

Consultation on the Introduction of a Renewable Heat Obligation

Submission on behalf of Green Party of Ireland Energy Policy Group

submitted by [REDACTED]

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

Response: There is an urgent need to decarbonise the heat sector and while electrification of heating (from renewable generation) will form much of the solution there are many areas (particularly industrial processes) for which this will not be practical or technically feasible. It is therefore necessary to encourage the market for renewable biofuels to help meet Ireland climate change targets. However any scheme must not provide a driver for the use of land to produce fuel rather than food or to reduce biodiversity within the countryside.

It is important that additional schemes are implemented in parallel with the RHO. Energy efficiency programmes such as building fabric insulation and provision of mass transport options for car journeys will have a much greater impact on the carbon footprint of these fuels than any scheme focused purely on converting existing buildings and transport to different lower carbon fuels alone.

Electrification of heating and transport should be implemented where possible and biofuels focused on the areas of heating and transport for which electrification is not practical.

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

Response: There should also be schemes introduced to increase funding for research and development in the utilisation of local biowaste, particularly with regards to pilot projects, in collaboration with industry and higher level educational institutes.

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

Response: Yes, the obligation should apply to all fossil fuels. If the obligation were to be applied to only some fuels it would create an uneven playing field and potentially lead to incentivising the use of fuels with a higher carbon footprint.

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?

Response: Yes. given the progress made in decarbonising the electricity system this should be continue to be supported as the best energy source for reducing carbon emissions from the provision of energy

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?

Response: Yes. While there are clear efficiency benefits to CHP generation emissions are still occurring. In addition to this there may be multiple uses behind the consumer meter and differentiation of uses may prove to be complex and difficult to implement.

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

Response: Yes, the energy suppliers are the most appropriate however the obligation should be set at a lower level to ensure all fuel suppliers are obligated, not just the larger ones and it should drive reduction in more the natural gas suppliers which will be the main organisations who will be subjected to the proposed obligation based on the 400GWh level.

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

Response:

No it is too large and putting most of the obligation on gas and hence biogas. It is unclear why this level has been suggested and more data should have been made available as to what suppliers would be affected by the threshold level.

It would be beneficial that all fossil fuel heat suppliers were covered by this scheme as long as the administration was not made too difficult for them. This could be phased in over a longer period

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

Response: It would be preferable for the obligation to apply as soon as the legislation is passed as the need to decarbonise our use of heat is a vital component of meeting the governments' recently announced carbon budgets.

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

Response: Given the flexibility in the initial years (2023-2025) we believe an obligation rate of 1% would be more appropriate to avoid a potential over supply in the market which could undermine confidence from developers and investors.

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?

Response: The 10% ambition Ireland has made little progress in decarbonising the heating sector to date and needs to make substantial progress to meet Ireland's climate targets.

The 10% level however should be qualified through a study closer to the time to ensure that this level can be met, at least in the vast majority, through the use of bio-waste and sustainable national wood

biomass supplies. This is to ensure that the growing of crops for fuel rather than food does not increase.

We understand that this study is part of the present National Heat Study by the government and it will determine the appropriate obligation level above which would create a demand for energy crops for AD, which would overall increase carbon emissions and reduce biodiversity in the countryside, which must be avoided.

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

Response: Yes, this will allow additional time for the industry to implement the projects required.

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

Response: Yes

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

Response: We agree with suppliers being able to trade credits generated in the Republic of Ireland to meet the obligation.

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

Response: Yes

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?

Response: Biogas and wood biomass are likely to be the main sources regardless of the obligation rate. There is not a one size fits all solution and which technology is used will depend on the situation. Both biogas and wood biomass have the potential to meet the 10% target on their own if sufficiently facilitated. Studies should be carried out during the course of the scheme to ensure that targets will be met by sustainable means, and that competition with food crops will not occur, or that a disproportionate level of fuel importation will not be encouraged through the scheme.

There should be no incentive in the scheme that will lead to land use change that causes further loss of biodiversity.

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

Response: There are enough organic wastes in Ireland to meet and surpass the obligation rate of 10%. However, directing these feedstocks to biogas and other forms of renewable heat will require cross departmental support and planning. In the waste industry further increases in the source separation of organics from MSW is needed. This requires further roll out of organic "brown" bins and a program of education and enforcement to increase their use and minimise contamination.

Agricultural and industrial organic wastes need to be prevented from land spreading in their raw forms and directed towards biogas.

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

Response: Yes

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

Response: Option B

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

Response: We believe these costs are at the upper end of expectations as large scale biogas has the ability to deliver significantly below the projected costs .

Q20: Are these costs reasonable to impose on consumers?

Response: Yes. Given the relatively small impact on bills and the urgency with which the heat sector must decarbonise we believe the costs are reasonable. The increased costs of fossil fuel heating will also help make the move to electrify heating look like a more attractive option where it is suitable.

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

Response: Yes, the penalties for non-compliance look reasonable.

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

Response: Any scheme which increases the cost of fossil fuels has the potential to increase energy poverty.

However the use of renewable energy produced from local wastes, for the purpose of heating, has the potential to reduce energy cost for those who have access to it in preference to continuing with Heating Oil systems. This is particularly relevant in rural farms that are not on the natural gas grid and presently rely on fossil fuel heating oil for their heat needs.

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

Response: We would suggest that any penalties for non-compliance received (above the administration costs) are ring fenced for fuel poverty alleviation measures, particularly for use in the insulation and retrofitting of homes.

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

Response: Green Hydrogen must not be over incentivised if it will lead to less decarbonisation of the Irish Energy System overall by prolonging the use of fossil fuel based natural gas within that system.

We do not agree with additional support for green hydrogen. Green hydrogen should be produced when electricity prices are suitably high, so as to encourage other technologies such as battery storage at lower intermediary price levels.

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?

Response: Yes there needs to be an overall analysis of where green hydrogen made from Irish renewable energy would provide the maximum overall carbon emissions reductions.

General Input

The RHO as proposed, it is felt, may lead to a number of unintentional consequences if not properly managed with appropriate checks and mechanisms in place and utilised, in order to achieve the desired objectives.

The RHO should lead to a reduction in overall carbon emissions. That is to say the national carbon emissions should not be saved at the environmental cost of carbon emissions elsewhere in the world, for example through imported fuels, or the relocation of industry.

Consideration should be given to whether the international trading of biogas via the gas network should be included in the scheme.

The RHO should not lead to a loss in biodiversity due to for example a sudden increase in energy crops. It is felt that the RHO should achieve its targets through the utilisation of biological waste streams .