

DÁIL ÉIREANN

Dé Máirt, 3 Feabhra, 2009
Tuesday, 3rd February, 2009

2.30 p.m.

ORDUITHE AN LAE ORDERS OF THE DAY

- a17.** Ráitis maidir le Rialú Caiteachais agus Straitéis Eacnamaíochta.
Statements on Expenditure Control and Economic Strategy.
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GNÓ COMHALTAÍ PRÍOBHÁIDEACHA PRIVATE MEMBERS' BUSINESS

Fógra i dtaobh leasuithe ar Thairsclint : Notice of Amendments to Motion

- 51.** “That Dáil Éireann:

- acknowledges that Irish households and businesses are burdened with some of the highest prices in the EU for electricity and gas;
- recognises that energy costs are a key component of Irish economic competitiveness and that Ireland’s ability to develop and attract new business is suffering from high energy costs as reported by numerous business surveys by IDA Ireland, the Irish Management Institute and Forfás;
- notes that a discussion on reforming energy price regulation is currently ongoing between the social partners;
- notes the decision of the Commission for Energy Regulation (CER) during July 2008 to grant electricity and gas price increases of 17.5% and of 20% respectively, due to spiralling oil prices at \$147 a barrel;
- is disappointed at the failure to reduce energy prices in the most recent review of prices as oil has collapsed by over 80% to approximately \$40 a barrel;
- notes that approximately 10% of every electricity bill is directly attributable to energy companies being compelled by the regulator to factor in the cost of carbon (emitted during generation) into their electricity pricing, despite the fact that they themselves are not currently required to pay for carbon allowances for emissions (until 2013 when a carbon trading market will function across the EU);
- emphasises the fact that the regulator is required to set prices at a level that will not only take account of the cost of generation, transmission and supply but also at a level that will encourage new entrants into the market in an effort to promote competition and in doing so is keeping energy prices artificially high;

- is concerned that the current regulatory regime is now damaging Irish cost competitiveness and adding to the challenges of recession;
- is encouraged by the potential of reforming the energy regulatory environment to deliver price reductions and improve economic competitiveness, while incurring no additional cost on the Exchequer;
- recognises that the energy sector must be central to any economic recovery plan, in terms of more competitive pricing and the creation of significant numbers of sustainable job opportunities in an exciting and rapidly developing renewable energy industry; and
- recognises the importance of prioritising the case to maximise funding available to Ireland from the EU Commission Economic Stimulus Package, to subsidise the cost of upgrading Ireland's electricity grid and interconnection between Ireland, the UK and mainland Europe in the future;

calls on the Government to:

- instruct the energy regulator to conduct, without delay, an extraordinary energy price review, as allowed by section 10 of the Electricity Regulation Act 1999 and section 7 of the Energy (Miscellaneous Provisions) Act 2006;
- change the regulatory framework for at least a two year period, to prioritise achieving the lowest possible energy prices for households and businesses;
- either introduce a windfall profits tax to recoup unearned profits from energy companies, who earn up to €300m a year from charging consumers for carbon emissions, or alternatively instruct the CER to remove the charge for carbon altogether from bills for the next two years;
- instruct the regulator to set a price ceiling for ESB and Bord Gáis prices and replace the current practice of setting a fixed actual price, in order to allow the ESB and Bord Gáis to supply cheaper energy;
- require the energy regulator to hold more comprehensive public hearings with oral submissions from interested parties, including consumer groups, in advance of any new proposed price review; and
- immediately introduce the promised legislation to transfer electricity transmission assets from ESB to EirGrid.” — *Simon Coveney, Enda Kenny, Bernard Allen, James Bannon, Seán Barrett, Pat Breen, Richard Bruton, Ulick Burke, Catherine Byrne, Joe Carey, Deirdre Clune, Paul Connaughton, Noel J. Coonan, Seymour Crawford, Michael Creed, Lucinda Creighton, Michael D'Arcy, John Deasy, Jimmy Deenihan, Andrew Doyle, Bernard J. Durkan, Damien English, Olwyn Enright, Frank Feighan, Charles Flanagan, Terence Flanagan, Brian Hayes, Tom Hayes, Phil Hogan, Paul Kehoe, Pádraic McCormack, Shane McEntee, Dinny McGinley, Joe McHugh, Olivia Mitchell, Denis Naughten, Dan Neville, Michael Noonan, Kieran O'Donnell, Fergus O'Dowd, Jim O'Keeffe, John O'Mahony, John Perry, James Reilly, Michael Ring, Alan Shatter, Tom Sheahan, P. J. Sheehan, David Stanton, Billy Timmins, Leo Varadkar.*

Leasuithe:

Amendments:

1. To delete the last paragraph.— *Liz McManus, Eamon Gilmore, Joan Burton, Emmet Stagg, Thomas P. Broughan, Joe Costello, Michael D. Higgins, Brendan Howlin, Ciarán Lynch, Kathleen Lynch, Brian O'Shea, Jan O'Sullivan, Willie Penrose, Ruairí Quinn, Pat Rabbitte, Seán Sherlock, Róisín Shortall, Joanna Tuffy, Mary Upton, Jack Wall.*

2. To delete all words after “Dáil Éireann” and substitute the following:

“recognises:

- the global energy challenges faced by all countries in providing a competitive, secure and sustainable energy supply;
- that Ireland faces particular acute challenges as an island nation on the periphery of the EU, which has a 90% energy import dependency and limited indigenous fossil fuel resources;
- that global fossil fuel prices, especially for natural gas, are the single largest cost component in determining electricity prices in Ireland;
- that the analysis published in January 2009, by the Commission for Energy Regulation (CER) shows how meeting the Government’s long-term renewable electricity targets will put downward pressure on energy prices;
- that Ireland has developed a robust energy regulatory framework, which is bringing new entrants into a competitive electricity market and will also serve to help lower energy prices;
- the actions taken by the CER and the ESB to cushion the impact on consumers of continuing volatility in international fuel prices; these actions included the adoption of a two-phase approach to tariffs in 2008 and the unprecedented rebate of almost €400 million from the ESB for the benefit of all electricity customers;
- that the recently falling market price of gas and coal was integrated into the CER tariff decision effective from 1st January 2009, resulting in a small average reduction in electricity prices; and
- that most large energy users are already offered fuel variation tariffs which track either natural gas prices or single electricity market prices and have therefore experienced significant recent reductions in electricity prices;

commends the Government for:

- its commitment to accelerated delivery on its energy policy priorities, including ongoing investment in energy infrastructure, ambitious targets for renewable energy to ensure diversity, a radical improvement in energy efficiency, and the continued focus on ensuring a competitive, transparent energy market which works for consumers;
- tasking the CER to immediately review options for a possible early reduction in electricity and gas prices for businesses and domestic customers;
- its prioritisation of electricity interconnection and grid development including the East-West Interconnector and the inclusion of the Interconnector in the list of projects under the proposed EU Economic recovery package;
- its committed work in Europe in support of an open EU energy market ensuring that Ireland’s energy policy interests are protected and reflected in EU energy policy developments;
- its work in partnership with the NI authorities on the development of an all-island single electricity market and common arrangements for gas;
- its commitment to begin an equitable and transparent process involving all stakeholders to transfer the electricity transmission assets from ESB to EirGrid, the independent State owned Transmission System Operator;

- its provision in the Finance Act 2008 of energy efficiency tax incentives which were significantly expanded this year, its provision of significant budgets for the Home Energy Savings Scheme and Warmer Homes programmes, and a range of energy efficiency programmes for large industry users, SMEs and the public sector; and
- continuing its range of policy measures that will provide job creation, investment opportunities and more competitive energy supplies for the wider economy.” — *An tAire Cumarsáide, Fuinnimh agus Acmhainní Náúrtha*.