voted expenditure over period of review	Expenditure type:	Capital through North-South InterReg Grant
Programme line(s):	Geoscience services.	Relevant subhead(s):	C.5
% of total programme expenditure:	2% of programme Natural Resources programme expenditure over period of review	If the review is reflected in a Public Service Performance Report, please provide year and page number:	N/A

VFM details

Objectives:	To examines the performances of the Tellus Border Project against a series of nine metrics under headings of: relevance, efficiency, effectiveness, rationale, impact and economy.
Findings	As regards the Efficiency metric, it was found that GSI's expenditure on the Tellus Border activities successfully met budgeted targets despite some minor overspend. In terms of Effectiveness, it was found that the outputs delivered by GSI in relation to the Project were met successfully and largely on time. Under the Rationale metric, the Project was found to remedy a market failure whereby, in its absence, there would be an under-provision of high quality geochemical and geophysical data in the market. Under the Impact metrics, it was found that, while measuring the precise impact of the Tellus Border Project is challenging, it can positively impact on a wide range of areas including: radon mapping, mining, land use planning and academic research. Under the Economy metric, it was demonstrated the Project is likely to contribute to a net positive benefit to the Irish economy.

[5] https://opac.oireachtas.ie/AWData/Library3/DCCAEdoclaid071216_154141.pdf

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Actions taken:	In follow up to this a national programme was initiated to complete the airborne geophysical mapping and ground geochemical sampling of the remaining 20 counties. This programme is funded through the Geological Survey Ireland voted capital expenditure of DECC at c.€3m p.a., successfully underway and scheduled for completion by 2026. Progress in terms of sq. kms of airborne mapping is a DECC KPI. As per the report recommendations, the Tellus Programme has led to numerous products including revised Radon mapping, a collaborative project on soil health with Teagasc (TerraSoil), work on soil re-use with EPA and a range of academic research.

VFM Information

Title of ex-post review of expenditure	Focussed Policy Assessment: SEAI Better Energy Homes 2009 -2015[6]	Type of review:	Focussed Policy Assessment
Accounting period(s) to which it relates:	2009-2015	Authored by:	VfM Steering Group
Related review(s) previously undertaken:		Started:	2017
Quantum of expenditure covered by review:	€185,408,668	Completed:	2017
% of total voted expenditure covered by review:	6.1% of total voted expenditure over period of review	Expenditure type:	Capital
Programme line(s):	Residential/Community retrofit programmes	Relevant subhead(s):	B.4
% of total programme expenditure:	29% of Energy programme expenditure over period of review	If the review is reflected in a Public Service Performance Report, please provide year and page number:	N/A

VFM details

Objectives:

To examine the rationale and impact of SEAI's Better Energy Homes Scheme over the years 2009-2015.

Findings

Under the Rationale metrics, the review concluded that the scheme's objectives, to support homeowners improve their energy performance, reduce energy use and greenhouse gas emissions, addressed market failures in the consumption/production of energy and were consistent with wider Government policy in the energy sector, which seek to 'deliver deeper energy efficiency upgrades… to put the residential sector on a realistic trajectory to a low carbon energy future'. Under the Impact metrics, it was found that, SEAI tracked outputs from its scheme and provided clear data in respect of measures installed, houses completed, money spent, carbon abatement achieved and energy efficiency improvements delivered.

SEAI FPA Final.pdf

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Actions taken:	The scheme was continued and increased funding allocations have been made available in subsequent years. Additional energy efficiency and renewable energy technologies have also been added to the range of measures available under the scheme. SEAI have further improved their output tracking allowing for later reviews of the scheme including the reviews mentioned below.

VFM Information

Title of ex-post review of expenditure	Environment Fund Spending Review[7]	Type of review:	Spending Review
Accounting period(s) to which it relates:	2002-2017	Authored by:	DCCAE & DPER
Related review(s) previously undertaken:		Started:	2017
Quantum of expenditure covered by review:	€715m	Completed:	2017
% of total voted expenditure covered by review:	Review covered 100% of Environment Fund expenditure over period 2002 to 2017	Expenditure type:	Current and Capital
Programme line(s):	N/A	Relevant subhead(s):	N/A
% of total programme expenditure:	Review covered 100% of Environment Fund expenditure over period 2002 to 2017	If the review is reflected in a Public Service Performance Report, please provide year and page number:	

VFM details

Objectives:	To examine the Environmental Fund having regard to the statutory objectives of the Fund, the drivers of income and the nature and trend of activities funded by the Fund. To identify both potential performance indicators for measuring effectiveness of the levies and criteria for establishing priorities of activities supported by the Fund.
Findings	This review found that environmental levies on plastic bags and landfilling of waste achieved the desired behavioural change and there was an overall decrease in volume per capita of plastic bags usage and landfilling of waste. The review recommended that consideration should be given to: 1. Exploring alternative sources of income to maintain the current levels of funding for activities and the possibility of extending these where appropriate.

[7] https://assets.gov.ie/7279/a8059965449244c9bef95d55b7709f23.pdf

	2. Potential reduction of expenditure so that longstanding programmes can operate at reduced capacity, or identification of essential activities so that discretionary/non-essential initiatives can be suspended. 3. The appropriateness of continuing to fund activities that are not within the remit of the Fund's "parent" Department, DCCAE. 4. The appropriateness of continuing to apply the Environment Fund to funding of core environmental policy initiatives, rather than through Voted Funding.
Actions taken:	1. Alternative sources of income • A review of the Environment Fund was carried out by the Department in 2019. This review identified a range of potential options for new income streams and in November 2019, a Government Decision (S180/20/10/2116D) approved a phased programme of actions over the period 2020-2025, which included the introduction of waste recovery levy and environmental levies on single-use packaging items. • In July 2022, the Circular Economy and Miscellaneous Provisions Act was signed. Section 11 of the Act was commenced on the 29th June 2023. Section 11 provides the Minister with powers to make regulations introducing environmental levies on single-use products, subject to Government approval. • The immediate focus is on the introduction of a levy on single-use cups for hot drinks (Coffee Cup Levy). Regulations to introduce this levy have been drafted and the Department plans to bring these into force as soon as a commencement date has been agreed with the Revenue Commissioners. Further levies will be introduced over time but require extensive consultation and analysis, which demonstrates there is clear evidence that reusable alternatives are readily available. There is no timetable for this as yet. • A new Waste Recovery Levy of €10 per tonne came into effect on 1 September 2023 which will apply to municipal waste recovery operations in Ireland, and on the export of waste for such recovery abroad. The existing Landfill Levy has also been increased by €10 per tonne. 2. Expenditure reduction and identification of essential activities • The Fund's expenditure continues to be monitored as there is no legislative provision that allows the Fund to go into deficit and the Department needs to ensure it is funded adequately to meet its ongoing costs to support essential environmental activities as outlined in the Circular Economy and Miscellaneous Provisions Act 2022. 3. Funding activities not within the remit of DCCAE • Funding of activities outside the remit of the Department ceased in 2020 with no other departments receiving funding from the Environment Fund

	since. DECC only provides funding to support the initiatives to protect the environment as per the Circular Economy and Miscellaneous Provisions Act 2022 4. Appropriateness of funding policy initiatives • A number of commitments were transferred from the Environment Fund to the Vote in 2020 following DPER's agreement to move c.€9.1m from the Fund to the Votes of DCCAE/DHPLG/DHCG. Funding allocations will continue to be considered in light of the current and estimated future financial position of the Fund. This approach is taken to ensure that the allocations made in a given year are within the financial capacity of the Fund.

VFM Information

Title of ex-post review of expenditure	Spending Review: Incentives for personal Electric Vehicle purchase[8]	Type of review:	Spending Review
Accounting period(s) to which it relates:	2011-2019	Authored by:	DPER
Related review(s) previously undertaken:		Started:	2019
Quantum of expenditure covered by review:	€35m	Completed:	2019
% of total voted expenditure covered by review:	0.9% of total voted expenditure over period of review	Expenditure type:	Current and Capital
Programme line(s):	EV Grants	Relevant subhead(s):	B.4
% of total programme expenditure:	3% of Energy programme expenditure over period of review	If the review is reflected in a Public Service Performance Report, please provide year and page number:	

VFM details

Objectives:	To examine the incentives for personal electric vehicle purchase in Ireland, to attempt to gauge the effectiveness of these supports and consider their sustainability.

[8] https://assets.gov.ie/25107/eb5a541e3b614c94a3e47c8d068e72c9.pdf

Findings	On balance, the evidence suggests that financial incentives do impact on EV adoption rates and that increasing exposure to EVs has a corresponding effect on consumer interest in EVs. EV take-up also appears to be strongly influenced by model availability and the availability of charging infrastructure.
Actions taken:	Responsibility for EV policy lies with the Department of Transport

VFM Information

Title of ex-post review of expenditure	Social Impact Assessment – SEAI Programmes Targeting Energy Poverty[9]	Type of review:	Social Impact Assessment
Accounting period(s) to which it relates:	2009-2019	Authored by:	DPER
Related review(s) previously undertaken:		Started:	2020
Quantum of expenditure covered by review:	€268,400,000 (SEAI total expenditure on Warmer Homes scheme 2009-2019)	Completed:	2020
% of total voted expenditure covered by review:	5.6% of total voted expenditure over period of review	Expenditure type:	Capital
Programme line(s):	Residential/Community retrofit programmes	Relevant subhead(s):	B.4
% of total programme expenditure:	21% of Energy programme expenditure over period of review	If the review is reflected in a Public Service Performance Report, please provide year and page number:	N/A

9 2020 Social Impact Assessment – SEAI P

VFM details

Objectives:	Outline the rationale / objective of the schemes. Outline the level of expenditure on the schemes over the period 2009-2019. Identify the changes in expenditure levels and detail the drivers of these changes. Detail the profile of the recipients of these schemes (i.e. location, qualifying payment, number of occupants in home, etc.). Identify and outline any evidence assessing the impact of the schemes on recipients. Recommend areas for further analysis.
Findings	The level of data collected on recipients of both the Warmer Homes Scheme and Communities Scheme is insufficient to provide a detailed profile, given the lack of data typically used to profile users in Social Impact Assessments (e.g. age, gender, income bracket).
Actions taken:	Following a review of the Scheme a number of changes were announced in February 2022 including a decision to commence the collection of both pre and post works Building Energy Ratings (BER). The primary purpose of this is to improve targeting of the scheme to those most in need. The scheme now prioritises those homes rated E, F or G for retrofitting. The pre works BER also brings other broader benefits, including: more effective retrofit design; more housing stock data; and greater homeowner understanding of their property. The provision of pre works BERs will also provide additional metrics and allow for improved measurement of the impact of the Scheme. This would help to provide additional data in relation to the impact of the scheme on low income households.

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VFM Information

Title of ex-post review of expenditure	Spending Review of Grant Schemes for Energy Efficiency: Better Energy Homes and Better Energy Communities[10]	Type of review:	Spending Review
Accounting period(s) to which it relates:	2009-2019	Authored by:	DPER
Related review(s) previously undertaken:	Social Impact Assessment – SEAI Programmes Targeting Energy Poverty Focussed Policy Assessment: SEAI Better Energy Homes 2009 -2015	Started:	2020
Quantum of expenditure covered by review:	€405,200,000 (SEAI total expenditure on BEH &BEC scheme 2009-2019)	Completed:	2020
% of total voted expenditure covered by review:	8.4% of total voted expenditure over period of review	Expenditure type:	Capital
Programme line(s):	Residential/Community retrofit programmes	Relevant subhead(s):	B.4
% of total programme expenditure:	32% of Energy programme expenditure over period of review	If the review is reflected in a Public Service Performance Report, please provide year and page number:	

VFM details

Objectives:	Assess the effectiveness of SEAI Grant Schemes for Energy Efficiency

[10] https://assets.gov.ie/94936/5a0c630e-0d41-49a8-806f-8901b80daf48.pdf

Findings	Existing support schemes, while effective prior to the Climate Action Plan, are not sufficient to achieve the goals set out in the Climate Action Plan and Programme for Government. New schemes are required which will align with the BER-B2 and Heat pump targets.
Actions taken:	In February 2022, Government approved a new package of supports as part of the delivery of Ireland's National Retrofit Plan under the Climate Action Plan. These measures are aimed at making it easier and more affordable for homeowners to undertake home energy upgrades, for warmer, healthier and more comfortable homes, with lower energy bills and emissions. Included in these measures is the establishment of the new National Home Energy Upgrade Scheme, offering unprecedented grant levels towards the cost of a typical B2 home energy upgrade with a heat pump. The National Home Energy Upgrade Scheme introduces a new way to undertake home energy upgrades with SEAI registered one stop shops providing an end-to-end service for homeowners. The new higher grant rates available for relevant measures under the National Home Energy Upgrade Scheme are also available under the Better Energy Homes Scheme and the Community Energy Grant Scheme. The National Home Energy Upgrade Scheme and the Community Energy Grants scheme now require that a BER B2 is achieved to draw down grant funding. This is supporting the achievement of the Climate Action Plan targets.

VFM Information

Title of ex-post review of expenditure	Business Case for future Eircode Operations[11]	Type of review:	Option analysis with CBA&MCA
Accounting period(s) to which it relates:	2013-2020	Authored by:	PWC
Related review(s) previously undertaken:	nil	Started:	Sept 2021
Quantum of expenditure covered by review:	€25,620,808 (VAT incl)	Completed:	February 2022
% of total voted expenditure covered by review:	0.8% of total voted expenditure over period of review	Expenditure type:	Capital
Programme line(s):	Other Communication Infrastructure	Relevant subhead(s):	D.4
% of total programme expenditure:	9% of Communications programme expenditure over period of review	If the review is reflected in a Public Service Performance Report, please provide year and page number:	nil

VFM details

Objectives:	The purpose of the review was to analyse the performance of Eircode and consider potential options, and to provide the justification to support the preferred approach proposed to enable the Department to ensure the delivery of the Eircode system into the future in the most effective and efficient manner possible.
Findings	The report noted the success of Eircode and its significant worth to Irish society and its economy. It identified providing Eircodes in an Open Data environment as the preferable option. However, due to a number of factors it recommended an interim extension of the current contract to allow time to deliver Eircodes in an Open Data environment

[11] This document contains commercially sensitive information

Actions taken:	Contract extended with current provider (Capita). Engagement commenced with pre-identified stakeholders on future provision of Eircodes

VFM Information

Title of ex-post review of expenditure	Spending Review: Non-Exchequer Funds under the Aegis of the Department of the Environment, Climate and Communications[12]	Type of review:	Spending Review
Accounting period(s) to which it relates:	2001-2020	Authored by:	DPER
Related review(s) previously undertaken:	Environment Fund Spending Review, 2017	Started:	2021
Quantum of expenditure covered by review:	€875m	Completed:	2021
% of total voted expenditure covered by review:	Review covered 100% of Environment Fund expenditure over period 2001 to 2020	Expenditure type:	Capital and Current
Programme line(s):	N/A	Relevant subhead(s):	N/A
% of total programme expenditure:	Review covered 100% of Environment Fund expenditure over period 2001 to 2020	If the review is reflected in a Public Service Performance Report, please provide year and page number:	

VFM details

Objectives:	To establish the key inputs and outputs of the non-Exchequer Funds for which DECC is responsible; To review the delivery of those Funds; and To explore their sustainability over time.
Findings	The findings of this Review accord with the conclusions from the previous Review in 2017. - Behavioural change (demonstrated through decline in income from landfill and plastic bag levies) has been on a consistent downward trend, - Core policy objectives are funded from EF outside traditional Voted expenditure - Consistent decline in EF income presents a risk that EF commitments may have to be transferred to the Vote

12 https://assets.gov.ie/203602/07518663-ce86-440d-86c3-640b1275f981.pdf

	The Review recommends: 1. There should be a clear rationale for all public expenditure and for the use of non-Exchequer funds 2. Giving consideration to alternative sources of income 3. Early adoption of a Programme Logic Model for evaluation of the EF 4. The CAF should be evaluated once more in the medium term, three years post-statutory footing. 5. A note on the return to the EENF from the Qualified Investment Fund, IEEI, is to be included in the published accounts of the CAF. DECC is required to publish an annual statement of accounts of the CAF to be considered by the Comptroller and Auditor General and laid before the Houses of the Oireachtas.
Actions taken:	1. Rationale for Public Expenditure • Expenditure from the Environment Fund is governed by the same public financial policies and procedures that exist for Voted expenditure and budget holders are currently required to ensure that expenditure proposals from the Fund meet the terms of the legislation in place. 2. Alternative sources of income • A review of the Environment Fund was carried out by the Department in 2019. This review identified a range of potential options for new income streams and in November 2019, a Government Decision (S180/20/10/2116D) approved a phased programme of actions over the period 2020-2025, which included the introduction of waste recovery levy and environmental levies on single-use packaging items. • In July 2022, the Circular Economy and Miscellaneous Provisions Act was signed. Section 11 of the Act was commenced on the 29th June 2023. Section 11 provides the Minister with powers to make regulations introducing environmental levies on single-use products, subject to Government approval. • The immediate focus is on the introduction of a levy on single-use cups for hot drinks (Coffee Cup Levy). Regulations to introduce this levy have been drafted and the Department plans to bring these into force as soon as a commencement date has been agreed with the Revenue Commissioners. Further levies will be introduced over time but require extensive consultation and analysis, which demonstrates there is clear evidence that reusable alternatives are readily available. There is no timetable for this as yet. • A new Waste Recovery Levy of €10 per tonne came into effect on 1 September 2023 which will apply to municipal waste recovery operations

	in Ireland, and on the export of waste for such recovery abroad. The existing Landfill Levy has also been increased by €10 per tonne. 3. Programme Logic Model • The adoption of a programme Logic Model for the Environment Fund was considered at the time of the Spending Review and a draft was initiated. However, due to the diminishing volume of the Fund and the ultimate cessation of the Fund a final model was not adopted.

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VFM Information

Title of ex-post review of expenditure	Spending Review: Non-Exchequer Funds under the Aegis of the Department of the Environment, Climate and Communications[13] specifically the Climate Action Fund (CAF)	Type of review:	Spending Review
Accounting period(s) to which it relates:	2018 – 2021	Authored by:	DPER
Related review(s) previously undertaken:	N/A	Started:	N/A
Quantum of expenditure covered by review:	€186m of **committed expenditure** (Call 1 projects)	Completed:	2021
% of total voted expenditure covered by review:	Review covered 100% of Climate Action Fund committed expenditure over period 2018 to 2021	Expenditure type:	Capital
Programme line(s):	N/A	Relevant subhead(s):	N/A
% of total programme expenditure:	Review covered 100% of Climate Action Fund committed expenditure over period 2018 to 2021	If the review is reflected in a Public Service Performance Report, please provide year and page number:	N/A

VFM details

Objectives:	• Establish the key inputs and outputs of the CAF. • Review delivery of CAF projects. • Explore the sustainability of the CAF over time.

[13] https://assets.gov.ie/203602/07518663-ce86-440d-86c3-640b1275f981.pdf

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Findings	• There is a clear rationale for public non-Exchequer funding of the CAF, dependent on the fund's effectiveness. • The CAF was found to be in an early stage of development, with 4 of the initial 7 Call 1 projects in delivery and the remainder under financial analysis. • The review proposed adoption of a Project Logic Model and outlined how this would allow evaluation of project performance against the overarching objectives of the CAF. • The review recommended that the CAF be evaluated again in the medium term, three years post-statutory footing.
Actions taken:	• Elements of the Programme Logic Model were incorporated into the updated CAF validation process for projects from 2023 onwards.

VFM Information

Title of ex-post review of expenditure	Spending Review: Landfill Remediation Grant Scheme[14]	Type of review:	Spending Review
Accounting period(s) to which it relates:	2003-2021	Authored by:	DECC
Related review(s) previously undertaken:		Started:	2022
Quantum of expenditure covered by review:	€190m	Completed:	2023
% of total voted expenditure covered by review:	Landfill Remediation expenditure (2016 to 2021) accounted for 2.2% of total voted expenditure over this period. Prior to 2016, the Landfill Remediation Grant Scheme came under the remit of the Department of Housing	Expenditure type:	Capital
Programme line(s):	N/A	Relevant subhead(s):	N/A
% of total programme expenditure:	Landfill Remediation expenditure (2016 to 2021) accounted for 25% of Circular Economy/Natural Resources expenditure over this period. Prior to 2016, the Landfill Remediation Grant Scheme came under the remit of the Department of Housing	If the review is reflected in a Public Service Performance Report, please provide year and page number:	

[14] https://assets.gov.ie/246713/973fd0c5-28a4-4ac8-b03b-48ec4e0a2471.pdf

VFM details

Objectives:	**Assess the value for money of expenditure incurred to date, estimate the** total cost of remediation for landfill sites where remediation works are still required and assess if there is a basis for continued funding.
Findings	It was recommended that DECC prepare a public spending code compliant business case for approval while the programme continues to fund Environmental Risk Assessment and collate data on all projects through the national steering group. It was also recommended that DECC continue the work of the national steering group in delivering the landfill remediation grant programme to address data limitations by continuing to appropriately collect, account, and monitor the relevant performance and financial data of this scheme. The review recommended that consideration should be given to: 1. (i) Preparation of a public spending code compliant business case for approval while the programme continues to fund Environmental Risk Assessments (ERAs) etc and; (ii) collation of data on all projects through the national steering group 2. Continue the work of the national steering group in delivering the landfill remediation grant programme to address data limitations by continuing to appropriately collect, account, and monitor the relevant performance and financial data of this scheme, in compliance with the Public Financial Procedures and the Public Spending Code
Actions taken:	1. Business Case • An initial draft business case for the Landfill Remediation Programme was developed using the SMART model in early 2023 and submitted to IGEES in response to the findings of this Spending Review Report. Discussions are ongoing as to how best to finalise the business case before formal approval is sought. 2. Steering Meeting • DECC continues to chair the National Landfill Remediation Joint Steering Group on a quarterly basis to oversee the progress and management of the landfill remediation works of those sites recorded on the Historic Landfill Register.

In your reply, please also include, and provide an answer to, each of the following:

1. **1.** Do you have a systematic/cyclical approach to choosing areas/programmes/expenditure to review? If so, please describe the approach in detail.

   The Department of the Environment, Climate and Communications is committed to treating public funds with care, and to ensuring that the best possible value for money is obtained whenever public money is being spent or invested. It continuously strives to ensure that it has appropriate systems and processes in place to deliver on this commitment.

   As part of our Strategic Delivery Framework, expenditure decisions are aligned with our strategic priorities from the outset ensuring that both human and financial resources are appropriately aligned to priorities. These decisions are made in line with the Department's financial management procedures and having regard to the Public Spending Code. All financial proposals submitted for approval must be accompanied by a Business Case incorporating a Strategic and Technical Assessment Report (STAR). The STAR sets out strategic alignment with the Department's and Government priorities, and analysis as required under the Public Spending Code. It also includes an assessment in relation to resource, communications, ISD, State aid, legal and planning implications and intended procurement regime. The STAR is signed off by the relevant Heads of Function across the assessment areas referred to above. This system provides an assurance to final approvers that all relevant matters have been considered and/or complied with in the development of the proposal.

   In relation to ex-post expenditure reviews, the Department in conjunction with the Department of Public Expenditure, NDP Delivery and Reform, undertakes a number of spending reviews annually in key areas of expenditure of the Department. These reviews have provided useful insights into the operation of the expenditure area and highlighted areas for improvements. Last year, the Department completed a spending review in relation to the **Landfill Remediation Grant Scheme**. As part of this collaboration with DPENDR, a paper was also prepared to provide initial insights into the potential cost of compliance with 2030 climate and energy targets - **Estimating the Potential Cost of Compliance with 2030 Climate and Energy Targets.** Both the review and paper on compliance costs were considered, and signed off, by the Management Board. They are available to view at gov.ie - Spending Review 2022 (www.gov.ie)

   As part of Business Planning 2024, the Department plans to include a workstream in its corporate strategy, Ag Obair Le Chéile, to further enhance the STAR process having regard to lessons learned since its introduction in mid-2022. It is also proposed to examine existing processes around ex-post expenditure reviews with a view to ensuring that a fit for purpose regime is in place within the Department commensurate with its voted budget. The Department would welcome any advice from the Committee on best practice in this regard.

2. How and why you choose particular areas/programmes/expenditure to review?

   The choice of particular areas relates to a range of factors chief among them, levels of expenditure and impact.

3. Do you have a schedule of planned reviews? If so, covering what period, and at what level is it signed off?

   In the coming weeks, a Spending Review on domestic electricity credits will be published (A Review of Electricity Prices and Supports in the Context of the Energy Crisis). DECC is currently engaging with DPENDR in the choice of topics for the coming year which will be presented to the Management Board in due course for sign off.

4. The governance arrangements pertaining to the implementation of the recommendations arising from the reviews.

Review findings are considered, and signed off, by the Management Board. Implementation of the recommendations are a matter for the relevant Heads of Function.

5. For each of the reviews for the accounting period under examination by the Committee and the preceding two years:

• details of implementation to date,

• timelines for implementation.

These details are set out in the accompanying templates.

6. What specific effects have the implementation of the recommendations or conclusions of each review undertaken in the last seven years had in terms of the allocation of funding within the Vote(s)?

The reviews have provided useful insights into the operation of expenditure areas, highlighted areas for improvements, provided evidence bases for decisions and informed policy making related to the allocation of funds. These include:

- introduction of a procedure to ensure that a public spending code compliant business case are developed for proposed expenditure (STAR procedure);
- recommendations around project logic models have been introduced strengthening project evaluation and decision making (Climate Action Fund);
- additional sources of income have been identified for environmental projects (environmental levies);
- evidence base for dissolution of the Digital Hub; and
- development of enhanced energy efficiency supports and processes (eg in relation to heat pumps, BERs) under the National Retrofit Plan to further support the achievement of the Climate Action Plan targets.

In an overall sense, our Strategic Delivery Framework, referred to above, continues to strengthen our strategic planning, delivery oversight and strategic alignment of priorities with budgeting and workforce planning. There is significant formal engagement, and robust delivery focused dialogue, between priority leads, the Management Board and the Minister throughout the year.

Furthermore, the Department continues, through its corporate strategy Ag Obair Le Chéile, to review and refresh traditional ways of working to ensure that the Department remains fit for purpose as it grows and changes. The strategy, refreshed annually as part of our business planning process, continues to enhance our corporate operating model by addressing gaps identified, including through audit recommendations and reviews, and refreshing existing practices and processes.

7. In accordance with section 19 of the Comptroller and Auditor General Act 1993, any other evidence you might wish to provide as to:

"(b) the economy and efficiency of the Department in the use of its resources,
(c) the systems, procedures and practices employed by the Department for the purpose of evaluating the effectiveness of its operations".

Please see Chapter 4 (Strategy, Good Practice and Accountability) and Chapter 5 (Audit, Assurance and Compliance Arrangements) of the Department's Corporate Governance Framework which set out how the Department operates to ensure a sustained focus on strategic priorities, strategic alignment of priorities with money and workforce, and to ensure that State funds are appropriately safeguarded.

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8. Any other information that you, in your capacity as Accounting Officer, might wish to add to assist the Committee in forming a view as to whether you can demonstrate VFM in the context of Standing Order 218(2).

The Department has solid and systematic processes in place through its Strategic Delivery Framework and Corporate Governance Framework to ensure that there are robust processes and dialogue in place to ensure that funds are being expended on the right priorities, aligned with workforce planning and appropriately controlled. In addition, and also through our Strategic Delivery Framework, there is a robust process in place to ensure that gaps in processes, procedures and controls can be addressed through the ongoing enhancement of our corporate operating model.