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Public Accounts Committee

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Briefing Paper on Appropriation Account 2024

Vote 29 – Climate, Energy and the Environment

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Introduction

The Department of Climate, Energy and the Environment's mission is to deliver climate action, the transformation of our energy systems, the protection and resilience of our environment and a resource-efficient economy. Its functions encompass critical policy areas, including climate action and environment leadership, energy transformation and circular economy development as well as responsibility for 10 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).

Following the 2025 review of the National Development Plan, the Department secured €9.14 billion in capital funding for 2026 - 2030 to fund its priority programmes. This includes an allocation of €5.64 billion to the Department, incorporating year-on-year increases to the end of this decade, of which €500 million is from the new Infrastructure, Climate and Nature Fund, and a further €3.5 billion to be provided as new equity to EirGrid and to ESB to support a significant expansion of the electricity grid over the coming years

2024 Financial Summary and Delivery Highlights

Gross expenditure under Vote 29 in 2024 amounted to €1.734 billion, a decrease of €234 million on the 2023 outturn figure of €1.968 billion and €516 million (42%) above original budget allocation of €1.218 million (including capital carryover). The main drivers behind the large variance on budget related to supplementary estimates required to fund the electricity credit scheme, to meet the Minister's contractual obligations under the National Broadband Plan and to support the HSE Pilot Energy and Decarbonisation Pathfinder Project which was awarded funding during 2024 under REPowerEU.

Set out below are the key highlights across each programme with further detail on the 2024 funding provision versus outturn by Programme/Subhead set out in Appendix 1 on page 7.

Programme A – Climate Action and Environment Leadership

2024 Provision: €140m, Expenditure €128m, Underspend €12m

- €46 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.

- €12 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 €26.5 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 €7.5 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.

- Over €15 million was provided for Just Transition National and EU, with a further €12.5 million provided to other Just Transitions partner Departments.

Programme B – Energy Transformation

2024 Provision: €1.067bn, Expenditure €1.039bn, Underspend €28m (post supplementary estimate)

- €428 million was expended in 2024 on residential and community retrofit programmes under subhead B4. *53,984* home energy upgrades were supported in 2024 of these *7,743* homes were delivered across the fully funded energy poverty schemes. Of the overall upgrades delivered, 21,817 homes were upgraded to a post works BER of B2 or better in 2022, representing a 24% 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.

- €14.5 million was spent on other energy efficiency programmes such as business and public sector energy efficiency schemes, with a further €72 million funded from the Climate Action Fund (€68 million) and the Energy National Efficiency Fund (€4 million).

- Due to the rise in international energy prices and the knock-on effect for domestic customers, the Government approved the fourth Electricity Costs Emergency Benefit Scheme totalling €520 million which was provided for through the Department in 2024. The scheme credited €250 (including VAT) to domestic electricity accounts between December 2024 and February 2025. This was the fourth Government scheme for Electricity Credits and in total, therefore, domestic electricity accounts have been credited with €1,500 since the beginning of the war in the Ukraine.

- The Programme for Government, Climate Action Plan and the National Retrofit Plan committed to the introduction of a residential retrofit low-cost loan scheme i.e., the Home Energy Upgrade Loan Scheme. The Scheme was launched in April 2024 to provide lower cost loans to help homeowners to invest in energy efficiency, making their homes warmer, healthier and cheaper to run. A total of €99.6 million was provided from the Energy Efficiency National Fund for the scheme.

Programme C - Circular Economy Development

2024 Provision: €124m, Expenditure €100m, Underspend €24m

- Just over €14 million was spent on Geological Survey Ireland programmes in 2024. In 2024 the Tellus national mapping programme completed soil sampling of the

entire island, a project that commenced in 2011 with more than 41,000 samples taken, making Ireland one of the few countries globally with such complete coverage. The associated Tellus airborne geophysical survey mapped 3,280sq.km for 85% national completion. . INFOMAR, the national marine mapping programme, completed over 7,000sq.km of marine surveys to reach 80% completion. Groundwater catchment reports were produced for the Shannon Corrib region and a record €2.38m was invested in research supporting 30 new projects. A new €20m InterReg north south project GEMINI was launched, to derisk geothermal energy on the island of Ireland, supported by the department through the PeacePlus programme.

- €38 million was spent by Inland Fisheries Ireland to support the protection, conservation and development of Ireland's inland fisheries resource in 2024.

- €23 million was spent on waste management programmes of which €8 million was provided to Local Authorities to support landfill remediation work on 89 sites around the country in 2022. Over €11 million was spent under the Local Authority Waste Enforcement Measures Grant Scheme and just under €2 million was spent under waste communications and awareness initiatives to target priority areas such as Household & Commercial Waste Collection, Waste Prevention, Segregation and Recycling.

- Following a Government decision in December 2023, responsibility for Ireland's marine planning system formally transferred to the Department of Climate, Energy and the Environment from the Department of Housing, Local Government and Heritage in May 2024.

Programme D - Connectivity and Communications Delivery

2024 Provision: €440m, Expenditure €467m, Overspend €27m (post supplementary estimate)

- Expenditure on the NBP was €410 million in 2024 an increase of €120 million on the 2023 outturn of €290 million. In order to meet the Minister's contractual obligations, additional funding, including a €30 million supplementary estimate and a virement of €40 million, increased the NBP budget provision.

- By the end of 2024, significant additional progress had been made with National Broadband Ireland (NBI) reporting:

    - Design was completed on 551,752 premises;
    - Network build completed for 342,456 premises;
    - 343,895 premises could place an order or pre-order for connection through broadband service providers;
    - 326,367 premises were passed across 26 counties and available for immediate connection; and
    - 111,391 premises had been connected, with a further 8,265 connections pending with National Broadband Ireland connecting circa 4,200 homes each month. The level of connections was in line with projections. Some areas were exceeding targets.

- At the end of 2024, 283 public Broadband Connection Points were in place, located in places of community importance including community centres, library hubs, local sports facilities, tourism locations and other public places. In addition, all 672 primary schools in remote rural locations in the intervention area, had high-speed connections in place by the end of 2024.

- Over €8.5 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 was 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). Just under €8.7 million was expended under subhead D6 National Cyber Security Centre in 2024. Staff costs are paid from the Department's Admin Pay allocation.

- €10 million was provided in respect of continued support for the Post Office Network. This was the second year of a three-year commitment under the Programme for Government to provide €10 million per annum from 2023 to 2025 to provide for a sustainable post office network as a key component of the economic and social infrastructure throughout Ireland.

- €4.5 million was allocated in 2024, to facilitate payment of fines imposed by the EU Court of Justice judgement in respect of Ireland's failure to transpose the European Electronic Communications Code Directive in time and failure to notify the Commission of the transposition.

Appendix 1 – 2024 Estimates & Expenditure by Subhead, Expenditure, 2023 & Estimate 2025

Programme / Subhead	2023 Outturn	2024 Estimate - including supplementary & deferred surrender	2024 Outturn	2025 Estimate
	€'000	€'000	€'000	€'000
Administration (Included on a pro-rata basis across Admin Pay & Non Pay under each programme area)				
i. Salaries, wages & allowances	43,615	56,153	55,318	45,299
ii. Travel & subsistence	1,379	1,378	1,868	1,820
iii. Training and development	524	809	847	713
iv. Operational, services, supplies and sundry equipment	1,978	2,183	1,901	2,339
v. Digital capital investment and IT expenses	3,892	6,548	4,348	5,910
vi. Premises expenses	2,294	2,007	1,563	2,055
vii. Policy reviews, consultancy services and research	3,446	3,712	1,826	2,026
	57,128	***72,790***	***67,671***	***60,162***
Programme A - Climate Action and Environment Leadership				
A.1 Administration – pay	7,633	9,104	8,969	9,449
A.2 Administration – non pay	2,352	2,689	2,002	3,561
A.3 Environmental Protection Agency	44,430	46,623	45,799	48,544
A.4 Environmental and Climate Research	16,173	17,100	16,717	17,100
A. Carbon Fund	2,905	-	-	-
A.5 International Climate Change Commitments	26,408	26,500	26,500	27,750
A.6 Climate Initiatives	9,132	9,500	9,672	12,275
A.7 Just Transition TJT (IE & EU)	5,118	23,724	15,328	22,439
A.8 Shared Island Fund	-	2,000	77	1,600
A.9 Subscriptions to International Organisations	1,743	2,440	2,279	2,380
A.11 Just Transition Fund (Year 2024)	-	440	433	-
	115,894	***140,120***	***127,776***	***145,098***
Programme B - Energy Transformation				
B.1 Administration – pay	13,630	16,645	16,397	17,380
B.2 Administration – non pay	4,200	4,917	3,662	5,407
B.3 Sustainable Energy Authority of Ireland - administration and general expenses	25,171	30,159	29,029	32,294
B.4 Residential/Community Retrofit Programmes	320,357	444,348	428,200	566,870
B.5 Other Energy Efficiency Programmes	93,386	15,645	14,523	43,370
B.6 Other Energy Programmes	3,846	5,910	4,009	6,160
B.7 Energy Research Programmes	18,010	25,445	20,719	28,949
B.8 Gas services	45	45	20	45
B.10 Single Scheme Pension Payment to CRU	-	6	-	6
B.11 Electricity Credit	926,140	520,000	519,952	-
B.12 Subscriptions to International Organisations	318	550	563	575
B.13 Regulation of District Heading	234	662	-	662
B.14 Residential Retrofit Loan Guarantee Scheme	1,590	3,000	1,921	3,000
	1,406,927	***1,067,332***	***1,038,995***	***704,718***
Programme C - Circular Economy Development				
C.1 Administration – pay	11,108	15,390	15,161	18,470
C.2 Administration – non pay	3,423	4,595	3,386	5,895
C.3 Mining services and Petroleum services	761	2,946	702	2,754
C.4 GSI services	12,064	14,800	14,374	14,800
C.5 Inland Fisheries	36,973	37,887	37,925	39,484
C.6 Waste Management Programmes	22,848	35,140	22,817	34,340
C.7 Subscriptions to international organisations	134	135	134	230
C.8 Environmental Sustainability	-	500	-	-
C.9 Foreshore	-	2,611	253	2,171
C10. Marine spatial planning	-	2,200	568	2,200
C11. Marine Area Regulatory Authority (MARA)	-	7,800	4,763	10,234
C12. Planning Advisory	-	-	-	250
C13. Marine Environment	-	-	-	5,725
	87,311	***124,004***	***100,083***	***136,553***
Communications				
D.1 Administration – pay	11,245	15,014	14,791	-
D.2 Administration – non pay	3,537	4,436	3,303	-
D.3 National Broadband Plan	290,100	373,500	409,851	-
D.4 Other Communication Infrastructure	3,527	9,350	6,859	-
D.5 Other Digital Economy Programmes	8,107	8,950	8,752	-
D.6 National Cyber Security Centre	8,284	10,700	8,789	-
D7. Emergency Alert System	42	3,000	69	-
D8. Brexit Adjustment Reserve - An Post	23,096	-	-	-
D9. Post Office Network	9,702	10,000	10,044	-
D10. EU Compliance	-	4,500	4,500	-
	357,640	***439,450***	***466,958***	***-***
GROSS EXPENDITURE	**1,967,772**	**1,770,906**	**1,733,812**	**986,369**
Note 4.1 Appropriations-in-Aid				
1. Proceeds of fines in respect of inland fishery offences	41	50	43	50
2. Receipts under the Minerals Development Act 1940 and the Petroleum and Other Minerals Act 1960	11,287	2,772	2,938	1,350
3. Petroleum Infrastructure Support Group	17	210	-	375
4. Geological Survey Ireland income	290	300	267	300
5. Rent on properties in GPO	292	223	87	-
6. Pension contribution from agencies	461	340	383	260
7. Receipts from pension-related deduction on public service remuneration	4,242	3,600	5,055	2,920
8. Dormant accounts funding	-	500	40	460
9. Foreshore receipts	-	150	131	50
10. Miscellaneous receipts	1,132	1,000	1,586	100
	17,762	***9,145***	***10,530***	***5,865***
NET EXPENDITURE	**1,950,010**	**1,761,761**	**1,723,282**	**980,504**

Appendix 2 – Chapter 12 – Progress towards achieving climate neutrality in Ireland

- Chapter 12 provides an overview of the progress being made towards achieving climate neutrality targets for Ireland, and the potential financial implications of the targets not being met.
- It specifically notes that Ireland has made progress in reducing GHG emissions, but the rate of reduction remains insufficient to meet the targets established. It also notes that the current approach to monitoring progress lacks clarity and does not effectively demonstrate year-on-year progress (or lack of progress) or ensure sustained focus on longer-term targets.
- Under the European Climate Law which entered into force on 29 July 2021, the EU and Member States have committed to reduce net GHG emissions by at least 55% by 2030, compared to 1990 levels.
- To deliver on this commitment, a legislative package known as the 'Fit for 55' package was agreed and builds on existing commitments and includes measures such as a regulation on LULUCF (Land Use, Land Use Change and Forestry) and the revised Effort Sharing Regulation (ESR).
- Member States' national GHG emissions reduction targets out to 2030 are set by the revised ESR which entered into force on 16 May 2023. This covers those sectors of the economy that fall outside the scope of the EU Emissions Trading System (EU ETS) including transport, buildings, agriculture, light industry and waste. Ireland's target under the Regulation is to reduce our GHG emissions by at least 42% by 2030, relative to 2005 levels. The Regulation also provides for the introduction of annual targets (annual emissions allocations – AEAs) for each year 2021 – 2030.
- Member States can meet these targets through direct emissions reductions, as well as through additional compliance options provided for in the ESR framework. This approach enables flexibility among Member States to help achieve targets as efficiently as possible.
- The ESR governance framework does not provide for the imposition of direct fines. While partially purchasing compliance through surpluses from other Member States, as outlined above, could have significant costs, estimating these costs requires working with significant data limitations. At this point, there is no market for allowances, no clarity as to their

availability for purchase nor an established cost for purchase of allowances from other Member States.

- These EU targets are also in line with domestic commitments as set out in the Climate Action and Low Carbon Development (Amendment) Act 2021.
- Ireland now has the lowest level of GHG emissions in 35 years which is notable given concurrent demographic and economic growth including an increase of approximately 1.5 million people, more than one million new homes and over one million extra vehicles on our roads. The Environmental Protection Agency's (EPA's) most recent emissions reporting confirms that Ireland has recorded overall greenhouse gas (GHG) emission reductions for a third consecutive year, with a decrease of 6.8% in 2023 followed by a further 2% reduction in 2024.
- However, the EPA's latest projections report highlights the urgent need for accelerated delivery of measures to meet Ireland's 2030 climate targets, and cross-government coordination. Enhanced governance structures are being implemented which are essential to help us achieve this.
- The Climate Action Plan sets out the roadmap of actions required to reach our climate targets, including sector specific actions to comply with sectoral emissions ceilings and carbon budgets. The CAP is a whole-of-government document and DCEE engages and works extensively across government in order to produce the Plan.
- Cross-departmental CAP delivery taskforces are in place. Governance arrangements have been strengthened, with a new Climate Action Plan Programme Board, involving senior officials from all the main sectors (including energy, transport and agriculture) in place. It has a clear remit to focus on accelerated delivery of the actions needed to close the emissions gap.
- The Climate Action Delivery Board, made up of Secretaries General from all Government Departments involved in climate action, chaired by the Minister, has also been established as part of the strengthened governance arrangements.

Appendix 3 – Chapter 13 – Clearing the Carbon Fund

- Chapter 13 explains the circumstances around the cancellation of the remaining carbon credits in the statutory Carbon Fund, leaving the Fund effectively dormant.
- The Carbon Fund was established by the Carbon Fund Act 2007 to record carbon credit transactions related to Ireland's adoption of emission targets under the Kyoto Protocols.

- The National Treasury Management Agency (NTMA) was appointed to manage the Fund and, as the designated purchasing agent on behalf of the State, it administers and manages the carbon credit transactions.
- During the first commitment period under the Kyoto Protocols (2008-2012) the total number of credits obtained by the State was just over 9 million.
    - The NTMA acquired 5.26 million credits through direct purchases from the market at a cost of €89.6 million.
    - The remaining credits were obtained through investments of just over €26.5 million net in multilateral funds — the BioCarbon Fund, the Carbon Fund for Europe and the Multilateral Carbon Credit Fund.
- The actual requirement for carbon credits in the first commitment period was only 3.05 million, primarily due to economic circumstances at the time. The remaining 6 million credits were available for the second commitment period (2013-2020).
- During the second compliance period (2013-2020) of the Kyoto Protocol, Ireland met most of its commitments through the EU Effort Sharing Decision framework that covered the same period. This framework was largely based around annual emission limits for Member States – also known as annual emission allocations (AEAs). AEA surpluses could be carried over from year to year, and Member States could trade excess AEAs. International credits could also be used under ESD.
- For compliance under ESD, Ireland used both credits and purchased AEAs from other Member States.
- During the period 2019 – 2021, the NTMA purchased almost 2.95 million certified credits at a cost of €2.1 million.
- As AEAs may only be obtained directly from other EU Member States, the Department, following Government approval, entered negotiations to purchase AEAs. Ireland entered a bilateral agreement with Slovakia to obtain all required AEAs.
- In early 2023, 4.15 million AEA units were purchased at a cost of €2.9 million for retrospective compliance.
- The ESD framework placed certain restrictions on the types of carbon credits that could be applied by member states. This resulted in Ireland being unable to use 702,000 of its previously purchased carbon credits.
- The Fund has been dormant since 2022 with no assets other than 702,000 unusable carbon credits with a nil value.

- With the cancellation of these unusable credits in April 2025, the nominal assets have now been eliminated, and the Carbon Fund is effectively dormant.

Appendix 4 – Chapter 23 – Receipts from the Capping of Electricity Sales Revenue

- Chapter 23 reports on the operation of the controls over the receipts from the (temporary) capping of electricity sales revenues in the period December 2022 to June 2023, and the provisions made to use the funds which are being held in the statutory Market Cap Fund.
- It notes that:
    - following CRU's validation checks, participants may be required to submit a revised return and pay additional monies to the Fund (or be repaid from the Fund).
    - As at the Fund's reporting date — 30 September 2024 — the balance in the Fund stood at €190 million. Most of the payments into the Fund had been received by the end of January 2024.
    - In August 2025, the Minister for Climate, Energy and the Environment prescribed the Non Domestic Solar scheme for the utilisation of some of the Fund resources. To date, €15.618 million has been disbursed in respect of the designated scheme.
- The cap was applied for the period 1 December 2022 to 30 June 2023 and cash receipts were approximately €188.5 million as at September 2024. These proceeds are managed by Eirgrid on behalf of the Minister, in a Market Cap Fund established by the 2023 Act. The Fund continues to earn interest at approximately a rate of 1% through placement of funds with the NTMA.
- The money in the Fund is to be used to finance measures in support of final electricity consumers to mitigate the impact of high electricity prices. The Minister has to date prescribed one scheme, the Non-Domestic Micro-generation Grant Scheme (NMG), for disbursements of funds from the Market Cap Fund.
- The cash balance in the Fund at the end of April 2026 was €178.6million. Although disbursements from the Market Cap Fund to date have been relatively low, the Minister intends that the Market Cap Fund will be fully deployed to fund suitable measures to support electricity customers.
- The Department will take further decisions on the use of the Market Cap Fund balances on foot of the forthcoming report of the National Energy Affordability Taskforce.

Appendix 5 – Market Cap Fund Financial Statements 2024

- The Market Cap Fund was established by the Energy (Windfall Gains in the Energy Sector) (Cap on Market Revenues) Act 2023. The Fund may support measures in support of final electricity consumers to mitigate the impact of high electricity prices, which are clearly defined, transparent, proportionate, targeted, non-discriminatory, verifiable and not counteract the obligation to reduce gross electricity demand.
- Under the legislation EirGrid has responsibility to manage and control the current account and investment account and accordingly, keep all proper and usual accounts of all moneys paid into the Fund and disbursements from the Fund. EirGrid are required to prepare and submit the financial statements of the Fund to the Comptroller and Auditor General for audit following each accounting period. As Accounting Officer of the fund the Secretary General of the Department of Climate, Energy and the Environment signs the financial statements following the completion of the Comptroller and Auditor General's audit.
- Although disbursements from the Market Cap Fund to date have been relatively low, the Minister intends that the Market Cap Fund will be fully deployed to fund suitable measures to support electricity customers.
- The Non-Domestic Microgen Grant Scheme has an allocation to date of €37m from the Market Cap Fund, which is expected to cover payments to approved beneficiaries through to the end of 2026. Disbursements from the Market Cap Fund are typically drawn down by SEAI on a monthly basis to meet payment commitments as they arise.
- This Scheme can provide substantial support to the SME and not-for-profit sectors to address energy costs and reduce emissions in their buildings and is open to all businesses, public sectors bodies, societies and charities.
- The Department will take further decisions on the use of the Market Cap Fund balances on foot of the forthcoming report of the National Energy Affordability Taskforce.

Appendix 6 – Climate Action Fund Financial Statements 2024

- The Climate Action Fund (CAF) was established under the National Oil Reserves Agency (Amendment) and Provision of Treasury Services Act, 2020.
- The CAF supports projects, initiatives and research that:
    - contribute to achieving Ireland's climate and energy targets;
    - increase climate resilience and GHG removals in the State; and

- support regions of the State, and sectors of the economy, impacted by the transition to a low carbon economy.

- Support may also be provided for nature-based projects that enhance biodiversity and contribute to climate action.
- The fund has received funding from:
  - National Oil Reserves Agency, part of the NORA levy paid in respect of relevant disposals of petroleum products are paid into the CAF, after the funding requirements of NORA have been met. Signoff is required from MFIN, MPENDR and DPENDR Sanction to transfer the funds.
  - Energy Efficiency National Fund
  - Emissions offsets associated with official air travel. To date €1.808 million in official air travel emissions offsets has been paid to the CAF.

    Emissions levy receipts per year as reported in the CAF Accounts:

2021	2022	2023	2024	2025	2026*
75,278	102,638	370,797	549,278	709,522	950,000

*Estimate for 2026 is €950k (€658,242.74 collected to date 30.04.2026).

Note: The CAF Account is prepared on an accrual basis, emissions levy receipts are recognised when the levy is received by the Department. DPENDR Sanction is sought annually to transfer these receipts to the CAF.

- Over €600 million is expected to accrue to the fund over the period to 2030 ensuring that substantial funding will be available to fund a series of projects, initiatives, and research.