

## Six questions the next Government will have to answer on climate and energy policy



April 2020

Any new Government formed in the coming weeks will have to deal with the impacts of the Covid-19 pandemic, both public health and economic, as its overriding priority, and rightly so. But all political parties also recognise that the issues that featured in the election, such as housing, health and climate change, have not gone away. Like Covid-19, climate change has far-reaching impacts. Unlike Covid-19, it hits the poorest and least powerful, globally and nationally, first and hardest, affecting the most vulnerable in society with the least resources to cope. If we fail to take early and coordinated climate action, the dramatic, irreversible costs will keep rising.

Many of the current policy processes or external new processes driving climate action remain in place – whether it's the consensus report of the special all-party Oireachtas Committee on Climate Action from 2019, agreed EU targets on greenhouse gas emissions reductions, proposals coming from the new EU Commission, or indeed, the Paris Agreement itself.

The decade ahead is the critical, decisive decade for our future, and for the life support system that makes human civilization possible on Earth. Yet, Ireland remains a [poor performer](#) on climate action and is already far behind on where it needs to be to contribute our fair share of the global effort to avert climate breakdown. Continuing delay in increasing climate action amplifies the hardships already experienced by some of the most vulnerable people in the world, and will drastically escalate the political and societal effort required in the future. The next Government must act urgently and decisively to put Ireland on a path to implementing the Paris Agreement.

This briefing from the Stop Climate Chaos Coalition sets out six key questions on climate and energy policy that any new Government will have to answer in the coming months.

- 1. How quickly will the Government pass the new Climate Action Bill?**
- 2. Will the energy security review be independent and evidence based?**
- 3. Will the new Government sit down with the trade unions immediately, to negotiate a Just Transition from coal and peat?**
- 4. Will the new Government remove the barriers to citizen and community ownership of renewable energy?**
- 5. What emissions reduction target will the new Government set for the agricultural sector?**
- 6. Will Ireland be a drag or a driver of EU climate policy?**

## **1. How quickly will the Government pass the new Climate Action Bill?**

A year ago the special all-party Joint Oireachtas Committee on Climate Action (known as JOCCA) recommended sweeping reform of the 2015 Climate Action Act. The Government agreed and published an outline draft of the Climate Action Amendment Bill on 6<sup>th</sup> January.

The key provisions include putting a 2050 target into law, mandating the Dáil to set 5 year emissions targets in the form of carbon budgets, requiring the Government to set decarbonisation targets for each sector, establishing that the Climate Action Plan will be updated annually, and strengthening the Climate Advisory Council.

There are differences between the detail of the JOCCA's recommendations and the outgoing Government's proposals but they are not insurmountable, and there remains cross-party consensus on the importance and urgency of this legislation to put Ireland on the path to implementing the Paris Agreement.

### **Key question for party leaders and spokespeople:**

If you are in Government, how fast will you progress a new Climate Action Bill? Will you commit to passing it within a 100 days of the Oireachtas functioning normally again?

## **2. Will the energy security review be independent and evidence based?**

A key indicator of whether the new Government gets the scale and urgency of the climate emergency is its attitude to gas. Policy-makers in many countries who recognise we must stop burning coal struggle to accept the evidence that we must also act now to avoid locking ourselves into long-term dependency on fossil gas.

The outgoing Government used a controversial parliamentary manoeuvre, known as a “money message”, to block a Bill that would have stopped new licences to explore for oil and gas in Irish waters, despite two votes by the full Dáil to progress it. The Fine-Gael led Government also supported the inclusion of a proposed terminal to import fracked fossil gas from the US in a list of projects eligible for EU subsidies.

Under intense criticism from campaigners and opposition parties, the Government announced an end to oil exploration (in September 2019) and that future support for gas projects would depend on the outcome of a review of Ireland's energy security in the context of the transition to zero carbon fuels (announced in November, 2019).

The key questions now are what will the Terms of Reference for the Energy Security Review be and will it be independent and evidence based? Campaigners are [concerned](#) that the terms of

reference for the technical analysis will be built on “business-as-usual” assumptions that pre-determine the resulting policy document that the new Minister will be presented with, with little option but to sign off. There have been worrying signs of this already with a continuous attempt by energy sector incumbents to equate a) energy security with security of gas supply, when it is significantly more complex than that and b) security of gas supply with continued exploration for gas in Irish waters. In practice there is no constraint on how much as we import through the two existing gas pipelines that connect us to Scotland via the Moffat interconnector, and no campaigners are proposing we turn off that tap.

The question of which agencies’ remits cover security of supply considerations must also be reviewed. Currently there is a conflict between the roles of Commission for Regulation of Utilities (CRU), EirGrid and Gas Networks Ireland (GNI). The CRU regulates and ensures competition between utilities including electricity generators and distributors. GNI is responsible for operating the gas system and networks, but also securing new gas connections and accommodating any and all gas demand. GNI says that the interdependency of gas and electricity markets makes it difficult to see how we can end our need for new sources of gas. But the overarching question for the energy security review is not “How much new gas do we need between now and 2030?” but rather “How do we keep a secure supply of energy while doing our fair share to implement the Paris Climate Agreement?”.

As this is the most important national energy policy process since the Energy White Paper in 2015, Stop Climate Chaos has written to the outgoing Minister asking that the *Terms of Reference* for the review be put out for public consultation before any technical analysis is commissioned. It is essential that the terms of reference command the confidence of all stakeholders not just the incumbent energy suppliers. It is particularly essential that there is all-party agreement on the terms of reference given the outcome will almost certainly fall to a new Minister to implement.

**Key question for party leaders and spokespeople:**

Will you put the draft terms of reference for the energy security review out for consultation with political parties, stakeholders and the public *before* any technical analysis is commissioned? (And have you made your position on this clear to Minister Bruton?)

**3. Will the new Government sit down with the trade unions immediately, to negotiate a Just Transition from coal and peat?**

In 2017, the 915 MW coal-burning plant at Moneypoint, Co Clare, provided 12 percent of our electricity but was responsible for over 29% of Ireland’s greenhouse gas emissions from electricity. The three peat-burning stations in the Midlands provided just 7% of our electricity but 19% of emissions. Between them, coal and peat provided less than 20% of our power but half the climate pollution from electricity.

The Government was first told to get out of coal and peat by consultants it hired to advise on how to meet its Kyoto climate targets in a report it received in April 1998, 22 years ago this month. Government after government ignored that advice and failed to plan for an orderly exit from these dirtiest fossil fuels. The outgoing government set long-range timelines of 2025 for coal and 2028 for peat that began to collapse under the weight of their own absurdity.

An Bord Pleanála refused permission for planning permission for the two ESB-owned peat stations to continue past the end of 2020, on environmental grounds and EU emissions reductions schemes have begun to make Moneypoint significantly less economic. In 2019 the EU carbon price rose, on top of which Moneypoint failed in one of its capacity auction bids for EU subsidies. With the recent economic shutdown the EU carbon price dropped 40% changing the short-term economics again and bringing into sharp focus the proposal from the [Climate Change Advisory Council](#) to introduce a carbon price floor.

In this situation it has been the workers who have borne the brunt of the Government's dithering and delay. Many now face abruptly losing their well-paying, unionized jobs, with huge uncertainty facing the remaining staff. And yet the out-going Government simply refused to sit down and negotiate a "Just Transition Agreement" for an orderly exit with the unions and other stakeholders. In the last six months, under mounting criticism from unions and campaigners, the Fine Gael-led Government appointed Kieran Mulvey as the Just Transition Commissioner, but as yet it doesn't seem he has been given the mandate or authority to negotiate a comprehensive deal with all stakeholders.

**Key question for party leaders and spokespeople:**

Will you sit down immediately this year with the ESB, Bord Na Móna and trade unions, and with environmental and community representatives, to negotiate a Just Transition Agreement for an orderly exit from peat and coal burning for electricity?

**4. Will the new Government remove the barriers to citizen and community ownership of renewable energy?**

Citizen and community participation in the energy transition is well understood to bring about a range of benefits from reducing dependence on fossil fuels, creating jobs, building rural resilience, diversifying income streams and generating awareness about local climate action. Despite positive noises the outgoing government made very slow progress in enabling communities to own and sell renewable electricity, in the face significant resistance from inside the system, and to scale up retrofitting to decarbonise the building stock. The inclusion of community-led projects in the first auction round of the new Renewable Electricity Support Scheme (RESS) is very positive, however

there remain many barriers in Irish policy that are preventing the citizen energy revolution from reaching its potential.

### **Will the next Government:**

- a) Reform the planning regulations that inhibit and delay rooftop solar? Ireland has one of the most restrictive regimes in Europe, requiring for example schools to apply for planning permission to install even one solar panel, adding significant costs and time. Reform was promised by the end 2019 in the Climate Action Plan, but has yet to be implemented.
- b) Introduce a payment scheme for small renewable generators to allow schools, community centres, farms and local authorities to sell renewable energy at a fair price? At the moment they have to give away any power they don't use themselves for free.
- c) Reform the process of grid connection to allow community energy projects to connect to the national grid?
- d) Scale up deep retrofit of the building stock? To enable communities across the country to decarbonise buildings, and at the same time making homes warmer and healthier.

### **5. What emissions reduction target will the new Government set for the agricultural sector?**

Under the Food Harvest 2020 strategy, greenhouse gas emissions from agriculture increased by 15% between 2011, when Fine Gael came to power, and 2018, compared to emissions in the economy as a whole which rose by just over 6%. Agricultural emissions now account for over a third of Ireland's total emissions, and are projected to continue increasing over the next decade.

The JOCCA recommended that the Government develop a plan for the agricultural sector to align it with meeting Ireland's Paris Agreement obligations. The overall reductions target set for the sector in the 2019 Climate Action Plan does not align sectoral emissions with these obligations.

The key question is, if the whole economy has to reduce its emissions by between 30% and 50% by 2030, under EU targets (see 6 below), what will the Government ask the agri-business sector to do? Will agriculture be expected to halve its emissions like everyone else? Or will they get an easier target and if so what will that be? A 30% reduction? 15%? The easier the target for agriculture, the more the rest of the economy will have to reduce emissions to stay under our overall target.

One key lever at the Government's disposal are the negotiations on the next CAP budget as part of the EU Multiannual Financial Framework discussions. The next CAP is likely to have a smaller budget (with the departure of the UK) with 40% dedicated for climate action, and even more flexibility around moving funds between Pillar 1 (basic farm payments) and Pillar 2 (special schemes). The purpose of this flexibility is to allow national authorities to shift funds to where they

are needed – but all public funding, whether in the form of direct payments or agri-environmental schemes, should support nature-based solutions such as protecting on-farm peat soils and wetlands, hedgerows, agroforestry and farm practices that halt the loss of, and restore, biodiversity, promote diversification and more local food production.

### **Key question for party leaders and spokespeople:**

If Ireland as a whole has to reduce emissions by between 30% and 50% under EU targets, what sectoral target will the new Government set for the agricultural sector? Will it be 50%, 30%, 15%? The easier the target for agriculture, the more the rest of the economy will have to reduce emissions to stay under our overall target.

## **6. Will Ireland be a drag or a driver of EU climate policy?**

Before 2011, Ireland was consistently supportive of an ambitious EU climate policy, supporting targets, policies and measures that made the EU a leader in international climate negotiations. After the change of Government in 2011, Ireland's positioning inside the EU changed, focusing instead on criticising our 2020 target and negotiating hard (successfully) for the least onerous 2030 target possible. This goal led Ireland to stop supporting greater EU ambition lest it translate into more challenging targets for Ireland. Ireland came to be seen as a drag on EU policy by Brussels-observers.

When Leo Varadkar became Taoiseach there was a change of tone, with the new Taoiseach telling the Dáil, and the European Parliament on his election that he wanted Ireland to have “a new ambition on climate change”. The shift in rhetoric, however, has yet to see Ireland play a visible role in the EU in calling for greater ambition. Ireland's global reputation on climate action faces a number of litmus tests this year. Will the Government call for respect for science, as the new European Commission president and her team seek to ratchet up the EU's targets, policies and measures on foot of the Paris Agreement.

### **a.) Will the new Government support higher 2030 ambition at EU level?**

**It's due to be adopted before the UN climate conference in Glasgow (COP 26).**

The EU's fair share of the global effort required to limit global warming to the IPCC recommended level of 1.5° is [at least 65%](#) reductions in emissions by 2030. The European Commission has proposed raising the EU's 2030 target to 50% reductions by 2030, or 55%, from the current 40% reductions by 2030 level. A group of 12 member states who are members of the Green Growth group, [wrote to the Commission on 3<sup>rd</sup> March](#) last urging them to speed up the decision on the new target. Ireland did not sign the letter. Although ostensibly a member of the group, Ireland did not add its signature and has not yet explicitly indicated its support for the higher 55% target, or acknowledged that a science and equity aligned target would be in the order

of 65%. The swift and substantial enhancement of the 2030 target is however key if the EU, with the support of all member states, is to lead by example before the crucial climate conference now due to take place in 2021.

It was hoped that the Commission would have presented their proposal for a higher target at the European Council meeting in June 2020. **The Commission now proposes to put forward a 2030 target increase in September, this date is likely to be a first key marker of the new Irish's Government's positioning.** Although COP26 has been postponed to sometime in 2021, it is imperative that a final decision be taken by the EU before the end of the year, and well in advance of COP26, when all countries are expected to come forward with new “nationally determined contributions” to meeting the Paris Agreement. The EU plays an absolutely essential role in sustaining and mobilising global ambition on climate action. EU Member States who are not active in supporting the EU's increase in ambition, are also hampering global progress.

### **b) What will the new Government's position be on the new EU Climate Law?**

As promised by the new President of the European Commission, Ursula von der Leyen, the Commission has recently published its draft proposals setting out a new legal framework for climate policy. It will put into law a net-zero greenhouse gas emissions target for 2050, as well as the new 2030 target discussed above. The commission plans to review every EU law and regulation in order to align them with the new climate goals. This will start with the Renewable Energy Directive and the Energy Efficiency Directive, but also the Emissions Trading Directive and the Effort Sharing Regulation, as well as the LULUCF directive dealing with land use change. Proposals to revise these directives will be submitted as part of a package in March 2021. From an Irish perspective it is likely that the ‘flexibilities’ the Government negotiated in the Effort Sharing Regulation (the regime around national emissions targets for 2030) may not be easily retained in a tighter regime. These flexibilities, described as loopholes by campaigners, effectively reduce Ireland's 2030 target from a 30% reduction in emissions to just 21%. With a higher overall target and tighter “flexibilities” Ireland will be expected to deliver high levels of domestic emissions reduction. These proposals will therefore be a key test of the Government's commitment to “a new ambition on climate”.

#### **Ends:**

Stop Climate Chaos is the civil society coalition campaigning for Ireland to do its fair share to tackle climate change. The Coalition's 35 members include many of Ireland's leading international development, environmental, youth and faith-based organisations. Stop Climate Chaos (SCC) was launched in 2007 based on a recognition by members that the objectives which our organisations serve are under significant threat from the global advance of disastrous climate change.

**For more information:** Sadhbh O'Neill, Policy Advisor, Stop Climate Chaos Coalition (Tel: 087-2258599, email: [sadhbh@stopclimatechaos.ie](mailto:sadhbh@stopclimatechaos.ie) )