

DÁIL ÉIREANN

AN COMHCHOISTE UM CHOIMIRCE SHÓISÍALACH, FORBAIRT POBAIL AGUS TUAITHE AGUS NA HOILEÁIN

JOINT COMMITTEE ON SOCIAL PROTECTION, COMMUNITY AND RURAL DEVELOPMENT AND THE ISLANDS

Dé Céadaoin, 30 Márta 2022

Wednesday, 30 March 2022

Tháinig an Comhchoiste le chéile ag 9.30 a.m.

The Joint Committee met at 9.30 a.m.

Comhaltaí a bhí i láthair / Members present:

Teachtaí Dála / Deputies	Seanadóirí / Senators
Joe Carey,	Paddy Burke,
Joan Collins,	Eugene Murphy.
Rose Conway-Walsh,	
Claire Kerrane,	
Marc Ó Cathasaigh,	
Éamon Ó Cuív.	

* In éagmais / In the absence of Deputy Paul Donnelly.

I láthair / In attendance: Senator Seán Kyne.

Teachta / Deputy Denis Naughten sa Chathaoir / in the Chair.

National Action Plan on the Development of the Islands: Discussion (Resumed)

Chairman: Apologies have been received from Deputy Flanagan, Senator Wall and Deputy Paul Donnelly, for whom Deputy Conway-Walsh is substituting.

I remind members participating remotely that they must do so from within the precincts of Leinster House. I am pleased today to continue our discussion of the priority item on the committee's work programme, which is our continued consideration of the proposed national action plan on the development for the islands from the Department of Rural and Community Development.

The committee welcomes the opportunity to discuss sustainable energy on our offshore islands. The 2021 climate action plan sets out a roadmap to ensure up to 80% of our electricity will come from renewable sources by 2030. When I was Minister with responsibility for energy, I insisted that Ireland, along with the European Commission and 13 other member states, sign up to the clean energy for EU islands initiative, not only to provide a reliable and sustainable electricity supply to our offshore islands but also, if managed properly, to ensure it could provide seed capital for a new wave of community enterprise, making our islands not only environmentally sustainable but also economically sustainable. As members will know, the establishment of an offshore renewable development authority to drive the sector forward in a strategic manner was approved by Dáil Éireann through a motion that I tabled last December.

The objective of this is to establish an offshore renewable development authority, similar to the Industrial Development Agency Ireland model, that will drive a fully co-ordinated national action plan and will have responsibilities ranging from research and development and supply chain development to the commercial deployment of renewable energy and ensure that Ireland that, as a whole, becomes the leading global clean energy exporter.

With the ongoing war in Ukraine and rising inflation driven by spiralling energy costs, we are now witnessing how important it is to strategically develop Ireland's offshore energy capacity, not only to drive down the cost of electricity in the longer term and to create jobs in the renewable energy sector, but to supply clean, green energy to the EU as a whole.

In this regard, I welcome Mr. Philip Newsome, Mr. John Finnegan and Mr. Rory Somers from the Department of the Environment, Climate and Communications; and Mr. Dara Ó Maoildhia and Ms Avril Ní Shearcaigh from the Aran Islands Energy Cooperative.

Before we commence, witnesses are reminded of the long-standing parliamentary practice that they should not criticise or make charges against any person or entity by name or in such a way as to make him, her or it identifiable, or otherwise engage in speech that may be regarded as damaging to the good name of the person or entity. Therefore, if their statements are potentially defamatory in relation to an identifiable person or entity, they will be directed to discontinue their remarks. It is imperative they comply with any such direction. Witnesses participating remotely outside the precincts of Leinster House today are reminded that parliamentary privilege does not apply in this case and the same level of caution should be applied as previously mentioned.

Members are reminded of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside the Houses or an official, either by name or in such a way as to make him or her identifiable.

I call Mr. Ó Maoildhia to make his opening statement.

Mr. Dara Ó Maoildhia: Maidin mhaith. Is mise Dara Ó Maoildhia, cathaoirleach Chomharchumann Fuinnimh Oileáin Árann Teoranta, CFOAT. Bunaíodh muid in 2012, thart ar dheich mbliana ó shin, agus táimid ag obair ar son na trí oileáin Árann, Inis Oírr, Inis Meáin, agus Inis Mór. Tá níos mó ná 100 scairshealbhóir againn faoi láthair agus táimid ag méadú gach uile lá. Táimid ag iarraidh go mbeidh gach uile dhuine agus ghnó ar na hoileáin mar scairshealbhóir amach anseo.

Our vision is to convert all three Aran Islands to renewable energy. Ultimately, we want to own and manage our own microgrid. We want 100% conversion and control. We believe that we can convert our island economies from reliance on tourism, which is fickle, as we found out during Covid, to a more solid foundation of the community owning our own renewable energy, which is all around the islands. This will serve to preserve our population, our language and our heritage, all of which is of supreme value, and create quality employment for our young people.

We want the Government to regard our offshore islands as lighthouses for the energy transition. Ireland's islands are at the forefront and are leading the way. If our islands, especially off the west coast, were designated as the forerunners and pioneers of the energy transition, we may then get more support to achieve this in a speedy manner. The EU has done this with its clean energy for EU islands initiative, where it gives advice and support, including financial support, consultancy and expertise to all the islands throughout Europe. The Government could do the same for our islands and that would help everybody.

We have three legs to our stool or three different areas on which we work. The first is the retrofitting of buildings. In that, we have been quite successful. There are only approximately 500 buildings on the three Aran Islands in total. According to the Sustainable Energy Authority of Ireland, SEAI, 300 of them have now had some energy-efficiency upgrades. That is a pretty high ratio. That is not just insulation; it is also photovoltaic, PV, panels and heat pumps, of which there are now quite a number on the three islands. However, extra supports are needed to keep this going. I will explain that later.

Our second leg of work is the electrification of transport. At present, we have approximately 20 electric cars, an electric minibus and numerous electric bicycles. We are certainly moving more in that direction. The bigger challenge is to convert the ferry boats and maybe even the fishing boats to renewable energy. We are working on research projects, funded through the EU, to convert the ferries to hydrogen. Some of the local ferry companies are very interested and keen to work with us on that.

The third leg to our stool is the generation of our own renewable energy. We have been working on that for the past ten years and we have just achieved a grid offer for a small turbine on Inis Meáin. That is a real breakthrough. We are also working on a number of offshore projects in tandem with other groups and partners that will produce offshore wind energy off the west coast. We are also involved in European-funded research to do with hydrogen for our ferryboats, in particular.

I would like the committee to understand the challenges we face as island communities because they are very real for us. The first is the extra cost of getting work done on islands. To create a level playing field, we need extra support, not because we are greedy but because we cannot get work such as this done, unless it is more attractive to contractors to come out to work for us.

All the supplies for our islands are delivered to a cargo vessel in Galway. If a member of the committee or anybody else living on the mainland gets a delivery from a supplier, the supplier often does not even charge for the delivery and they get it to the door. Our delivery comes to a cargo boat in Galway and we then have to pay the carriage, including VAT, to get it to our island. Even there, it lands on the pier and we have to pay further costs to get it brought from the pier up to wherever the work is taking place. That is a real extra cost of approximately 10%.

The second is that we have considerable difficulty in getting contractors to do work on islands. Our populations are so small that we do not have contractors living among our community who are SEAI-registered and, therefore, can work on the SEAI grant programme. This means that when we want to get SEAI work done, we have to bring in a contractor from the mainland. However, as the committee well knows, there is more work than contractors out there at present. Contractors can pick and choose the most lucrative and attractive jobs. Unfortunately, jobs on islands are neither lucrative or attractive.

I will give the committee a clear example. The contractor wants to bring his truck out to one of the Aran Islands. He has to deliver the truck to Galway docks. It then might take a day or two to be delivered to the island. Meanwhile, the driver of the truck has to travel another 40 km from Galway to Rossaveal to get the passenger ferry out. He cannot travel with his truck. There is a very high cost to bringing a truck out to the islands on the cargo vessel. When he gets to the island, he has further expense, because he does not have anywhere safe or sheltered to store his materials.

If his workers come out to the island on the morning of their job, they will not start until 11.30 a.m. or 12.00 p.m., because they will have to come in on the morning ferry. If they are leaving again that afternoon, they will have to leave at 4.30 p.m. or, at the latest, 5.00 p.m. They do not do a full day's work. If they stay overnight, they have the cost of overnight accommodation and often, accommodation is not available, because we are such a tourist-attractive place. These are considerable difficulties for contractors. It is why they do not want to come to our islands and why we need extra grant support.

We also have other problems about which I am not sure the committee can do much. It is therefore very difficult to do any development on the islands. We would like county development plans to designate areas on each of the islands as suitable for renewable energy developments, whether these be turbines, solar arrays or something else.

We also have a problem with our underwater cable. I believe this will be a problem for every island off the west coast. The cable is not big enough to carry anything worthwhile in terms of exporting energy so, despite our ambitions to generate energy, we have very limited capacity to export it. The cable under the water to the three Aran Islands is a 3 MW cable. The ESB has told us that, if we want to generate our own energy, it will only allow us to export 650 kW, which is only a small fraction of the cable's capacity. Apparently, we need a dedicated cable for export. We are asking the Government to consider laying a 10 MW cable that would be capable of exporting large amounts of electricity generated on the islands. When our exported electricity gets to the mainland, we have to get a grid connection. This depends on the capacity of the local substation. There are also real limitations there.

As the committee will know, the Government has set up a renewable energy support scheme, RESS, which includes a special category for communities. That is great and we are very happy with that but there are some problems with it, partially because it is still in development. We are trying to push ahead on the islands and are being held back by the fact that all of the supports are

not in place yet. For example, the ESB has now offered us a grid connection for a wind turbine on Inis Meáin. It has given us two years to get planning permission. Once that is secured, we can go ahead and make the connection. However, getting planning permission within those two years is very challenging for us because we first have to raise the money to pay for the feasibility study required to get the planning permission. We are being held up at the moment because we are trying to raise that money. The application to the LEADER programme will also take a long time. We are quite worried we will not make it within the two years. If we do not, we will lose our offer of a grid connection and go to the back of the queue again. We would like the offer to last three years rather than two. We do not have any influence with the ESB. Perhaps somebody else here does.

We would also like the SEAI to move as quickly as possible in putting supports in place for us. It is talking about giving us soft loans, which would be a great help in getting the feasibility study done. A soft loan means a loan that is paid back if the project goes ahead but that is not paid back if the project collapses, perhaps because of being refused planning permission. We are hoping that will come through quickly but, unfortunately, we need it now.

One of the big opportunities in the future will be offshore wind energy. We are very clear on the islands, as I believe are people on all of the western islands, that we want to be fully involved in the offshore wind projects. We do not just want to have community benefit funds throwing money at us. That is fine but we want a lot more involvement than that. There are great opportunities for all of the western islands in these offshore wind developments. There are opportunities for the development of our harbours, our boating skills, and capacities and employment, and for the whole development of the islands, the western region and the ports associated with our islands. We are most associated with the port at Ros an Mhíl, which definitely needs to be developed as part of all of this. We see very significant opportunities here but we need to be supported in seeking the maximum benefit from these offshore projects for our islands and coastal community.

We would like legislation to be passed that would require developers of offshore projects to engage with the local island and coastal communities to maximise local benefit and which would also require such projects to offer some type of partial ownership to coastal communities and islands, either in the form of shares or contracts allowing us to take on part of the work of looking after the offshore wind project, in other words, that we be given priority.

There is also a real opportunity to develop hydrogen production arising from these offshore wind developments. We are very keen to progress with that. We are involved in a number of European research projects connected with that. We are also involved with some of the other islands around the west coast. We represent the Aran Islands but we are involved with Valentia and Achill in planning a project to produce hydrogen from offshore wind energy. This is another opportunity for the Government to designate supports for islands and coastal communities in the facilitation of hydrogen production from offshore wind energy.

Mar fhocal scoir, tá tús áite ag na hoileáin amach ó chósta thiar na hÉireann san aistriú fuinnimh ní hamháin in Éirinn, ach san Eoraip. Tá ard-duaiseanna SEAI buaite ag Comharchumann Fuinnimh Oileáin Árann Teoranta dhá bhabhta. Bhuaigh ár mic léinn ar Inis Meáin ag BT Young Scientists i mbliana le thogra ar fhuinneamh tonnta agus tá ard-proifíl faighte ag an déagóir Theo Cullen-Mouze ó Chliara mar gníomhaí aeráide. Ba mhaith linn go n-aithneodh an Rialtas ár n-éachtaí agus go dtabharfaí tacaíocht dúinn.

Mr. Philip Newsome: I thank the Chair for the opportunity to address the committee this

morning. I am the principal officer responsible for renewable electricity in the Department of the Environment, Climate and Communications. I am accompanied by my colleagues, Mr. John Finnegan, who is the principal officer for the electricity networks and systems division, and Mr. Rory Somers from our retail energy policy and regulation division. We will use our opening remarks to address the topic of community sustainable energy for our offshore islands and, in particular, the opportunities for renewable electricity generation as well as a number of specific issues related to the electricity network the committee has indicated it would like to discuss.

The climate action plan sets out a roadmap for taking decisive action to ensure up to 80% of our electricity will come from renewable sources by 2030. In this context, a key priority is enabling citizen and community participation in the energy transition across the country, including in rural communities on our offshore islands. There are a range of measures outlined in the climate action plan to increase the scale of the roll-out of renewables on the grid to achieve help these aims. I will highlight a few areas that are relevant to the topic of today's meeting.

The renewable electricity support scheme, RESS, is an auction-based support scheme to support the roll-out of grid scale renewable electricity. The first RESS auction, RESS 1, for onshore wind and solar energy projects successfully concluded in September 2020 with 63 projects progressing through delivery milestones to energisation by the end of 2023. Following on from that first auction, a second RESS auction is scheduled to take place in May 2022 with further onshore and offshore auctions planned.

A core aspect of the RESS is the provision of pathways for communities to participate in renewable electricity generation. The Sustainable Energy Authority of Ireland has developed a number of toolkits and a trusted intermediary service to begin to assist communities in the development of their own projects. The first four of these toolkits, covering grid connections, solar photovoltaic, PV, technology, the planning process and onshore wind energy, are available on the SEAI website, with more to be developed in the coming months. A trusted intermediary service is also now in place to assist community projects. A trusted advisory service for expert financial, grid and planning advice and financial enabling grant supports is also to be delivered in the second quarter of this year.

Micro and small-scale generation will also have a key role to play in helping us to achieve our overall renewable electricity and climate targets and will allow island citizens and communities to take part in the energy transition. In that respect, the introduction of the clean export guarantee tariff represents the first phase of a comprehensive enabling framework for micro and small-scale generators in Ireland. It allows them to receive payment from their electricity supplier for all excess renewable electricity they export to the grid, reflecting the market value of the electricity.

The micro-generation support scheme approved by Government on 21 December 2021 provides capital grants for new domestic installations and will provide grants for new small non-domestic solar PV installations later this year. Larger non-domestic users, including farms, businesses, schools and community buildings, that install new larger installations can avail of a clean export premium tariff, which will provide a fixed tariff for 15 years for electricity exported to the grid in conjunction with the clean export guarantee. The Climate Action Plan 2021 commits to the development of a support scheme for small-scale generators above 50 kW but smaller than those supported by the renewable electricity support scheme, RESS. This is being progressed this year and is expected to become available in by early 2023. This scheme will enable larger businesses, farms and community projects to maximise their participation in

the energy transition.

In addition to these measures, through Ireland's participation in the clean energy for EU islands initiative, our rural island communities can be part of the clean energy transition of the more than 2,200 inhabited European islands. We currently have 12 of Ireland's offshore islands as member communities across the sustainable energy communities network. I will move over now and I call on my colleague, Mr. Finnegan, to talk about the electricity grid.

Mr. John Finnegan: Moving to the electricity network, the transformation required to meet the up to 80% renewable electricity target we have set ourselves by 2030 will require significant investment in the grid. Recognising this, in 2020 the Commission for Regulation of Utilities, CRU, the energy regulator responsible for oversight of national electricity grid costs, sanctioned a total of €4 billion in capital investment spend on the grid over the 2021-2025 period. EirGrid and ESB Networks are using these funds to accommodate the high level of renewables being added to the system as well as the increased demands from the electrification of our heat and transport sectors.

In general, new and enhanced grid connections are provided in response to new investments in renewable generation. The Enduring Connection Policy programme from CRU sets out the framework for providing these connections to new generation projects. This programme provides for 115 connection applications to be processed by ESB Networks and Eirgrid each year from 2021 to 2023. At least 15 of these applications are reserved for community projects. Further applications, up to a total of 30, are reserved for micro projects with a maximum capacity less than 500 kW or self-supply projects.

We understand and have heard from the co-operative itself that the members of the committee are anxious to ensure the grid will be upgraded as necessary to allow electricity to be exported from islands to the mainland. This will include the upgrade of the connection from the islands to the mainland and any further grid upgrades from thereon. The intention of the Enduring Connection Policy programme is that the grid will be upgraded in exactly this way as and when needed to facilitate renewable generation on the islands, or indeed, anywhere where there is potential for renewable power.

The possibility was raised with the Department by the committee of dual-purpose investments to upgrade water and electrical connections at the same time. As described, an upgrade to a grid connection would be considered when there is a new renewable generation project in train. If the grid connection was being upgraded the potential to carry out work for water at the same time would have to be considered in detail at that time.

In response to some questions and comments I will give an overview of who we are and of who the other bodies we are referring to are. The Department of the Environment, Climate and Communications is responsible for the delivery of policies and programmes in a large number of areas, including energy security, natural resources, climate action, energy efficiency, communications and waste.

Eirgrid is a State-owned company under the aegis of the Department that develops and operates the electricity transmission grid. This transmission grid connects large-scale generators and users and bulk supply points near cities and towns.

ESB Networks is a division of the ESB. ESB is also under the aegis of the Department. ESB Networks finances, builds and maintains the transmission grid that has been designed by

and is operated by Eirgrid. In addition, it carries out all the functions relating to the electricity distribution system, which includes the planning, construction, maintenance and operation of it, and the metering of customer end use.

The CRU is Ireland's independent energy and water regulator. Its mission is to protect the public interest in water, energy and energy safety. The CRU's key functions, delivered under guiding legislation, are: economic regulation of energy, including setting the maximum amount that EirGrid and ESB Networks can invest in network infrastructure and can recover from users in fees; similar economic regulation of water; dealing with customer complaints on energy and water; and energy safety regulation.

I thank the committee again for inviting myself and my colleagues from the Department and we are happy to answer any questions.

Chairman: I thank our guests and the first committee member who indicated is Deputy Ó Cuív.

Deputy Éamon Ó Cuív: Fearaim fáilte roimh Dara Ó Maoildhia. D'éist mé go cúramach leis an méid a bhí le rá aige. Is é ceann de na chéad cheisteanna a éiríonn anseo, agus beidh mé ag cur ceisteanna ar na hionadaithe ón Roinn faoi seo, ná an ceangal leis an mórthír. Bhí mé ag moladh don choiste seo go dtiocfadh rannóg na n-oileán den Roinn Forbartha Tuaithe agus Pobail isteach sa scéal agus go gcuirfeadh sí airgead ar fáil le haghaidh cábla snáthoptaice agus an dara cábla leictreach. Tá sé ag teastáil ar aon chaoi, beag beann ar fhuinneamh in-athnuaite. Má bhristear an ceann atá ann i láthair na huaire, tá a fhios againn féin céard a d'éireofaí ansin mar gur tharla sé cheana. Teastaíonn an dara cábla.

Chomh maith leis sin tá ceist an uisce ann. Arís, tá sé sin práinneach mar bítear ag tógáil uisce isteach, go mór mór ar bhád isteach go hInis Oírr gach uile bhliain.

Táim i bhfabhar go gcuirfeadh an Roinn Forbartha Tuaithe agus Pobail airgead ar fáil le haghaidh na gcáblaí sin agus leis an gcostas breise a bhaineann leo seachas a bheith ag fanacht go dtí go mbeidh tograí in-athnuaite ag an Roinn ar na hoileáin. Is amhlaidh an cás sin ó tharla go bhfuil an snáthoptaic deich mbliana ró-dheireanach, i ndáiríre, go bhfuil ceist an uisce gan réiteach le 20 bliain, agus go bhfuil práinn leis an dara cábla ar aon chaoi, beag beann ar fhuinneamh in-athnuaite.

Is é an dara ceist atá agam ná an bhfuil ár n-aíonna buartha maidir leis na deontais le haghaidh retrofit a dhéanamh ar na tithe mar go bhfuil láimhdeachas os cionn €1 milliún i gceist i dtaobh conraitheoirí agus, mar sin, go ngearrann sé sin amach na conraitheoirí áitiúla atá bunaithe ar na hoileáin ón obair seo. B'fhéidir go bhféadfaí ár n-aíonna anseo na ceisteanna sin a fhreagairt.

On the grid connection, we already have a crisis because there is no fibre-optic on the island and, to my understanding, National Broadband Ireland, NBI, do not plan putting fibre-optic cable in but plan to put in a radio connection. Fibre would be much better. That is needed now.

The water problem is needed backwards. It is way overdue because the reality is that every year the State pays a significant amount to boat owners to literally bring water out to the Aran Islands. It might sound incredible but that is the reality.

The next issue is that the one electric cable to the island has been severed and there is no back-up supply. I have been proposing this cable be restored and I was wondering if the Department has had discussions with the Department with responsibility for the islands, which would

fund the extra costs of the NBI fibre over and above what is already in the project to ensure that the islands have top-of-the-range provision. Obviously, that Department would fund the water pipe or the Department of the Environment, Climate and Communications would do so.

Furthermore, the electricity should also be funded by the Department, if necessary. We did this before and there are precedents for it. Islands were connected where the Department with responsibility for the islands provided the funding for the connection to the electricity grid between the mainland and the island, and it was then up to the ESB to do so on the mainland and on the island. Once the Department brought it to the seashore and took it from the seashore on the island, the money was provided. Has the Department had discussions with the island's division because we are here specifically to focus on that area?

The other issue that keeps coming up is where the Department has mentioned solar energy. Some of the biggest buildings in the country are community buildings. We are waiting forever and one of the problems with this is that one part is working and the other is not. However, who is in charge of making sure that all of the parts work together in the State? We seem to be waiting forever for the guidelines for putting solar panels on community buildings. I recently tabled a parliamentary question on this and got the same old answer, which is the matter is under consideration and there are aviation concerns about this. Not everywhere is near an airport. Will the officials at least say, "Some areas need further study but here are the guidelines for the remainder of them"? That would allow us to get on with it and cut the delays. As already stated, there is no point having nine tenths of it in place if the final tenth is missing. A significant amount could be done on the islands, which generally have a better climate than the mainland. They are actually very good for solar and have very good light. I will leave it at that.

Mr. Dara Ó Maoldhia: I will follow up on that with Mr. Finnegan, if the Chairperson does not mind. We have been working on the practicality of putting a turbine on Inis Meáin for years. Originally, our plan was to put two 900 kW turbines on the island. When we looked for the grid connection from the ESB, we were informed that the cable would not take it and could only take 650 kW. I did not hear the ESB responding in the way Mr. Finnegan responded, which is that the infrastructure will be put in when the demand is there. That is what I heard Mr. Finnegan say. Our demand is to be able to create enough energy on our three islands to supply ourselves, but the cable will not allow us to do that. We will not be exporting it all and we will not be using it all ourselves, but the cable has to be capable of taking it.

Mr. John Finnegan: The detail is something we can take up with ESB Networks and Eir-Grid, but the system under enduring connections is on a case-by-case basis for the renewal project. I cannot talk about the specific project in Inis Meáin, but a grid connection is applied for and the project bears the cost of the connection. That is how the system works as standard. The grid, including the mainland connection-----

Mr. Dara Ó Maoldhia: If someone wanted a new cable-----

Chairman: Mr. Finnegan should be allowed speak without interruption because there are a number of questions.

Mr. John Finnegan: The standard system under enduring connections is that the application is made. ESB Networks then determines whether it is possible to make the connection and how much it will cost. That becomes part of the cost of the project. There are then other methods of funding the project.

Deputy Éamon Ó Cuív: I put a different question. We should clarify. Importing electricity is as important as exporting electricity to the islands. The connection is insecure at present and there is no fallback. Where I live is different in that there are fallbacks. If power coming from one direction goes, I can get power from another direction, even though I am in a very rural area. Has Mr. Finnegan discussed this with the Department that has responsibility for the extra cost of extra infrastructure for islands? They could take a holistic view of water, fibre-optic and electricity and put them in now. We already have power generation but there is significant usage of electricity on the islands, especially during the summer, and we need to be able to use even more heavy equipment. In the old days, many people used gas and so on. We need to replace all the other supplies.

There is one other point that is often missed. You do not need to buy an electric car for use on an island if you wish to use electric vehicles and not use any fossil fuel. All you have to do is buy a second-hand hybrid because its range is more than adequate for the island if it is charged every night or every three or four nights, depending on the size of the island and the amount of driving you do. There are only six miles each way on the biggest island. Would Mr. Finnegan consider going back to the Department with responsibility for the islands and asking it to fork out for the extra cost, and to do it now and put it in place, because the islands are importing as well as exporting. It is not just for renewable energy. It is for the people who are there already. That was my question.

Mr. John Finnegan: In order to ensure I understand correctly, the Deputy is saying that people on the islands have the same needs everybody in the country has. There is a need for data connection or broadband, call it what you will, and there is a need for water and reliable electricity connections, not just for exporting renewables but for a reliable supply. At present, these are dealt with in the same way as everybody else in a sense. There is a national broadband scheme and a national water utility regulated by the CRU. ESB Networks and EirGrid are responsible for providing a secure supply of electricity to the islands, as they are everywhere else and, again, they are regulated by CRU in that.

The Deputy made the very interesting suggestion, given the particularities of the islands, that we should liaise with the relevant Department with responsibility for the islands to see if special interventions are needed. I am not aware whether there have been some contacts. I will certainly check. If there have not been any, that is a suggestion we will definitely take to see if there are special cases for the islands and special funding available.

Mr. Philip Newsome: I will respond to the Deputy's question on solar. The Department of Housing, Local Government and Heritage is progressing the review of the planning exemptions for solar panels. Certainly, we will continue to liaise with it. We are confident that those exemptions will happen very soon. On solar more broadly, as I stated earlier, we are developing a new small-scale generation scheme, which is that middle category between the micro- and larger-scale renewable energy. We hope that will provide a real opportunity for solar throughout the country, including the islands. We plan to consult on that in the coming months. I encourage the island communities to look at that consultation. We will certainly send it to the Deputy when it comes out. It is to be hoped that will provide a route to market that does not involve an auction process and some of the complexities that come with that. There will be other technologies, but solar is the big one at that scale, which should provide a strong framework for support on the financial side, in addition to the planning issues identified by the Deputy that need to be dealt with.

Ms Avril Ní Shearcaigh: I will make an additional point on what Deputy Ó Cuív is propos-

ing. The existing electrical cable to the islands covers all the electrical demand on the islands, as it stands. The Government has said that the entire country will have to move away from fossil fuels in the near future. As a result, it is more than likely that all the transport and heat on the islands will be electrified. A significant number of heat pumps have already been installed on the island. This is increasing all the time. The electrical demand on the islands will increase as a result. At present, our 3 MW subsea cable connects us to the mainland. This is the maximum capacity that can be brought to the island via that cable. If we continue to electrify all the heat and transport on the islands, our demand is likely to exceed 3 MW. That cable will not be sufficient for the demand, never mind, as the Deputy said, the export of renewable energy. It will not be sufficient to supply the islands' demand as we move forward.

Ideally, we would like to be able to manage some of that demand locally, produce our own electricity and not rely on importing via the cable, but since we are currently limited to a maximum grid connection of 650 kW, that is not possible either. It highlights the need to look at the existing cable. As far as I know, no plans are in place to replace or upgrade that cable. I have been told by the ESB that it expects the lifetime of the cable to be approximately 60 years and we are about 30 years into that. In the next ten or 20 years at the very most, that cable will not be sufficient. It badly needs to be looked at and while we are doing one job of replacing or laying a new cable, it makes sense to look at what else can be done at the same time in order to save on the costs.

Deputy Rose Conway-Walsh: I thank the committee for allowing me to be here. I thank my colleague for allowing me to take his place. I am particularly interested in this because of what is happening in Achill Island, the proposals about it and the feasibility studies into hydrogen. I completely agree with Deputy Ó Cuív about the joined-up approach. Whose job is it to bring all the services together, including water, fibre connections and electricity for import and export?

Chairman: If the Deputy wants to group her questions, we can then put them to the witnesses.

Deputy Rose Conway-Walsh: Okay. It is a bit different from the finance committee. When will we have the national integrated hydrogen strategy? Mr. Ó Maoldhia might address how important that is to what he is trying to achieve. I am supportive of ownership for people on the islands and of all communities. I come from a community that has gone through the Corrib gas project. We must learn from what happened there. We see rising energy costs while a project at our backdoor has made €750 million in the past year and does not pay any corporation tax. The only thing we can get from it at this stage is the lesson, which we need to apply to all of these projects.

My colleague Deputy O'Rourke, has tabled legislation relating to the hydrogen strategy. We acknowledge the need for it. When will it be ready? How late are we with the development of hydrogen? What impact did that have? What measures are we taking to catch up? There are significant opportunities along the west coast, in the Atlantic economic corridor, that have not been presented to us heretofore, to avail of all of the benefits from the development of renewable energy. What is the tie-in with the Atlantic university? How will that be developed? I hear what Mr. Ó Maoldhia says about workers not being available on the island and the extra cost of bringing workers in. If we can build the human capacity in the islands, that is the sustainable way forward. What opportunities are there?

Obviously the co-operative model requires partnerships and investment as it develops. How

can it be ensured licences and such are not granted through the co-operative model then given away or taken over by developers who will profit from that at the end of the day? How will we make sure the benefits and ownership, not just a community fund, remain with communities and the islands? What can Oireachtas Members do to help the witnesses? I commend the efforts being made on all the islands, especially my own, Achill Island.

Chairman: We will start with the Department.

Mr. John Finnegan: Deputy Ó Cathasaigh gave a clear explanation of a problem the islands will face, which will also be faced all over the country. As we try to reduce carbon, we increase our reliance on electricity, with transport and heating becoming electrified. The issue the Deputy described will be faced in many communities. That is why that headline figure of €4 billion for investment in the network was arrived at and allowed by the CRU. We will have to work with ESB Networks and EirGrid, which are doing the planning and upgrades to make sure the network will be fit for purpose in this new low carbon, high electricity world for which we are planning. The Deputy's point is well made. The islands will feel this first, being the remotest part of the country, but it is a nationwide issue. The big challenge facing grid developers and operators is to ensure we are ready for this new low carbon world.

Deputy Conway-Walsh is right that these are general issues for the islands. Hydrogen is of significant interest to the Department. We are looking at it this year and will take the first steps on a strategy. The climate action plan states hydrogen will play a significant role in future. It is a developing technology. Our EU partners are also starting to look at its potential. I note the clean energy for EU islands initiative published an interesting study of energy in the Aran Islands. It is striking that half of the island community's carbon footprint is from the ferry. If there is a solution to decarbonise the ferry, that-----

(Interruptions).

Mr. John Finnegan: Yes. That would be a significant step. The technology is at an early stage. It is encouraging the EU is doing this research and the islands are taking part. A task for the Department this year is to start the process of our hydrogen strategy, because hydrogen will be a huge part of this new world.

Deputy Rose Conway-Walsh: When will that be ready?

Mr. John Finnegan: It is a vast topic. We are working towards a consultation to gather stakeholders' opinions. The Deputy mentioned many organisations and stakeholders. We would have to gather everything that is known from all of them. We are working on it this year and our first step will be a consultation to learn what is available, where the technology is going and what its potential is.

Deputy Rose Conway-Walsh: When will it be possible to discuss it at the committee?

Mr. Philip Newsome: I do not think we can give a date today. As members are aware, the Climate Action Plan 2021, published last November, set out our work plan on all these issues over the next years. There will be an update to the climate action plan in 2022. We will be in a position to give a clearer timeframe. The important thing to underline about hydrogen is that our focus is on green, renewable hydrogen. While there is maybe hydrogen of other colours and hues across Europe that is perhaps more advanced, we want to harness our onshore and offshore wind energy, which might otherwise be curtailed or have to be turned down by EirGrid. There

is significant potential for that energy to go into hydrogen production. The focus has to be on clean and renewable hydrogen. We published a number of consultations on offshore renewables. One recently closed which was on phase 2 projects that would be relevant for the island communities on the west coast. It looked at things like combining offshore wind farms with electrolyzers and producing hydrogen. We are involved in a number of initiatives, such as the North Sea grid, which looks at hybrid wind farms, interconnectors and hydrogen production. Much is happening on this in Europe.

Deputy Rose Conway-Walsh: That is the real need for an integrated strategy, which is what I am concerned about. We need that to give us confidence and guidance and to have that exchange of learning across all these initiatives, with the money being spent on innovation and technology too.

Mr. Philip Newsome: Absolutely. Our Minister is keen on it too. Further clarity will come on when that is happening.

Deputy Rose Conway-Walsh: Therefore, it is a priority.

Mr. Philip Newsome: It is a priority.

Mr. Dara Ó Maoldhia: Many European countries already have hydrogen strategies up and running so we are a bit behind the playbook there. The sooner we get it, the better. Groups like us are working on it. We are working in a vacuum. The Government has not presented us with a strategy. On Deputy Conway-Walsh's point about the Corrib gas field and all the difficulties with the local community, I do not know if a proper study has been carried out in respect of how that could be done differently. That is what we are interested in. When there is an energy project around our islands, we do not want to be the voice of the opposition. We want to be the voice of the people who feel that it is our project as well as the Government's project. It is not that we want to own the project; it is that we want to feel sufficiently engaged with the project in order that we can claim it partly as ours. In other words, we want to ensure that we are going to get as many of the benefits from this project as are possible for a local community to get. Obviously, if there are boats going in and out to offshore wind farms, we will need places for the boats to tie up, crews for the boats and particular skills. All of that could be facilitated for island or coastal communities. Ros an Mhíl is obviously going to play a big role. We want to make sure that develops and is not overlooked. I do not know if the members appreciate the fact that for the three islands of the Aran Islands, Ros an Mhíl is like part of our islands. On Achill, there is a bridge. Both sides of the bridge are Achill, really. It is not just the island side of it. The other side of the bridge is just as much part of it. There is a hotel there. It is the same with us. Ros an Mhíl is really part of the Aran Islands. The fishermen who work from Ros an Mhíl are islanders. The boat owners and many of the ferry crew members are islanders. We park our cars on Ros an Mhíl. It is part of the Aran Islands. If Ros an Mhíl develops, the Aran Islands will also develop and be better from it. Údarás na Gaeltachta is planning to have a renewable energy park there. That is exactly what we want, as well as a deepwater port for bigger boats to come in. That would all be tremendous growth. Let us hope that it happens and is not just put on the long finger.

We are working out, off the top of our heads, how a local community can best engage with a large offshore developer. We are flying by the seat of our pants to see how that would work. It would be great for a study to be done on that which would clarify how not to do it. We would like to know what was wrong with the Corrib development that it did not engage the community in the proper way and how we can do it properly from here on in with all these major develop-

ers. I would love to see a study on that, with proper clear guidelines for the Government as well as for local communities on how to best engage with these big developers. We are engaging with the Sceirde Rock developers. We are already in touch with some of the people involved in that. We are discussing with them how we can facilitate the project. It is not just about how we can benefit; it how we can facilitate it. If these developers feel they have the support of coastal and local communities, it is much easier for them to work. It is to everybody's benefit.

Deputy Marc Ó Cathasaigh: Gabhaim buíochas le Dara Ó Maoldhia, go háirithe as a chur i láthair. Nuair a bhí mé i gColáiste Mhuire, Marino, chaith mé mo thréimhse Ghaeltachta ar Inis Meáin. Bhí mé cúpla uair ar Árainn Mhór. Ní raibh mé ar Inis Oírr go dtí seo ach sin rud a chaithfidh mé a réiteach.

In the first instance, I wish to voice my support for pretty much everything that Deputy Ó Cuív said in terms of getting the Departments to work together in order to solve a number of problems at the same time. The argument seems to be a little bit like buying a toaster and then coming home to the kitchen and realising that a socket is required. We know the toaster is coming; we might as well put in the socket. We know that there is a massive energy opportunity on our western seaboard and our islands. Let us get the infrastructure in place. We also know that there is going to be great infrastructure installed. If we are supporting floating offshore off the west coast, at some stage a great infrastructure will be installed there or we will try to generate hydrogen on-site, in which case we will have a different sort of infrastructure. We may have a hybrid of the two. We know what is coming. There are huge opportunities there. One of the comments that has been made is that the islanders are dealt with in the same way as anyone else. This is a recurring theme across this unit of work that we are doing. We know that the island population is very small, and often fragmented. The number of special areas of conservation, SACs, that are there jumped out at me. An SAC in my home town of Tramore would actually be larger in size than all of the islands combined. This goes across the applications for LEADER funding, social inclusion and community activation programme funding and everything else. The islands should not be dealt with in the same way as everybody else. If the islands are dealt with in terms of population, they will never be reached. We know that there is a cultural value in terms of maintaining our island communities that should be given a priority.

I want to dig down into some of the points made by Mr. Ó Maoldhia on the microgrid, in particular. I am very interested in that. Of course it is a challenge - it is also a technical challenge - but there are major opportunities. I am interested in learning a bit more about the features that the co-operative plans to build in. I am particularly interested in whether the co-operative has looked at the idea of vehicle-to-grid technology. As Deputy Ó Cuív said, one of the things that one does not have to really worry about on islands is range anxiety. We know that the batteries in electric cars are sufficient to run a household for a reasonably long period. They have a good deal of storage capacity. One does not have to worry preserving the battery in the same way as a commuter with a long run ahead of them. I wonder whether the co-operative has looked at any of those issues. I know that there are some microgrids, in the Netherlands, for example, that have looked at that vehicle-to-grid technology. It is a storage solution in respect of renewables, but also a transport solution. Deputy Ó Cuív also referred to the planning exemptions for mid-size projects, specifically the rooftop solar or shed-top solar community projects. We have also been asking questions on the issue. We have been told that it is two or three weeks' away for the past I do not know how many months. It is something that needs to be resolved.

The landscape is changing very quickly in terms of the supports that are available, especially for renewables. I ask Mr. Ó Maoldhia to comment on whether he thinks that mid-size

generation option is going to answer some of the island needs. Is it something that the co-operative is looking at?

On managing energy behind a transformer, yes we want to export energy, but I am assuming that the co-operative wants to keep most of the energy that is generated on the island as much as possible, or at least for the island to become energy self-sufficient as much as possible. Does Mr. Ó Maoldhia think we are moving quickly enough in that direction?

We are to the cutting edge in respect of green hydrogen. Perhaps policy has tried to catch up. I definitely think our ambition is there in terms of green hydrogen. Mr. Newsome delineated between the different colours of hydrogen. We are leading, or are close to the forefront, on green hydrogen, blue hydrogen and whatever else. The other possibility for storing that energy is through fertiliser production at the source of generation. I am not sure whether that is an avenue that the islands would like be going down. I wonder if it is something that they have looked at and considered.

Chairman: We might start with the representatives of the Department and then move on to Mr. Ó Maoldhia.

Mr. John Finnegan: The Deputy made very good points in respect of the fact that there is a need to co-ordinate and to work together. It is the big risk on any large-scale ambition. There are clear needs, that have been highlighted by the islands, to co-ordinate data, water and electricity. Organisationally, they are all the responsibility of one Department and one regulator ultimately. The structure is there. The Deputy also made the point very well about why the grid needs to be upgraded. We are about to buy ourselves a very large toaster, as it were. I like that image. Those toasters are being bought everywhere. There is a need to upgrade everywhere.

To reassure the Deputy, it is something that our colleagues in EirGrid and ESB Networks are putting an awful lot of effort into. Just last year, EirGrid completed what it refers to as Shaping Our Electricity Future, which is its plan to meet future needs in a world with 70% renewables. The Minister sent them right back out in the climate action plan to redo it to meet the 80% target. It is its expertise and resources it is putting in that will ensure that the grid is upgraded for the island and for everywhere, because the same issues are happening, but probably more starkly and earlier in the islands. The same issues are happening everywhere and there is a need for much thought and planning now and much physical work and upgrading in the future.

Mr. Philip Newsome: Just to add to Mr. Finnegan's response, there is a real question on the trade-off between more electricity links back to the mainland and some other alternative uses, such as green hydrogen production. In a way, at a micro level, that reflects a larger question in terms of, say, how we might use our offshore wind resources, particularly in the Atlantic. Is it better that they are coupled with electricity interconnection that we can then export back to Europe or does it make sense to co-locate them with electrolyzers and produce hydrogen? In a slightly different way, a question for some of the islands is what are the cost trade-offs between those two? That is something that may well change quite radically as technologies mature. Hopefully the cost of producing solar and wind will come down and make the green hydrogen more economical. That may mean that you kind of look at the options around the cable or producing hydrogen. Those are some of the questions to be explored.

Mr. Dara Ó Maoldhia: First, on microgrids, there are two options that we could follow. The ESB has a project on microgrids and we asked it if it would consider us one of the pilots of that. That type of microgrid would be owned and administered by the ESB, but it would try to

keep the production and use of electricity local to the three Aran Islands. That is one option for it. The other is a community-owned microgrid. We are working on a pilot study of that through an SEAI-funded programme called Secure. We have partners involved in that project here in Ireland. The idea there would be that households that are already producing electricity, like in my house, I have 2 kW of PV in my garden, I have an electric car that has battery storage and I have heat pumps, therefore I could be one of those prosumers who would join this community-owned microgrid and any surplus electricity that I am generating that I cannot use I would sell into our local microgrid. That microgrid would then make it available to other consumers on the island who are part of the programme. This pilot project will probably involve around 20 houses. We have not quite got to that stage yet. We are already prosumers. One of the real challenges is to develop the software involved to monitor the generation and usage of energy in every house that is involved in the project and to feed it to where it is needed in a particular house and so on. There is quite an amount of software development needed to be done for it. That is the role of one of the companies that we are involved with in this study.

On mid-size rooftop solar PV, the challenge is that any rooftop solar PV would have to be used in the building because we do not have any export capacity if we go ahead with this wind turbine. We will be using all our export capacity simply for the wind turbine. Among our frustrations are first, that the wind turbine is not as big as we want it to be and we are being limited; and second, if we do erect the turbine and export that energy, we have blocked all the other possibilities for generating. We have ambitions to generate much more electricity via solar PV. However, where will it go if we cannot use it ourselves? We are either going to have to store it in batteries or convert it to hydrogen. It is quite frustrating for us.

In a way, that sort of paints the general picture of our problem, at least on the Aran Islands and probably on the other islands as well. We are pushing ahead faster than the Government is catching up. We are out there trying to get things done that the Government says it wants done, but it has not put the infrastructure in place for us to do it, in terms of exporting energy, hydrogen or quite a number of other things as well. In the islands in general, and certainly I can speak for the Aran Islands, the population there is so supportive of this energy transition. We virtually have no opposition. We experienced opposition to where we originally proposed to put a turbine, but once we find the right place to put the turbine, we will not have that opposition.

The same applies to all of the other things we are trying to do in the islands. We get huge support. We had a meeting the other day in the afternoon on a weekday on Inis Mór to do with PV panels and people wanting to get them on their roofs and 20 people turned up to it. That is a huge turnout in a small community on a weekday afternoon. There is huge support for this transition on the islands, which there may not be to the same extent on the mainland. Also, the islanders are very educated about it, because we have been involved in this now for the past ten years. They know what they want, they are supportive of it and they have bought into our overall project, which ultimately is to preserve the language, heritage and culture of the islands. It is to preserve that richness out there and to keep people on the island and give them quality jobs.

Deputy Claire Kerrane: I thank the witnesses for coming in this morning and for their opening statements. It is very valuable that we have heard the challenges first-hand from Mr. Ó Maoldhú. It is good that the Department is here at the same to hear them as well. Again, this is another hearing as part of our work on the islands that shows, as was said, the need for Departments to work together, as well as that need for island-specific and almost island-proofing of Departments' work and policies. We have seen that as a trend throughout our work. Mr. Ó Maoldhú just made the point that it is very clear that the islanders want to play their part and

are proactive, which is very positive. It is something that should be supported in every way possible, given the amount of positivity clearly on the islands. They are proactive and they want to do X, Y and Z. They want to play their role in relation to climate action and all that we have to do and all that comes with that.

Some of the challenges that have been outlined today again show the need for engagement and working together and for Departments coming together. That fits nicely into the islands policy and this ten-year island policy action plan that is coming for the islands. Can the Department officials tell us anything about the level of engagement there has been with the Minister or Department on rural and community development on the islands on this ten-year policy plan? This ten-year policy for the islands and the action plan that will come with it are critical. It is very important that we have that islands plan, but clearly, because it is for the next ten years, the need for climate action, renewable energy and everything that comes with that obviously needs to be front and centre. That will be critical.

Mr. Philip Newsome: I am afraid I cannot comment on that. Perhaps my colleagues are, but I am not aware of any specific engagement on that.

Mr. John Finnegan: No. Likewise, I am not aware of engagement. We would have to check with colleagues.

Chairman: The departmental officials might check with colleagues and come back to us in writing on that, just outlining what engagement has taken place.

Mr. John Finnegan: Yes.

Chairman: I have just a few questions on the evidence we have heard this morning. Our island communities are in a unique position because of the clean energy for EU islands initiative. It gives them special status in progressing this transition to a zero-emission sustainable economy and not just in the delivery of electricity and energy but the overall economy. I outlined that at the start of the meeting. We need to capitalise on the islands being part of this particular initiative and to facilitate them. Mr. Ó Maoilthia put it very well in terms of the 3 MW capacity that is on that cable and the limits in the export capacity. They would be maxed out once this turbine is constructed, which effectively prohibits the local community from engaging in microgeneration in terms of accessing the export tariff because we do not have the grid capacity there. The difficulty at the moment is, in terms of how the policy is structured across the Department and across various other Departments and the way the regulatory mechanism is structured across government, it would be easier to push water uphill than get the proposal that Deputy Ó Cuiv has put forward implemented. It requires new leadership from the Department to drive this forward. There is direct responsibility and competency in respect of electricity and broadband infrastructure within the Department of Environment, Climate and Communications. Water comes under the Department of Housing, Local Government and Heritage but the Minister for the Environment, Climate and Communications has a role in the signing off on all capital expenditure by Irish Water. The Department has more than a cursory role in investment by Irish Water. Ownership of this issue must be taken if we are going to deal with the specific bottlenecks that have been highlighted. It means the Department needs to step up to the mark in that regard.

This morning Mr. Newsome made the point that the focus of the Department is green energy. We all agree that is where the focus should be. At the moment we are spilling between 10% and 12% of all the renewable electricity we produce. It is being unused because there is

not demand for it. We should prioritise the issue of green hydrogen even to deal with the problems we have at the moment, which will become multiples of that as we go forward to meet our 80% renewables target by 2030. We cannot achieve that target unless we deal with the volume of renewable electricity that is unused today. We have seen a very practical example outlined in evidence from the island communities that they are already reaching that maximum threshold. Electricity generated from any new solar panel that is installed on any of the three Aran Islands that is not used domestically will be spilled.

If we can solve the problem on the islands and use our islands as a pilot in respect of the bigger challenges that we have on the island as a whole, they will be a micro example of the challenge we have because Ireland is an isolated electricity grid. We have unique challenges in Ireland. If we can solve these problems in our island communities then we can replicate those solutions on a larger scale on the island as a whole. However, a leadership role needs to be taken in this regard. The first place we need to start is that the Minister, who has the authority, needs to direct EirGrid to provide the capacity in the electricity network to facilitate export onto our island communities. Unless that direction is issued by the him, it will not happen. That is the reality in regard to it. Unless he is prepared to issue that direction to EirGrid then, in ten years we will still be having the same conversation here. We will still be impeding the potential progress that is on our islands. We need to give that special unique treatment to the islands as part of the initiative there at EU level. That provides us with the opportunity to pilot some of these initiatives.

Mr. Newsome spoke about the work going on with the SEAI as a trusted intermediary and examining microgeneration. The reality is that these policies are currently being developed in theory and hopefully they will then be applied in practice subsequent to that. That is how the SEAI is working in this regard. Unique challenges will arise as these policies are implemented. Where better to actually apply these in practice than in our island communities? The difficulty is that what is being designed at the moment is being designed for the island of Ireland, not for our offshore islands. Mr. Ó Maoildhia put it very well this morning regarding the unique challenges that are there. The difficulty is whether we are talking about retrofitting grants, or microgeneration or community scale generation. There are unique barriers to that happening on our islands and unless we are prepared to proactively address those, none of what we are talking about here will happen in our island communities.

The representatives of the island communities have put the challenges very well in their submission. We now need to see the Department taking responsibility for using our island communities as individual pilots to crack the unique challenges we have in Ireland in respect of sustainable, green, renewable electricity. The islands should be used as a pilot that can then be replicated on the mainland. We need to see, from the Minister down, across our semi-State bodies, a proactive approach to facilitating this happening. Mr. Newsome might like to comment on that.

Mr. Philip Newsome: I thank the Chair for those comments. I have a few points to make in response. The Chair highlighted the level of renewable electricity that is being spilled, as he put it, or curtailed. We are acutely aware of that. It highlights the need particularly to look at other technologies to make use of that, whether that is storage – and we have talked today about green hydrogen – but also batteries and other forms of storage to try to address that. There is moving demand to try and match the supply. The Chair made the point that the island communities could be test beds for these types of technologies. There is the clean energy for EU islands initiative. There are many islands throughout Europe, such as the Spanish islands and

Portuguese islands, including the Azores, that are looking at becoming test beds for developing these technologies, renewables and storage. The points are well-made around how that could be brought forward here.

The points on whether it is the export cable or actually looking at own demand and maybe storage are important things to consider in the island context. We are looking at storage policy. We had a consultation on that this year. That is one of the things-----

Chairman: Can we pause to address this audio problem? It is interfering. Can we mute everyone please? I am sorry about this, Mr. Newsome.

Mr. Philip Newsome: I agree with those points on the role of the SEAI, the trusted intermediaries and the broader community engagement and community framework that we have that underpins RESS. The supports under that will be rolled out very shortly over the coming weeks. We expect this will provide a strong foundation. We have a target of 500 MW of community energy projects by 2030. We are very serious about delivering on this. We would like to see the island communities availing of those supports. As I mentioned, the SEAI is making available significant resources through toolkits on its website to help communities through what can be a very difficult and challenging process. There is grant funding, trusted intermediaries and trusted advisers. It would be very good to see island communities engage in this. I am sure the committee has already done so. As these supports roll out I hope they can provide a way forward.

Mr. Rory Somers: Microgeneration is moving forward. In February, the clean export guarantee tariff became available on the transposition into Irish law of Article 21 of the renewable energy directive. There is now an obligation on suppliers to remunerate micro and small-scale generators for any residual renewable electricity they export to the grid. The arrangements to be put in place and the regulatory framework required are under way through the CRU. We expect payments to begin after June. People with eligible micro and small-scale generators who have registered for an export connection with ESB Networks on the local grid are already accruing the benefit of this export and they will receive payment later in the year.

This is the first stage of the enabling framework. It brings into the marketplace real remuneration that was never there before. We understand it has bred a little bit of frustration among people who have been early adopters. We know there are those on the islands also. They have been producing electricity for their own consumption and by the nature of the profile of the demand they have been exporting to the grid but not receiving remuneration. This remuneration is now available and will begin not only to pay those people who have already invested but will improve the business case for those considering investment in the future. The second phase is direct microgeneration support. The clean export guarantee is not a government support. It is an obligation under the EU directive and is funded by the suppliers. There is no requirement for Exchequer or PSO funding for direct supports.

The Government is supporting microgeneration. The first phase of microgeneration support is the domestic grant scheme, which commenced on 16 February. There are changes to these supports, which were started by the Chair when he was Minister back in 2018. The scheme has grown from 78 applications at its initiation in 2018 to more than 4,000 last year. It is growing substantially year on year. The grant rate levels have been kept the same as those of previous years to encourage uptake. We have also reduced the barriers to entry to the scheme. Previously the minimum building energy rating requirement was set at C level. This has been removed to provide greater access to solar PV in particular for houses with more challenges in

energy efficiency. Houses built until 2020 are eligible for the scheme. This creates a greater pool of potential applicants for the scheme. Later this year the SEAI will expand the scheme to non-domestic applicants and small businesses, farms and community buildings with up to 6 kW solar capacity will be able to apply for a grant. We expect this to commence in July.

There is also a clean export premium tariff. This guarantees a fixed tariff over 15 years for electricity exported to the grid. Any difference between the market value of the electricity that is exported and the tariff rate will be funded by the PSO. At present electricity prices are very high and the impact on the PSO in the current period is likely to be limited if not nothing. Following consultation with the Commission for Regulation of Utilities, which is the energy regulator, we expect an implementation plan in the third quarter of this year and the tariff will be in place thereafter.

As my colleague, Mr. Newsome, mentioned we recognise there is a need to fill in support in the space between microgeneration and large-scale renewables under the renewable electricity support scheme, and in particular to recognise the difficulties there are with projects in the community category of the renewable energy support scheme. This is not only a competitive category but it also has a minimum threshold of 500 kW. Not only must community projects compete with one another but they must start with a relatively large scheme. In recognising this, the programme for Government is committed to a small-scale generation scheme. It will look to provide supports of between 50 kW and 500 kW or perhaps 1,000 kW that would not require a competitive auction environment. It will allow people to start smaller local community projects to build out their expertise and recognise the challenges in the funding required, particularly in small communities, and to provide a different mechanism of remuneration with a guaranteed tariff at a fixed rate to underpin the investment.

In parallel with this are the exemptions on planning that have been mentioned. The Department has been working with the Department of Housing, Local Government and Heritage on the revisions to the exemptions for solar installations, including solar PV. These exemptions are well drafted at this stage. They include the provision of exemptions for new building types, including community buildings, educational buildings and apartment buildings which were not there previously. These exemptions have not been available to date. They will be available once the regulations are passed. There have been challenges with the environmental assessment associated with the revision of these exemptions. Work on the strategic environmental assessment and the appropriate screening, which are the two critical environmental assessments that need to be done, is well under way. Barring issues coming out of the screening we expect that draft regulations will be published for a four-week consultation in the coming weeks. They will then need to go through both Houses of the Oireachtas on their way to becoming law.

Chairman: With regard to the regulations I can say that the shortest element will be the passage through the Houses of the Oireachtas. Will Mr. Somers give us firm details on the timelines involved? The phrase “a few weeks” is something I heard quite frequently with regard to the wind energy guidelines signed off by the then Minister for Housing, Planning, Community and Local Government, Deputy Coveney, and me in May 2017. The fifth anniversary of the sign-off on the draft regulations will come in six weeks’ time. They still have not been presented to the Oireachtas and we have absolutely no indication as to when they will be presented to the Oireachtas.

How definitive is Mr. Somers that we will see some progress on this in the coming weeks and months? This is a critical issue. We know for a fact this is not a priority in the Department of Housing, Local Government and Heritage. Its priority is building houses. It is way down the

pecking order on its priority listing. As a result, it does not get the type of focus it needs. Where are these at in a practical sense? Will Mr. Somers elaborate on the point made by Deputy Ó Cuív that aviation issues arise? Will he clarify what these issues are, as they have been relayed by the Department to him?

Mr. Rory Somers: I will start by saying we are not responsible, as the Chair knows, for the publication of the draft regulations. Our role has been to input to the development of the draft regulations and the revisions to the exemptions to align with the policy intentions of renewable energy generation. We have certainly tried to ensure the exemptions will improve people's access to putting solar PV on the roof and on ground-mounted systems without requirements for planning. We receive updates from the Department of Housing, Local Government and Heritage directly so I cannot comment with any certainty on timelines. We certainly recognise that it has taken longer than was anticipated. There have been some challenges. There have been additional requirements on appropriate assessments that have come into force because of EU directives. These have increased the workload of the Department. I can say it is a focus for our Minister and we understand it is a focus for members of the committee. On the details of the exemptions themselves, there are minimum requirements within the exemptions and maximum thresholds for exemptions. The intention is to review those and improve on them and to provide exemptions to new building types. We expect it will facilitate greater deployment of solar PV in the future. On the timelines and the aviation piece, a particular concern has been raised by the aviation authority regulator on the impact of glint and glare around airports and especially on the flight paths for aircraft coming in to airports and aerodromes. This includes helicopter pads at hospitals as well. We understand the intention is to issue interim regulations that do not fully account for the impact on the vicinity of aerodromes in the first instance, in order to expedite the process. Mapping or boundaries will be set around recognised aerodromes that allow the process to be expedited faster.

Chairman: Ms Ní Shearcaigh wanted to come in.

Ms Avril Ní Shearcaigh: I want to make some points or maybe add some additional detail to some points made previously. Yesterday I attended a focus group for the Irish islands run by the clean energy for EU islands initiative. That focused on identifying the regulatory barriers. As members can imagine, much of what we are discussing now was also brought up yesterday. The Department was represented, along with the SEAI, ESB, EirGrid and the islands were represented as well. One of the things that was brought up was the lack of progress on the interdepartmental committee for the islands, which I think was established in 2019. It was certainly under consultation then and perhaps because of the pandemic it did not progress any further than that. It is clear today there is a dire need for an interdepartmental committee for the islands, not just to deal with energy but all sorts of island needs and departmental areas as well. A core area of that consultation was around stakeholder engagement and engaging directly with island communities because some Departments, while they may have the best of intentions, can inadvertently overlook island communities. It is no good for Departments to be overlooking island communities interdepartmentally. There is a real need for stakeholder consultation and discussing matters with island groups to see what does and does not work because we are most aware of the challenges we face.

Aside from that, on the subject of green hydrogen production and utilisation we are currently involved in two European-funded research projects on that. Both come to an end this year. One of them is looking specifically at a case study for the ferry companies and we are looking at Galway Port. There is also a project under way in Galway port to develop a green hydrogen

hub. As far as I am aware, it estimates it can produce up to 1,800 tonnes of green hydrogen per annum. This would be a huge boost and it is all looking at using curtailed electricity from the nearby wind farms in County Galway.

Outside that, the EU has highlighted islands through its clean energy for EU islands initiative, which we are all familiar with. Other countries around Europe have made specific funding available to their island groups that is not available to other communities. They have done this to support and enhance the ability of island communities to achieve their goals around the energy transitions. The Government can make similar funds available to island communities to address the challenges that are specific to us. I am aware there may be financing and regulatory issues but if other countries have been able to make funds available specifically for islands then I do not see why our Government could not do the same around the energy transition.

I submitted a response to a consultation by ESB Networks last year at the end of December. That consultation was under its piloting roadmap as part of the national network, local connections consultation. My submission outlined our existing assets on the island. At the moment we have about 300 kW of air-to-water heat pumps, 150 kW of PV, 185 kWh of battery storage and as Mr. Ó Maoileáin outlined earlier we have about 20 electric vehicles on the islands as well. All of these assets will allow us to, for want of a better phrase, flatten the curve of our energy demand and generation. In order to balance the grid there needs to be added flexibility, as I am sure members are aware, and these assets in such as small island grid would be the perfect opportunity to test the different technologies required. As the Chairman outlined earlier it could then be scaled up and replicated across the country. This was also reiterated at a workshop we organised in 2018 by SEAI but so far we have not seen any further development on that. The Government, if it wished, would be able to provide additional supports and a real focus on our islands to get us over the line. There is much great sentiment going around but unfortunately we are finding a lot of the roll-out of those supports is very slow.

One example of those is the SEAI community-enabling framework. The Chairman is correct that we have engaged with that programme and we have found it be very beneficial but it does not go far enough for projects or communities that are at the stage we currently are. We were issued our grid assessment in February, which means we have two years to get planning permission for our project, that is, our community turbine on Inis Meáin. If we do not have the planning permission by that time the grid capacity is released again and it may well be gone by the time we come back around with our planning permission. I do not believe two years is a realistic timeframe for any wind project in the country to get planning permission and certainly not one that is being community led. This is purely because as we do not have the expertise or the deep pockets developers have, things move at a much slower pace and there is very little that can be done to help that. For solar projects, two years may be feasible but in my opinion that limit is setting communities up to fail because I do not see how it is going to be achievable and certainly not on islands. For example, we could very well need to do a two-year bird study that straight away means we could not possibly have planning permission within a two-year period.

I believe the SEAI is in the process of rolling out and approving their financial supports for communities to finance the pre-development costs of generation projects. This is what we need at the moment. Our project and others that were successful in enduring connection policy, ECP 2.1 are now looking for funding for feasibility studies, bird studies, route surveys and all the rest that goes into your planning application. However, that financing simply is not there. We are being weighed down making LEADER applications and some very slow and onerous applica-

tions and waiting for decisions, all while the clock is ticking on that two-year period. While I appreciate the SEAI's supports are coming and understand they should be covering up to 80%, when I hear of the pre-development costs those supports simply are not there in time. It means communities that have gone without the support up to now are likely to not have it in time to meet their goals. I am wondering if there is any indication of exactly when those supports will be rolled out, in order to fund the pre-development costs of these projects.

Chairman: I call Senator Burke.

Senator Paddy Burke: I have a few brief questions for Mr. Somers. On microgeneration, we have seen recently the ESB has put huge increases in the charges for electricity, yet the tariff is only 10 cent per kWh. Who sets the tariff? How is it set? Is there any chance the tariff could be increased? In view of the costs suppliers are charging, I think it should be. There is also some concern regarding people who are putting in solar panels and a battery pack. Some people are told that they do not need a battery if they have a smart meter. Others are being told they need the battery to be able to manage things better. There is a bit of ambiguity in that regard.

Will the Department clarify whether applications to export electricity are made through the SEAI or some other body? Is there a separate application? Do people have to do it themselves or do the people who put in the solar panels do it on their behalf?

Deep retrofits do not suit everybody. There are very few people who have the funds to go to the level of a deep retrofit. People know their own houses better than anyone else, including the person who comes out to do the BER certificate. They know where the drafts and so on are. There should be an option to retrofit on a piecemeal basis and to install solar panels, roof insulation and wall insulation in stages with grants paid at the same level as that paid in respect of a deep retrofit. In that way, people could reach the same standard as they would reach through a deep retrofit over a number of years but would be able to manage their own financial resources over that period of time.

Chairman: Mr. Somers might come back in on the questions from Senator Burke. Perhaps the other witnesses want to come in on Ms Ní Shearcaigh's questions.

Mr. Rory Somers: The clean export guarantee tariff is set by the individual suppliers. The CRU which is the energy regulator, has decided that the suppliers should set the tariffs on a competitive basis and compete for that business from micro and small-scale generators. These tariffs should be related to "the market value of that electricity". That is the language included in the directive that was transposed into Irish law. What that really means is that the tariffs should be reflective of the wholesale value of the electricity. Those tariffs are set by the supplier. We know that at least one supplier has advertised a tariff on its website that is in excess of 10 cent per kWh. There is talk of another supplier going even higher. We have yet to see some of the largest players come into the market with their tariffs. Those tariff levels and quantities that I am referring to are particular to the wholesale market and, as we know, energy prices are very high at the moment. To set people's expectations, I will note that they may not always be that high.

The Senator referenced what people are paying for electricity. He will have heard it said that, in the first instance, solar PV should be installed for the purpose of one's own consumption. If you are consuming the renewable energy you are generating yourself, the saving you make offsets the cost of electricity you are buying from your energy supplier. The value of that electricity is a lot higher than the clean guarantee tariff for any energy you export to the grid.

That means that it is clearly of optimum benefit to people with renewable generation capacity to consume the maximum possible proportion of the electricity they generate and to export only the smallest amount of residual energy because it will always be of less value when exported to the grid.

With regard to solar panels and batteries, perhaps what the Senator is referring to is that, in the pilot microgeneration support scheme for domestic solar PV, there was a requirement to meet a minimum building energy rating, BER, of C. That meant that people had to choose whether to take energy efficiency measures to meet that standard at the time they were planning to install solar PV. With regard to the ability to take a single measure rather than multiple measures, that has been addressed in the new microgeneration support scheme. The requirement to have a minimum BER rating has been removed for domestic applicants so you can do solar PV as a single measure and be free to take energy efficiency measures at a later date. However, the most benefit and the quickest payback on any investment in retrofitting a home will always come from energy efficiency measures. The energy you do not use is the most valuable energy. Reducing your energy consumption is of more benefit to you than producing solar-generated electricity.

On another point relating to batteries and whether there is a need to install batteries, there is no absolute need to install batteries but they can help you to manage the profile of electricity produced during daylight hours and the consumption of electricity in the daytime and early evening, when there is no generation happening. That can increase your self-consumption and, as I mentioned earlier, increasing self-consumption is the best way to get payback on your investment. Battery costs are high, however. In the work we did in assessing eligibility, costs and the requirements of the microgeneration support scheme and the grants in particular, we recognised that battery costs are still very high relative to investment in solar. We therefore do not require people to install a battery to avail of the grant support. Previously, if you were looking for grant support above 2 kW, you had to install a battery to avail of the additional grant moneys available for installations of up to 4 kW. That requirement has been removed. However, in parallel with that, the direct support for batteries has been removed. This means that the overall investment can be lower for people.

This is being done at a time when, in parallel with that decision, the clean export guarantee tariff is in place, so people can use that residual electricity and be remunerated by their supplier for exporting it to the grid. We believe that we will keep that relationship between grant values and the requirements around battery supports under review on an ongoing basis because, in the same vein as solar panel costs having come down substantially, by up to 70% or 80%, over the past ten years, battery costs are on a similar trajectory. However, it is too early yet to mandate battery installation.

The last thing I will say about batteries is that, at the time when decisions on the development of the microgeneration policy were taken, we did not have the energy crisis we have today causing energy security to come to the fore. One of the key features that we will keep under review is the role of batteries in improving overall energy security.

In terms of applications for export connections, domestic and small-scale users will typically connect to the distribution grid, as a result of which their applications go to ESB Networks. A solar installer will commonly make that application on behalf of the grant applicant. Approved installers registered with the SEAI are very familiar with the process and understand the requirement to register for export. However, the application can also be made by the householder. There is a lot of information on microgeneration available on ESB Networks' website

and on our Department's website.

Mr. Philip Newsome: I will briefly respond to Ms Ní Shearcaigh's question on the community enabling framework for RESS. To set this out for committee members, there are a number of elements to the community enabling framework, which need to be thought of as a whole. There are the toolkits I mentioned earlier, the trusted advisory service and the enabling grants. All of those should work together to support community projects through the various project phases from feasibility through the early and middle stages and on to the operational stage of the project and the meeting of the various milestones.

We had the trusted advisory enabling framework done by quarter 1 and beat our climate action deadline. I am very confident that will come before very shortly in quarter 2. I cannot give a precise date but it is coming very shortly. The SEAI will announce it and it is pretty ready to go. Once that is rolled out then it should provide strong supports to community projects to get them through various stages. There are other aspects. The SEAI will develop an online training programme for renewable energy community projects. That is due by the end of the year and I hope that will provide another support, and training tool.

We have established a RESS community steering board for the Department and the SEAI to engage with the communities sector to understand what their concerns are whether it be grid connections, elements of the planning system or, indeed, the grants and how the various trusted advisers and trusted intermediaries work. The board could be a useful avenue for the island communities to engage through and we are happy to follow up on that.

Mr. John Finnegan: Deputy Ó Cathasaigh asked a specific question about whether an interdepartmental committee for the islands had been set up. I am sorry to say that he does not have the right people in the room but we will check the matter and, similarly, with the question on the Department's engagement with the ten-year strategy for the islands. The Deputy's point is well made that there is a need to take into account the specific issues faced by islands in all decision-making and policymaking.

I thank the Deputy for the insights into the work that has been done on green hydrogen. As we are looking at developing this policy it is good to know that there is somebody looking, in practical terms, at how one might use hydrogen to fuel a ferry or use it to take spill-off electricity from a wind farm. We look forward to engaging with these projects that are already happening.

The Deputy made the general point, as has the Chairman, that the islands have a vision to be a test bed for energy transition. That is the challenge to us that we will take away. We will look at what extra needs to be done, or can be done, for them to take on that role as a test bed.

I wish to note, and this is an issue that was discussed yesterday, now that if someone has a grid offer from February, he or she has two years. I understand from colleagues and EirGrid that after the two years the offer will lapse but it can be revived and that they will look at the study again without any additional cost, if that is of any help in the situation.

Ms Avril Ní Shearcaigh: The issue with that is the capacity may well be gone by the time they revisit it. Although it is appreciated that it will be free of charge the concern is that the capacity will no longer be there because, obviously, it is open to other projects in the meantime.

Chairman: Ms Ní Shearcaigh has had the last word on that. The clear view of this committee is that rather than the islands being an afterthought in policy development, they should be to the forefront and become, as Mr. Ó Maoildhia said earlier, lighthouse projects. That was

at the core of signing up our offshore islands to the island strategy that was being driven at EU level. I know that it was not exactly flavour of the month within the Department at the time but it is clear from the evidence that has been given that tremendous work is being done. There is an opportunity to build on that work and develop robust models on the islands that can then be replicated throughout the country to benefit not just Ireland as an individual electricity island and for those learnings to be shared with other islands off Portugal, and Spain and the smaller islands such as Cyprus and Malta, and to export clean green electricity to the European mainland thus helping to reduce our overall dependency on imported energy from outside the EU.

I thank all the witnesses for their constructive and positive evidence. We look forward to further engagement with the Department as we complete our process of compiling a report on island communities. Go raibh míle maith agaibh go léir.

The joint committee went into private session at 11.36 a.m. and adjourned at 11.40 a.m. until 9.30 a.m. on Wednesday, 6 April 2022.