# CONSULTATION ON RENEWABLE HEAT OBLIGATION SCHEME

**Public Consultation** 

## **ABSTRACT**

DECC's Consultation on the Introduction of a Renewable Heat Obligation 29 October 2021

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## **RENEWABLE GAS FORUM IRELAND (RGFI)**

#### Introduction

Heat is fundamental to our wellbeing, warming our homes, offices, and workplaces, and is an essential ingredient in many industrial processes. But it is also a big part of Ireland's climate action challenge.

Bioenergy solutions using biomethane and BioLPG will play a key role in decarbonising hard to retrofit buildings and industrial processes requiring high temperatures. The remaining third of the national heat demand is in industry. Focus on the industrial sector is all the more important in that economic growth is projected to drive up the national heat demand by 14%.

The 7% annual CO<sub>2</sub> reduction can be achieved with renewable heat technologies readily available in Ireland and already widely deployed in EU countries which have significantly decarbonised their heating system. Renewable gas will play a significant role in decarbonising the heat demand both on and off gas grid with biomethane and BioLPG.

Ireland must transition rapidly to renewable heat by supporting sustainable, efficient, economic, competitive renewable heat technologies that can deliver on security of supply. Our country has readily available renewable heat technology solutions and must include all available technologies to address this urgent issue, to allow us the benefit of comfortable, affordable, and sustainable heat. The renewable heat transition will have a large economic impact, in rural communities, by redirecting the billions spent in importing fossil fuels to the production of local heat via, the installation and maintenance of clean heating technologies, including Bio-LPG and Biomethane.

An integrated energy system would put the consumer first, provide information and data to allow them to make an informed decision on the renewable heat technology that best suits their situation.

Over 2/3 of the national heat demand is in buildings, at temperatures which can readily and cost effectively be met with renewable heat solutions. However, industrial processes at high temperature are the backbone of our economy and will require focused solutions for decarbonisation. 50% of the national heat demand is in urban and sub urban areas, with plenty of scope for renewable gas deployment.

In rural Ireland there are 400,000 domestic residential units currently using liquid and solid fossil fuels in off gas grid solutions. The most economical and cost-effective solution for them is to use renewable gas Bio-LPG. Likewise, for industrial and commercial use, for example in the hospitality and SME sectors the lowest cost and least disruptive renewable heat technology is renewable gas biomethane or Bio-LPG.

Liquid Gas Ireland (LGI) projects that BioLPG has a potential of 1.51 TWh/yr by 2030.

The Renewable Energy Ireland 40by30 report, highlights the potential of reducing Ireland's the CO<sub>2</sub> emissions by 67% or 9 million tonnes by 2030 through measures that include maximising the use of renewable gas in the decarbonisation of heat to the relevant market segments.

Renewable heat can play a key role in meeting the Programme for Government target of annual 7% GHG reduction and put Ireland on a strong footing to achieve zero carbon status by 2050.

The displacement of coal, peat and oil in heating also means significant improvements in air quality in rural and urban areas.

The capital investment required to achieve 40% of the national heat supply from renewable sources and 7% annual reduction in CO₂ emissions is about a third of the €30 billion investment earmarked for the national energy retrofit programme.



#### **Call to Action**

The REI 40 by30 report sets out a call to Action with a number of policy actions requested from Government, below are some of the cross sectoral high-level actions agreed by the renewable heat industry participants.

- Update the building regulations and BER assessment methodology to accurately reflect the decarbonisation benefits of renewable heat.
- 2. Simplify administrative and regulatory requirement barriers, particularly in relation to financial incentives for renewable heat technologies to increase uptake and reduce compliance costs.
- 3. Implement Article 23 of the Renewable Energy Directive (REDII) under the EU Clean Energy Package with a mandatory high ambition of at least 3% per annum.
- 4. Set Green Procurement targets for the public sector at a minimum of a 20% annual increase in renewable heat and mandate that all new or replacement heating systems to be 100% renewable.
- 5. Widen the support for renewable heat in the Home Energy Grants and in the Support Scheme for Renewable Heat (SSRH) and seek ways to incentivise large heat users to adopt renewable heat solutions.

#### Q1 Do you think that a Renewable Heat Obligation is an appropriate measure to introduce?

Renewable Gas Forum Ireland welcomes the opportunity provided by government in this public consultation to support this important initiative. Our response is made on behalf of our membership across the full supply chain of renewable gas in Ireland, including the agri-food, beverages, biopharma, waste processing and utilities sectors, as well as developers, technology providers, shippers / suppliers, gas utilities and academia. RGFI has also engaged with farming organisations and they are supportive, in principle, of socialising the funding.

Our members recognise that a robust renewable gas industry is the only feasible way to decarbonise heat demand in the sectors that are most difficult to decarbonise, both on and off grid.

RGFI's viewpoint is informed by independent economic assessments, full cost benefit analysis in compliance with public spending code, in depth business analysis and feasibility studies, carried out by reliable and trusted independent qualified professionals, underwritten and warrantied, in consultation with gas consumers and key stakeholders.

The RGFI membership proposes that a national renewable heat fuel obligation scheme, Article 23, should be introduced as a matter of urgency, with implementation by 2023. The RHO would socialise the incremental cost of producing renewable gas biomethane and BioLPG across all market segments for renewable heat, gas consumers and would provide certainty and confidence to the renewable gas industry, consumers, shippers/suppliers, technology provider and investor sector that an enduring solution is in place to support production and delivery of biomethane at scale.

The Citizens Assembly in its work in consulting with the people of Ireland, recorded that there is a willingness to contribute to addressing climate change. Organisations such as Community Power have demonstrated how local engagement with renewable energy production can benefit communities socially, economically and environmentally, and they are also very supportive of the RHO approach.

The RHO is a welcome and necessary step to support the renewable gas industry to play its part in contributing to deliver ambitious and legally binding targets under the Programme for Government to reduce GHG emission.

By supporting the renewable heat technologies, through the production and supply of sustainable renewable gas both indigenous and imported, the RHO will support the decarbonisation of the heat sector across the market segments of residential, SME's, hospitality, industrial and commercial use.



The development of the biomethane industry in Ireland will improve the commercial sustainability and competitiveness of the agri food and beverages industry, provide sustainable farm practices and land management, regenerative farming, carbon farming, support rural employment and the circular bio-economy/bio-refinery goals, in line with Government targets.

The RHO is urgently needed to establish a renewable gas industry in Ireland, which lags well behind other European countries in this respect, and which also has the lowest percentage in Europe in terms of having its heat sector demand met by renewable fuels.

# Q2. If not, what alternative measures would you consider appropriate to increase the use of renewable energy in the heat sector?

The proposed RHO is the only secure way of encouraging the development of Ireland's renewable gas supply and would not be subject to variations or pressures that can be faced through the provision of grants or enduring subsidies. We strongly recommend key policy actions to support a strong uptake of renewable heat technologies, with a number of these actions already being progressed by Government, including this public consultation on the Renewable Heat Obligation Scheme.

It is our opinion that a Public Service Obligation Scheme or Auction process would not be appropriate mechanisms in socialising the funding gap for renewable heat technologies. We need to develop the renewable heat sector to a level of maturity before introducing auctions. By way of comparison the renewable electricity sector was supported while developing to a level of maturity and has introduced auction process which is appropriate and an approach that could be supported in principle for renewable heat once the industry reaches a point of maturity.

## Q3. Do you agree that the obligation should apply to all non-renewable fossil fuels used for heating as set out above?

Yes.

# Q4. It is intended that electricity used for heating purposes and renewable/waste district heating systems would be exempt from this obligation, do you agree with this approach?

We agree in principle with this proposal, as electricity is subject to separate support scheme for renewable electricity.

# Q5. Do you agree that the portion of fossil fuel input used in CHP plants to generate heat would be considered to be part of the obligation?

Yes we agree with this position. This is an essential part of supporting the manufacturing and process industries to decarbonise their primary energy demand and reduce emissions.

## Q6. Are energy suppliers the most appropriate bodies to become the obligated parties in the heat sector?

Yes they are best placed to become the obligated parties for a fair and efficient RHO system.

# Q7. Is the 400 GWh of energy supplied an appropriate level for a supplier to become obligated?



RGFI supports having a lower threshold so that smaller suppliers can be included, applying fair and equitable treatment for all entities in the shipper/supplier sector and ensuring that the use of renewable energy is embedded across the board.

#### Q8. Do you agree with the 2023 start date for the obligation?

Yes. The RHO and other measures are urgently required to support renewable gases of biomethane and bio-LPG to allow them to play their vital role in decarbonising difficult to decarbonise thermal processes and heating demand, for both on and off grid solutions.

## Q9. In terms of the obligation rate, do you agree with the proposed initial level of obligation of 0.5%?

RGFI supports a more ambitious target of at least 1% in view of the level of ambition shown by our members, and in particular industry, to decarbonise their thermal demand for processes. The Renewable Energy Ireland (REI) 40by30 report recommends a high level of ambition to have a meaningful impact on decarbonising the heat sector, with renewable gases of biomethane and bio-LPG playing a key role in contribution to delivering the 51% reduction target by 2030.

Industry gas consumers, leading the Project Clover initiative and collaboration, have a similarly high level of ambition to decarbonise by 2030, that has been shown to be achievable through the findings of the KPMG Integrated Business Case for Biomethane in Ireland 2019 and Cost Benefit Analysis and the KPMG Project Clover Feasibility Study Report 2021.

## Q10. In terms of ambition for a 2030 target, what level of ambition do you think is appropriate? 3% minimum; 5% medium ambition; 10% higher ambition; Other?

RGFI supports the view that a minimum of 10% minimum of gas supplied should be renewable gas by 2030, assuming a design of the Obligation Scheme is communicated in the first quarter of 2022.

This higher ambition matches the capability of the renewable gas industry and is in line with current targets across EU member states.

Later communication of the design of the scheme, would push it out to 2024. This should allow suppliers time to develop their supply chain and allow indigenous producers develop their product offering.

In the consultation document it is proposed that the obligation rate will be increased to at least 3% per annum by 2030. This level of obligation is estimated to reach approximately 1.6 TWh of renewable energy supplied to the heat sector in Ireland by 2030, as proposed by Government in the NECP.

The document shows that gas currently has a 41% share of heat fuel consumption with oil at 42%.

However, gas is already dominant in meeting the heat requirements for industry's thermal processes and industry has presented a compelling case that a move to renewable gas solutions of biomethane or bio-LPG is the lowest cost and only viable option for them to meet their decarbonisation heat and thermal requirements.

Through a consultation with industrial gas consumers there is already solid evidence that even taking a conservative "medium" ambition, it is technically, commercially, and environmentally feasible to produce 2.5TWh of sustainable biomethane by 2030 with 125 x 20GWh agri-feedstock AD plants.

This is scalable and the KPMG/Devenish 2021 Sustainable Feedstock Report has shown feedstock capacity to achieve 9.5TWh of biomethane by 2050.



Liquid Gas Ireland (LGI) projects that BioLPG has a potential of Liquid Gas Ireland (LGI) projects that BioLPG has a potential of 1.51 TWh/yr by 2030.

Following on from this, the Government should seek to adopt measures which target consumers, households, and rural businesses directly. These should include scrappage schemes which seek to finance the upgrade from older, inefficient systems to newer ones. Furthermore, supporting fabric efficiency upgrades should also be a priority. Both of these should contribute to lower end-user energy consumption, and consequently reduce the financial pressures on rural business and residential consumers.

- Set Green Procurement targets for the public sector requiring a minimum annual increase in using renewable heat of 20% of demand and mandate that all new or replacement public sector heating systems must be 100% renewable.
- Make it simpler and easier for consumers/businesses to apply for the financial incentives for renewable heat technologies.
- Widen the support for renewable heat in the Home Energy Grants and in the Support Scheme for Renewable Heat (SSRH) and incentivise large heat users to adopt renewable heat solutions

Given the pressure and legal requirement to decarbonise our economy and the fact that renewable gases of biomethane and bio-LPG is the only option to decarbonise difficult to decarbonise sectors such as industrial thermal processes, the obligation rate should be set as high as possible, our sector supports a higher ambition of 10%, subject to the policy interventions outlined above, as set out in out in REI's 40by30 report, targeting specific points of the supply chain, from production to end-consumer:

RGFI supports the view that 10% of gas supplied should be renewable gas by 2030, matching the capability of the renewable gas industry and in line with current targets across EU member states

# Q11. Do you agree with the first obligation period being multiple years 2023-2025 to give the industry time to develop supply lines?

Yes, in principle RGFI supports this, with Government announcing and providing advance notice to the market by the end of 2021, with agreed targets set for each of these years reflecting the capacity to supply the required renewable energy (biomethane and bio-LPG renewable gas).

## Q12. Once the first period 2023-2025 expires, do you agree with the obligation then becoming an annual obligation?

Yes we agree with this approach in principle, in consultation with the renewable heat industry representation to include RGFI as key stakeholders as participants in the annual review of targets for the sector.

# Q13. Do you agree with suppliers being able to trade credits in order to meet their obligation?

Yes, this initiative should be considered in consultation with energy suppliers. However, the trading of credits should not be seen as the solution to the inequalities in supplying different groups e.g., urban versus rural.



## Q14. Do you agree with allowing 10% carry over of renewable credits to be used in the following year's obligation?

We are of the opinion that any carry over of credits should only be applied in exceptional circumstances and should not become the norm.

# Q15. What are the sustainable energy sources likely to meet the Renewable Heat Obligation at an obligation rate of (i) 3%, (ii) 5%, (iii) 10% by 2030?

The renewable heat industry collaborated on the REI *40by30* report that recommends a minimum target of 3% per annum, reaching a target of 11% renewable gas consumption per annum by 2030.

Calor Gas and, by association, Liquid Gas Ireland (LGI), projects that BioLPG has a potential of 1.51 TWh/vr.

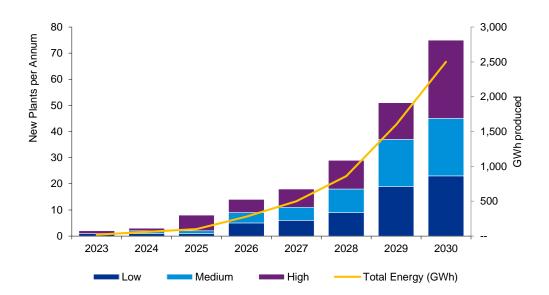


Table A – Level of ambition scenario's for Biomethane

Through consultation with large industrial gas consumers in the manufacturing and processing sector, there is already solid evidence that even taking a conservative "medium" ambition as illustrated in Table A above, that it is technically, commercially, and environmentally feasible to produce 2.5TWh of biomethane by 2030 with 125 x 20GWh agri-feedstock AD plants. This is scalable with a low level of ambition being 1.3TWh and high level of ambition being 4TWh.

The KPMG/Devenish GNI Sustainable feedstock report findings support the position of the RGFI Fully Integrated Business Case for biomethane in that 9.5TWh of biomethane is practically achievable by 2050, in conjunction with other new innovative technology, utilising the national network of AD biomethane plant to produce bio hydrogen at scale, to be pursued.



## Q16. Will there be enough sustainable indigenous supply to meet this demand?

There has been a number of research and reports carried out in relation to sustainable indigenous supply. It is our opinion, supported by KPMG/Devenish and Teagasc reports and conclusions, that there is clearly sufficient potential for sustainable indigenous supply to meet demand. We should also include the other sustainable renewable gas such as bio-LPG a sustainable, very credible option, solution and security of supply to decarbonise the 400,000 domestic residents in rural Ireland who are off grid, along with the other market segments that are off grid.

The industrial consumer collaboration group of "Project Clover" has looked at the sustainability of biomethane production and has concluded that feedstock will not be an issue, that the commercial proposition is viable, and that environmental sustainability can be assured through underpinning the development of the sector by an AD Charter, which commits participants of the scheme to ensure no unintended consequences to the environment.

It is possible that the capacity issue will not be feedstock but rather infrastructure and hence, in addition to the receipts from the RHOS, in the early year of the scheme, there may be a need supplement (or borrow forward from the Scheme) to fund the capex for qualifying renewable heat projects (in particular AD & Green Hydrogen). It should be noted these industries are based in rural Ireland and favour balanced regional development.

The IMF working paper: Building Back Better: How Big Are Green Spending Multipliers? March 2021 states: "The overarching conclusion from this study is that gearing post-COVID economic stimuli to investments that favour decarbonization and carbon-capture through nature-based solutions is not just good for the planet: it also promises to be the cheapest and shortest route back to a prosperous global economy". "These findings can be rationalized by noting that, compared with fossil fuel technologies, which are typically mechanized and capital intensive, the renewable energy industry is more labour intensive."

In addition, indigenous, renewable gas production reinforces Ireland security of supply of energy.

## Q17. Do you agree that for renewable fuel delivered directly to a consumer that this will be the point of supply?

Yes, in principle, the shipper / supplier should be the point of supply.

# Q18. Which option to you think should be applied for renewable energy that is indirectly supplied (e.g. via the natural gas grid)?

It is the opinion of RGFI that a combination of both Option A & Option B should be considered for biomethane and bio-LPG and would be the most economical, fair and equitable approach, ensure no competitive advantages under other renewable heat technology options.

The RED II states in Article 23 that "when adopting and implementing the measures, Member States shall aim to ensure the accessibility of measures to all consumers."

#### Q19. Do you think the costs set out above are reflective of likely costs?

Based on the proposed obligation rate the costs set out appear reflective of likely costs, however we recommend that the obligation rate and targets for renewable gases of biomethane and bio-LPG needs to be higher, starting at 1% in 2023, increasing to 1.5% in 2024, and upward target out to 2030 to include the 2.5TWh target for biomethane by 2030 and 1.5TWh of bio-LPG by 2030.

The BioLPG sector highlights some challenges with cost burden on rural consumers and has presented analysis on impacts in the LGI sectoral response, seeking further clarification and



consideration of impact on rural consumers located beyond the gas grid and necessary policy interventions to address the cost gap.

### Q20. Are these costs reasonable to impose on consumers?

Socialisation is accepted generally as being a fair and reasonable approach to decarbonising heat/thermal demand, where the cost to consumers is based on consumption levels.

While BioLPG members support in principle, with conditions, the obligation being set at the 10% level, concerns around additional cost burden on rural customers and the importance of policy interventions, are highlighted in more detail in the LGI sectoral response.

#### Q21. Do you agree with the intended position in relation to penalties for non-compliance?

The setting of initial targets and the annual review of targets should be taking into account the ability for capacity building and delivery of obligation rates. To avoid penalties, regular engagement with the renewable heat industry, to advise on appropriate targets, is strongly recommended.

# Q22. Do you think the proposed obligation poses a significant risk to increased energy poverty?

While BioLPG members support in principle, with conditions, the obligation being set at the 10% level, concerns around additional cost burden on rural customers and the importance of policy interventions, are highlighted in more detail in the LGI sectoral response.

- 1. Fossil fuel prices will continue to rise as supply diminishes, carbon tax increases, and as the world moves towards renewable energy to combat the effects of climate change. As renewable energy becomes mainstream and related technology continues to improve, its production costs decrease and provides a consistent, long-term secure supply of renewable energy with security of supply and storage capability. The RHO is central to the development of the renewable gas sector of biomethane and bio-LPG in Ireland and is therefore helping to address future energy poverty and does not pose a significant risk.
- 2. Climate change and associated food, water and energy poverty is likely to have the most detrimental effects on the most impoverished people. Therefore the proposed RHO ultimately helps to address energy poverty and does not impose a significant risk. The KPMG report on Decarbonisation of Heat demand 2018, concludes that renewable gases biomethane and separately Bio-LPG is the lowest cost option to decarbonise heat demand.
- **3.** By replacing fossil fuels the RHO improves air quality and reduces health poverty, particularly in urban and inner city areas.

## Q23. How best the impacts on energy poverty could be minimised?

The KPMG Decarbonisation of Heat report concludes that renewable gases of biomethane and bio-LPG are the lowest cost options and least disruptive for renewable heat technology available. Bio-LPG and Biomethane renewable gases can address energy poverty in an economical practical way. While BioLPG members support the move to a renewable heat obligation, the LPG sector requests that the Department considers the policy interventions outlined in the introduction to this response to help alleviate the impacts on energy poverty in rural Ireland.



#### Q24. Do you agree with the outlined approach for additional support for green hydrogen?

We believe that all renewable gas technologies should be supported, including green hydrogen, which is set to play an important role in the future. However the current priority is to establish the production of biomethane as it is an already proven technology with a full commercial and environmental analysis to support its trajectory.

# Q25. Do you think that offering multiple credits for green hydrogen in the heat sector might have unintended consequences for supply in other sectors such as transport?

RGFI would be pleased to engage with Government on this issue to ensure a fair and equitable approach is taken in the roll-out of the development of all renewable gas technologies across all sectors.

## General input - any topic not covered in the questions above.

#### Introduction to RGFI

The Renewable Gas Forum Ireland (RGFI) represents commercial sustainability interests in support of climate change action, decarbonisation, and wider environmental and social benefits, in line with National and EU policy, the EU Green Deal and Farm to Fork strategy, through the development of a renewable gas industry in Ireland, specifically through the production of agri-feedstock based biomethane.

RGFI's membership represents the full supply chain of renewable gas in Ireland and includes the agrifood, beverages, biopharma, waste processing and utilities sectors as well as developers, technology providers, shippers / suppliers, gas utilities and academia. Members include Danone, Diageo, Wyeth Nutrition, Lakeland Dairies, Aurivo, Naturgy, Bord Gais energy, Nova UCD, Centre for Marine and Renewable Energy Ireland (MaREI), and Gas Networks Ireland (GNI).

## **Project Clover**

RGFI has been at the forefront of collaboration with heat consumers, in particular industries with no other viable option to decarbonise their large thermal heat demand. It has played a central role in the development of Project Clover by a consortium comprising Danone Ireland, Glanbia Ireland, Lakeland Dairies, Dairygold, Wyeth Nutrition, Carbery Group and Tipperary Co-operative and with a Project Team comprising RGFI, KPMG, Devenish Nutrition, Gas Networks Ireland and Authenticity.

The KPMG Project Clover Feasibility Study Report has concluded that agri-feedstock based biomethane production at scale is technically and commercially achievable, and is the only feasible way that is scalable, to decarbonise the thermal demand in manufacturing and processing industries in Ireland.

The Feasibility Study has shown that 125 x 20GWh AD plants by 2030, generating 2.5TWh of renewable gas per annum is technically, commercially and environmentally feasible.

RGFI is part of the **Renewable Energy Ireland** collaboration which published the 40by30 Renewable Heat Report in June 2021, advising Govt on the ability of renewables, including renewable gas playing a key role to contribute to the decarbonisation agenda and help achieve the 2030 target in line with the ambitious programme for Government.

RGFI also represents Ireland in EU programmes such as **REGATRACE** (Renewable GAs TRAde Centre in Europe) which encourages member states to develop their vision to produce renewable gases decouple energy systems from fossil fuels and aims to create an efficient cross border EU trade system based on issuing and trading biomethane/renewable gases Guarantees of Origin (GoO) and certification.



A consumer first, integrated energy system is recognised as the way forward for Ireland's renewable gas sector. The vision is for:

"A consumer led, at scale, renewable gas industry

- decarbonising difficult to decarbonise sectors i.e. the thermal demands of industry,
- supporting sustainable, profitable agriculture and the circular rural economy
- aligned with EU and national sustainability and climate action policies
- underwritten by charter to ensure no unintended consequences.
- A just transition to achieving targets in emissions reduction by 2030 and carbon zero by 2050."

#### This vision:

- Aligns with the Paris Agreement, EU Green Deal, Interim Climate Actions 2021 and national targets to reduce emissions.
- Achieves emission reductions, displacing over 680kt CO<sub>2</sub> per annum by 2030, in a way that is commercially viable.
- Supports sustainability of incremental feedstock forage through the use of bio-fertilisers, multispecies pastures and carbon sequestration.
- Supports commercial sustainability and competitiveness of the Irish food and drinks industry, and the wider manufacturing and processing sector.
- Supports Irish industry in adapting to future legislative trends including carbon labelling and ESG reporting, and help industry to access sustainable, taxonomy-aligned finance

## **Sustainable Feedstock Report**

The recent KPMG/Devenish Sustainable Feedstock Report conclusions is fully aligned with the Teagasc Research on multispecies swards as a sustainable forage for incremental feedstock and also aligned with the pasturelands available to supply feedstock to AD biomethane. There is an agreement to collaborate with Teagasc to use the Signpost Farms Programme platform to disseminate and knowledge transfer/information sharing. Teagasc has indicated its support for any future Signpost Farm participation in Project Clover.

Ireland has sufficient feedstock potential to supply the proposed AD plants and future expansion to 9TWH by 2050 without impacting or competing with current volumes and usage for animals and food production.

The agri-based biomethane will be able to comply with EU RED II sustainability criteria and will be certified by the Green Gas Certification Scheme.

Furthermore, there exists the opportunity for significant economies of scale to capital and operations as the sector matures. This includes clustering and standardisation of the AD plants and their funding.

An overarching body with a formal co-ordination mandate will be required to lead this standardisation, detailed design, funding, commercial and ownership structures and will provide ongoing support to the AD operations, with continuous improvements to efficiencies and competitiveness.

A significant component of the infrastructure required to facilitate Project Clover is already under development by Gas Networks Ireland, with the first Central Grid Injection facility having now received full planning permission.



The Feasibility Study has demonstrated that biomethane has the potential to be the lowest cost option for the decarbonisation of high thermal loads in the manufacturing and processing sector, such as the Irish agri-food and beverages industries.

## **Renewable Energy Industry Call to Action**

The REI 40 by30 report sets out a Call to Action with a number of policy actions requested from Government, below are some of the cross sectoral high-level actions agreed by the renewable heat industry participants.

- Update the building regulations and BER assessment methodology to accurately reflect the decarbonisation benefits of renewable heat.
- 2. Simplify administrative and regulatory requirement barriers, particularly in relation to financial incentives for renewable heat technologies to increase uptake and reduce compliance costs.
- 3. Implement Article 23 of the Renewable Energy Directive (REDII) under the EU Clean Energy Package with a mandatory high ambition of at least 3% per annum.
- 4. Set Green Procurement targets for the public sector at a minimum of a 20% annual increase in renewable heat and mandate that all new or replacement heating systems to be 100% renewable.
- 5. Widen the support for renewable heat in the Home Energy Grants and in the Support Scheme for Renewable Heat (SSRH) and seek ways to incentivise large heat users to adopt renewable heat solutions.

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An Integrated Business case for biomethane in Ireland, RGFI/KPMG, October 2019

https://www.renewablegasforum.com/wp-content/uploads/2020/08/RGFI\_Executive-Summary-1.pdf

Project Clover Feasibility Report, KPMG, August 2021 – see attached document

KPMG/Devenish 2021 – Sustainable Feedstock Supply;

https://www.gasnetworks.ie/biomethane-sustainability-report-2021.pdf

40by30 Renewable Heat Plan, REI

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**RGFI** Website

www.renewablegasforum.com

Final Draft RGFI Consultation response on the Introduction of a Renewable Heat Obligation Scheme **28 October 2021** 

