An Taisce
The National Trust for Ireland

20150227-DCENR-AFFORD

Affordable Energy Section
Department of Communications, Energy and Natural Resources
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Dublin 2

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27th February 2015

Re: Towards a new Affordable Energy Strategy for Ireland

Dear Sir/Madam,

An Taisce welcomes the consultation period and the issues and questions raised in the consultation document on the above and wish to make the following submission.

1.0 Integration of Affordable Energy with Energy Policy

Energy requires an integrated scientific and policy framework. The Department of Communications, Energy and Natural Resources *Energy Green Paper* as currently formulated is based on a misguided approach of three 'balanced' pillars of Sustainability, Competitiveness and Security. Having competing 'pillars' means conflict, particularly if short term economic growth considerations are allowed to dominate.

There is one overriding consideration. That is to achieve all embracing sustainability in meeting the climate science dictated Carbon Budget. Anthropogenic CO2 emissions are a scientific problem and the only achievable and viable scientific solution is to leave most fossil fuel in the ground and stop exploring for more.

In January 2015 the international scientific journal *Nature* published a major paper[1] the level of fossil fuel burring compatible with maintaining a stable climate:

> *'If global warming is to be limited in this century to the much-publicized 2 °C rise compared to pre-industrial levels, fossil fuel use and the associated release of*

[1] Christophe McGlade & Paul Ekins. (2015). The geographical distribution of fossil fuels unused when limiting global warming to 2°C. Nature. 517 (187–190). Available at: www.nature.com/nature/journal/v517/n7533/full/nature14016.html

greenhouse gases will need to be severely limited. This raises questions regarding the specific quantities and locations of oil, gas and coal that can be safely exploited. Christophe McGlade and Paul Ekins use an integrated assessment model to explore the implications of the 2 °C warming limit for different regions' fossil fuel production. They find that, globally, a third of oil reserves, half of gas reserves and over 80% of current coal reserves should remain unused during the next 40 years in order to meet the 2 °C target and that the development of resources in the Arctic and any increase in unconventional oil production are incompatible with efforts to limit climate change'

The Department of Communications, Energy and Natural Resources as currently operating is itself marked by internal contradiction of promoting oil and gas exploration and sustainable energy at the same time. There is undue deference to considerations based on narrow short term economic modelling which is conflicting with climate science.

We attach our submission made to the Department of Communications, Energy and Natural Resources on the *Low Carbon Road Map* consultation[2] and outline information Carbon Budget. Addressing affordable energy for the domestic sector needs to be fully integrated with the *Low Carbon Roadmap*[3], which in turn must meet the Carbon Budget.

2.0 The Energy Poverty Issue

The cost of energy to lower income groups and the decarbonisation of energy sources are a major scientific, public policy and fiscal challenge. The consultation document refers to the extensive research and data available on energy poverty. There are ESRI and reports outlining the energy poverty issues, but no solution or action plans are in place. This fuel poverty issue is repeatedly highlighted by NGOs such as St Vincent de Paul.

The range of scientific and public policy problems may be summarised as follows:

1. Irish per capita carbon emissions from heating are significantly higher than the OECD average due to poorly insulated building stock and inefficient combustion sources. Continuing use of coal and increased domestic peat use has meant that carbon emission rose by 2.6 % in 2013 over 2012 levels, for domestic heating. Unless major action is taken binding EU 2020 targets will be significantly overshot;
2. Despite the ongoing introduction of smokeless fuel major air quality issues continue in Ireland. The Asthma Society has highlighted that Ireland has the fourth highest prevalence of Asthma worldwide and the Irish Lung Health Alliance is calling for an all island ban on smoky coal. The current 'smokeless' standards in urban areas are failing because of lack of enforcement, cross border leakage and inadequate standards, and is contributing to Asthma and other health problems;
3. The 'brown economy' of unregulated extraction and distribution of 400,000 tonnes of sod peat is both massively damaging and undermining effective action on decarbonisation and air quality. Fuel poverty and the delusion that access to a peat plot in rural areas or peat supply will provide long term energy security, is exacerbating the unsustainable and

[2] http://www.dcenr.gov.ie/NR/rdonlyres/98F7E5FF-BDF1-410D-A62B-2ADADFDF31B7/0/AnTaisce.pdf
[3] http://www.dcenr.gov.ie/NR/rdonlyres/98F7E5FF-BDF1-410D-A62B-2ADADFDF31B7/0/AnTaisce.pdf

unregulated continuing extraction of peat with multiple adverse impact in carbon pollution, biodiversity loss and water quality;

4. The scientific basis for the compatibility of Bord na Mona briquettes with appropriate urban air quality standards has not been demonstrated;
5. At least a third of Irish households live within a tight financial margin, and are also the houses with the highest proportion of poor energy insulation standard and highest dependence on solid fuel, including inefficient and more polluting open fires;
6. The continued prevailing use of individual electric immersion units for domestic water heating is inefficient in energy use and a cost burden for lower income households;
7. Much of the 400 million annual grants given under Social Protection subsidises the inefficient burning of peat and part of Irelands 6.5 billion fossil fuel import bill, which is a waste of investment resources that could go into capital funding for efficiency. Jim Sheer for SEAI has carried out a significant study on this[4].
8. The impact of carbon tax is already an issue for low income households. The lower fuel prices in Northern Ireland because of vat and Carbon Tax rates is causing cross border leakage.

3.0 The Current Inertia

A combination of forces is leading to inertia in addressing the converging imperatives of carbon emissions, air participle pollution and energy poverty. Insufficient resources have been given to sustainable energy and efficiency retrofitting. The SEAI grant funding and Warmer Homes schemes have all achieved a tangible benefit, though the inclusion of support for 'upgrade' of oil heating boilers was ill advised. Massive increase is now needed in the scale and extent of intervention through deep retrofitting of the national housing stock and decarbonising of energy sources

There is also a salutary lesson to be learned from Britain where the 2011 'Green Deal' national efficiency scheme has failed. This is because of the lack of support from the energy supply companies who have vested interest in maintaining or even increasing current energy use dependency for customers. In February The UK Government Climate Envoy has exposed this in the strongest possible terms[5].

The same consideration applies to the Irish energy supply companies which are competing for customer market share and supply volume, and which have a vested interest in high energy consumption.

The argument that all new housing units should, be built to passive standard is overwhelming with the State and NAMA in a positing to set the lead in social and other housing provision under direct control. The obstructive interest of the construction industry in relation to building energy standards should no longer be allowed to prevail.

[4] http://proceedings.eceee.org/visabstrakt.php?event=3&doc=5B-016-13
[5] http://www.theguardian.com/environment/2015/feb/25/camerons-climate-envoy-blames-big-six-energy-firms-for-green-deals-failure

4.0 New Opportunities

In January 2014 the European Investment Bank published notice of funding opportunity for energy efficiency. There are a range of EU supports for energy efficiency and renewable energy[6]. There is an opportunity for Ireland to take up this funding through energy efficiency schemes and pilot research and demonstration projects.

A report published CECODHAS Housing Europe examined some of the most effective initiatives across the EU. The *Exemplary Financing Models from across the European Union* report[7] is on best practice examples for financing tools for energy efficiency, including good examples in Germany. This presents a good European overview and models that could be applied in Ireland.

There are also significant technological changes affecting the efficiency and affordability of energy solution. The projection of Solar PV is to make major contributions to decarbonisation. A report on Dublin City has just been published which was the result of an initiative by IBM[8].

International research on efficient storage heating generated by excess night-time renewable capacity is advancing. At the same time it is desirable not to exaggerate the potential of any one energy solution. Department of Communications, Energy and Natural Resources is currently engaged in a stakeholder consultation process on the national Bio-Energy Action Plan. Bio-Energy has a particular role in rural catchment areas but is not the solution to electricity generation or the scale of heating demand in urban areas.

5.0 Guiding Principles for Action on Affordable Energy

The principles of a 'social proofed' strategy for affordable domestic energy need to be integrated with:

1. The impetrative of reducing greenhouse gas emission to meet the Irish carbon budget, and achieving the optimum timeframe for phasing out coal and peat burning and oil central heating use;
2. The removal of air pollution which contributes to asthma and health impacts in urban areas with application of standards for all solid fuel combustion including peat , wood and other biomass;
3. The introduction of financial support and taxation measures that secures investment and incentivisation in efficiency and lower carbon energy, and protects lower income groups;
4. All island co-operation to eliminate distortions. However lack of co operation should and does not justify inertia.
5. Collective and community engagement in achieving these actions, with lessons learned from public engagement with Irish Water.

[6] http://ec.europa.eu/energy/node/1742
[7] www.powerhouseeurope.eu/index.php?eID=tx_nawsecuredl&u=0&file=fileadmin/users/phe/TaskForces/Financing/nZEB_Financing_Models_web.pdf&t=1425138718&hash=7ef066e01e9a598f7b3e4038c561bc31
[8] http://www.dublincity.ie/new-report-shows-how-solar-could-be-smart-choice-dublin

6.0 Recommendations

6.1 Legal, Structural and Institutional Delivery

Existing structural and institutional arrangements needs to be revised to achieve affordable sustainable energy.

6.2 Department of Communications, Energy and Natural Resources

Redefine the legal remit of Department of Communications, Energy and Natural Resources. Integrate the Current *Low Carbon Road Map* and *Energy Green Paper* consultation process with the redefinition of the legal remit, mission statement and policy of the Department as being the immediate delivery of the Carbon Budget.

6.3 Horizontal Delivery between Government Departments

Put in place effective coordinating structures and ensure effective integration between Department of Communications, Energy and Natural Resources, Department of Environment, Heritage and Local Government and Department of Social Protection in achieved of sustainable energy and efficiency targets.

6.4 Sustainable Energy Authority Ireland

Expand the legal remit, and delivery capacity of Sustainable Energy Authority Ireland in the achievement of energy efficiency targets and delivery of national retrofitting and decarbonisation targets and the support of households in energy poverty.

6.5 Bord na Mona

Entirely reconstitute the legislative remit and operating function of Bord na Mona, to redefine its function as a carbon management and sustainable energy agency, providing a timetabled rapid exit from peat extraction and fossil fuel distribution.

7.0 Actions

As an overriding consideration to maximise the potential funding opportunities from the EU for efficiency and renewable energy should be sought including securing the availability of finance from the European Investment Bank and the use of carbon taxes, tax rebates and tax incentives. We attach as an example, a summary of the range of support measures available from the EU on energy efficiency[9].

[9] http://ec.europa.eu/energy/node/1742

Specific Actions:

7.1 Financing of large scale deep retrofitting

Securing EU support and low interest European Investment bank Funding for retrofitting of the public national housing stock, identifying priority targets, focusing on the most poorly insulated to achieve the optimum gain in BER standard
This would also achieve a parallel benefit in reducing solid fuel use and enhancement of air quality

7.2 Pilot Schemes

Secure EU funding and where appropriate private sector support for a range of demonstration pilot schemes of significant scale and range on domestic dwellings focusing on low income clusters and in co operation with local authorities and community organisations both urban and rural for:

- SOLAR/PV;
- Electric storage heating;
- Bio-energy Sourced CHP;

7.3. Social Proofed Carbon Taxation reinvested in efficiency

Ringfence and re invest the carbon tax take in efficiency and decarbonisation, ensuring the protection of financial burden on low income households.

7.4 Application of Passive House standard to new social housing.

Take leadership in the specification of all state supported housing units to passive standard

7.5 Enhance the extent and remit of the SEAI Better Energy Communities Programme

The relaunch of the programme in January 2015 is welcome; this programme should be expanding significant in extent, including provision for promoting and facilitating community engagement

7.6 Provide measures to address Private Rented Residential Property

Targeted measure to incentivise landlords in rental properties for energy efficiency and low carbon energy sources (e.g. Enhance tax write off capacity based on enhancement of BER rating to maximum achievable standard)

We hope you can give the above your consideration.

Yours sincerely,

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Appendix

1. An Taisce submission to DCENR on *Low Carbon Roadmap*
2. The Carbon Budget
3. Financing Energy Efficiency Webpage