An Taisce
*The National Trust for Ireland*

# RENEWABLE HEAT CONSULTATION

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Current policy and fiscal measures to promote renewable heat are entirely ineffective. Heat greenhouse gas emission rose by over 2.6 % in 2013 over previous year's levels, and Ireland has no strategic planning measures impact in this sector.

## 1.0 KEY ISSUES ON RENEWABLE HEATING

The decarbonisation of heat energy sources, and the cost of energy and retrofitting to lower income groups is a major scientific, public policy and fiscal challenge.

The 12% 2020 target proposed is very low, with a current level of renewable heat at 6.7%. The strategic planning for the much greater post 2020 targets that will need to be achieved, is not remotely in place

Furthermore any consideration of optimising renewable heat needs to be in tandem with a strategy which gives equal if not greater emphasis on efficiency through retrofitting of the building stock to reduce heating demand, and optimum achievable passive level or low heat demand for new buildings.

A new Renewable Heat Strategy must address and resolve the following key issues:

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 heating. Unless major action is taken, binding EU 2020 targets will be significantly overshot.
2) DCENR is currently engaged in a stakeholder consultation process on the national Bio energy Action Plan. Bio energy may have a particular role in rural catchment areas but is not the solution to electricity generation or the scale of heating demand in urban areas.
3) Despite the ongoing introduction of smokeless fuel which is also market on the basis of lower climate emissions, major air quality issues continue in Ireland. The Asthma Society has highlighted that Ireland has the fourth highest prevalence of Asthma worldwide and with the Irish Lung Health Alliance is calling for an all island ban on smokey 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.
4) The "brown economy" of unregulated extraction and distribution of 400,000 tonnes of sod peat mainly from the midland and western seaboard counties (excluding Clare) 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 unregulated continuing extraction of peat with multiple adverse impact in carbon pollution, biodiversity loss and water quality, and undermining public policy consideration of investment in efficiency and renewable heat sources

5) The benefit of current proposals by the Coal import sector (such as the CPL and Bord na Mona proposal for Foynes) to promote "lower carbon" biomass content briquettes is questionable. It perpetuates inefficient solid fuel combustion and retains potential conflict with appropriate urban air quality standards has not been demonstrated
6) As 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. Any strategy must address how both enhanced insulation, and heating source switch to renewables is to be achieved for these households
7) 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
8) Much of the 400 million annual grants given under Social Protection subsidises the inefficient burning of peat and coal the latter being 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
9) 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.

## 2.0 THE CURRENT INERTIA

A combination of forces is leading to inertia in addressing the converging imperatives of carbon emissions from the heat sector, despite the potential to link such measures to reducing urban air participle pollution and energy poverty.

The DECNR proposal for a major national 'Pay as You Save' Scheme for households to invest in efficiency and fuel switch from 2014 was not put in place. There is inadequate recognition that there is no evidence that the current NEEAP will achieve its limited goals for energy efficiency

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" 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 2015 The UK Government Climate Envoy exposed this in the strongest possible terms.

http://www.theguardian.com/environment/2015/feb/25/camerons-climate-envoy-blames-big-six-energy-firms-for-green-deals-failure

The same consideration applies to the Irish energy supply companies which are competing for customers market share and supply volume, and which have a vested interest in continuing energy consumption, or in the case of coal importers and Bord na Mona.

The argument that all new housing units should, be built to passive standard is overwhelming, and the current failure to DOECLG to advance this in Building Regulations and Guidance for local authorities has already generated international criticism .

Both the State and Nama are in a position to set the lead in energy efficiency of 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.

# 3.0 RECOMMENDATIONS

## 3.1 BUDGETARY AND FISCAL SUPPORT

The core principle in energy policy and budgeting should be based on the progressive and socially proofed increase in carbon tax, with the income ring fenced to support efficiency and decarbonisation

In Jan 2014 The European Investment Bank published notice of funding opportunity for energy efficiency.

http://www.eib.org/attachments/thematic/renewable_energy_en.pdf

The EU funds research, demonstration and pilot schemes through the THEMAE programme.

There is an opportunity for Ireland to take up this funding through energy efficiency schemes and pilot research and demonstration projects

A 2015 report with input across Europe on zero energy and some of the most effective initiatives across the EU is attached (ENCL).

Report "Built to Last" 2015, specifically addressing building efficiency and maintenance in New York :

http://www.nyc.gov/html/builttolast/pages/home/home.shtml

There are also significant technological changes affecting the efficiency and affordability of energy solution.

The projection of Solar PV to be a major contributions to decarbonisation rising. A report on Dublin City was published in 2015 which was the result of an initiative by IBM

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.

## 3.2 GUIDING PRINCIPLES FOR ACTION ON RENEWABLE HEAT.

A new strategy needs to cover public, commercial and residential sectors of heating use with key principles:

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) Ensuring a "social proofed" strategy for affordable domestic energy;
3) Quantifying the investment benefit in efficiency and renewable heat with the benefit of 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
4) The introduction of financial support and taxation measures for business and individual with tax liability that secures investment and incentivisation in efficiency and lower carbon heat energy provision , and protection of lower income groups;
5) All island co-operation to eliminate distortions. However lack of co-operation should and does not justify inertia;
6) Flexibility in recognising and supporting progress in technology e.g. in Solar RV and newly emerging electric heating storage
7) Recognise the unsustainability of any biomass import and the limited capacity of nationally sourced bio energy. Biomass as with biofuel is not carbon neutral and different biomass feed sources whether nationally produced or imported have significantly different carbon emission impacts;
8) Collective and community engagement in achieving these actions, with lessons learned from public engagement with Irish Water.

## 3.3 LEGAL, STRUCTURAL AND INSTITUTIONAL DELIVERY

Existing structural and institutional arrangements needs to be revised to achieve the required parallel strategy of reducing heating demand and targeted increase in renewable energy sourcing for heating, with socially proofed measures to address low income households

## 3.4 DCENR.

Redefine the legal remit of DCNER.

The Current Low Carbon Road Map and Energy Green Paper consultation provides the opportunity to redefine the legal remit, mission statement and policy of the Department to have as core objective the delivery of the Carbon Budget

## 3.5 HORIZONTAL DELIVERY BETWEEN GOVERNMENT DEPARTMENTS

Put in place effective coordinating structures and ensure effective integration between DCENR, DoEHLG and Social Protection is achieved of Sustainable Energy and efficiency targets

## 3.6 SEAI

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

## 3.7 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