



**Electric Ireland Response to Consultation by the
Department of the Environment, Climate and
Communications:**

**Consultation on the Introduction of a Renewable Heat
Obligation**

29th October 2021

Introduction

Electric Ireland welcomes the opportunity to respond to this consultation. We support the government's ambition to reduce greenhouse gas emissions by 51% by 2030 and to achieve net zero emissions by 2050. Decarbonising the heating and cooling sector will be a significant aspect of this and it is important that the correct incentives and supports exist to ensure its delivery. Our comments on the consultation are given below. We have not responded to the individual questions as consider that the framework and pathway for decarbonisation of the heating sector, and how a Renewable Heat Obligation would fit into this, is at too early a stage of development to comment on detail.

High Level Comments

Optimal Framework to Decarbonising Heating Sector

It is important that the most efficient approach possible is taken to decarbonise the heating sector to ensure that the overall cost to customers in meeting the emissions target is minimised and timeline for delivery is in line with target dates. The focus in the paper seems to be on decarbonisation of the gas sector, whereas there are other more carbon intensive fuels used for heating. Other options to the Renewable Heat Obligation should be considered and assessed and ultimately the most optimal approach(es) should be brought forward. It is not clear that other options have been considered at this time and therefore difficult to critique the scheme on a standalone basis. We understand that the SEAI will be publishing a Heat Study later this year. Any decision on the introduction of an RHO should be deferred until the contents, recommendations and conclusions from this study can be taken on board. Other government strategies and initiatives would also need to be considered, including any new direction in the updated Climate Action Plan. We note also that there is no government strategy or targets for Hydrogen. In the absence of this it is difficult to comment on the appropriate role it would play in a Renewable Heat Obligation scheme. It would be useful also to understand better the results to date of the Support Scheme for Renewable Heat and any lessons learnt from it.

Other Options for Decarbonisation of Heat

Other technologies will play key roles in the decarbonisation of the heating sector, for example the electrification of heat, and particularly so in the residential sector where heat pump technology is efficient and proven. The supply chain and associated trade capability, as well as public awareness are all growing. District heating is another technology for potential at a large scale. Where solutions already exist, it may be more optimal to consolidate effort and supports for these proven solutions.

By using electrification as the solution for the residential heating sector this also has the additional advantage of moving the emissions from this segment from the non-ETS to the ETS sector, reducing the government's overall challenge associated with the non-ETS sector. A further advantage is that once heating source has been moved to electricity there will be no on-going requirement to monitor, measure and manage the energy source used for heating as this will already be provided for under the electricity sector. The introduction of an RHO scheme will inevitably lead to an administrative burden on many actors including suppliers, all of which will end up costing customers more.

A Renewable Heat Obligation if introduced, should focus on the decarbonisation of heating and cooling where innovative solutions are needed and where electrification or other proven technologies alone may not be sufficient for example, some high temperature industrial applications. The residential sector should be excluded from a Renewable Heat Obligation, or if included should allow, and ideally prioritise, for electrification of heat.

We also note that the introduction of small amounts of biomethane into the gas network, which seems to be the focus of this consultation, may have the unintended consequence of prolonging the use of fossil fuels in homes as they will only make up a small proportion of the overall fuel being used.

Hierarchy of use for Green Gases

Where green gases are manufactured it is important that they are used in the most efficient way. For example, it would seem preferable for biogas to be used in an industrial heating application local to where it is produced, where an electrical or other solution does not exist, rather than injecting it into the gas grid (with associated complications with gas quality) and end up being used inefficiently, for example in poorly insulated buildings. Electric Ireland suggests that a 'hierarchy' of use is developed for the use of green gases, including Hydrogen.

Anaerobic Digestion Industry

The anaerobic digestion industry is at the early stages in Ireland and existing incentives have failed to stimulate its development. The RHO as proposed effectively puts an obligation on suppliers to create and support this industry. Suppliers such as Electric Ireland, who have no generation assets or engineering capability will be ill equipped to be such significant actors in this industry. There are a lot of issues that are outside the control of suppliers, for example planning consent, but which impact this industry. A clear pathway for the development of the anaerobic digestion sector needs to be developed by government, including all the requisite policy (e.g. planning, licensing etc.).

Further to this, we understand that anaerobic digestion may have a role to play in the decarbonisation of the agriculture sector. It is important that there is alignment of policy and incentives in relation to this.