



**Roinn Cumarsáide, Gníomhaithe  
ar son na hAeráide & Comhshaoil**  
Department of Communications,  
Climate Action & Environment

# **Ministerial Brief**

## DCCAE Agencies

**June 2020**

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## Bodies Under the Aegis of the Department

The Department is supported in delivery of its mandate by 17 State bodies, operating as commercial, non-commercial and regulatory entities.

### Communications

Commercial	Non Commercial	Regulatory
<ul style="list-style-type: none"><li>• An Post</li></ul>	<ul style="list-style-type: none"><li>• Digital Hub Development Agency</li></ul>	<ul style="list-style-type: none"><li>• Commission for Communications Regulation</li></ul>

### Broadcasting

Commercial	Non Commercial	Regulatory
<ul style="list-style-type: none"><li>• Raidió Teilifís Éireann</li><li>• Teilifís na Gaeilge</li></ul>		<ul style="list-style-type: none"><li>• Broadcasting Authority of Ireland</li></ul>

### Energy

Commercial	Non Commercial	Regulatory
<ul style="list-style-type: none"><li>• Bord na Móna</li><li>• Electricity Supply Board</li><li>• Eirgrid</li></ul>	<ul style="list-style-type: none"><li>• Sustainable Energy Authority of Ireland</li><li>• National Oil Reserves Agency</li><li>• Irish National Petroleum Corporation</li></ul>	<ul style="list-style-type: none"><li>• Commission for Regulation of Utilities</li></ul>

## Natural Resources

Commercial	Non Commercial	Regulatory
	<ul style="list-style-type: none"><li>• Inland Fisheries Ireland</li><li>• Loughs Agency</li><li>• Mining Board</li></ul>	

## Environment

Commercial	Non Commercial	Regulatory
		<ul style="list-style-type: none"><li>• Environmental Protection Agency</li></ul>

## **Governance Arrangements**

A Code of Practice for the Governance of State Bodies was published in 2016 with the aim of ensuring State bodies meet the highest standards of corporate governance. It provides a framework for the application of best practice and is intended to take account of developments in respect of oversight, reporting requirements and the appointment of Board members. The Code is based on the underlying principles of good governance: accountability, transparency, probity and a focus on the sustainable success of the organisation over the longer term.

Ministers/parent Departments are required to have oversight arrangements in place with State bodies appropriate to the scale, nature, responsibilities and functions of the State body. The types of oversight arrangements used by the Department are listed below.

### **Oversight Agreement**

In line with the requirements of the Code of Practice, Oversight Agreements with certain State bodies have been put in place. The Oversight Agreement does not include any obligations but describes the roles, responsibilities and obligations of DCCAIE and the bodies, as set out in the relevant legislation underpinning the State body. Where a State body is independent in the exercise of its functions or where objectives are explicitly set out in legislation, an Oversight Agreement is deemed to be appropriate arrangement for the oversight of the State body in question.

### **Performance Delivery/Service Level Agreement**

Under the Code of Practice, each Department is required to agree a Performance Delivery Agreement (reviewed annually) with all the State bodies under its aegis including those State bodies who generate their own income and are not funded directly by the Exchequer (excluding independent regulators and broadcasters). As per the Code of Practice, the PDA should include:

- The high-level goals and objectives;
- Identify the key programmes of activity for the State body including for each individual expenditure programme;
- Key outputs specified in quantitative, measureable terms;
- Identify the targets for that output in annual and multiannual targets with clear milestones;
- Identify the cost of delivery of programmes; and
- Set out the process for the formal review of the performance agreement.

## Shareholder Letter of Expectation

As agreed with the Department of Public Expenditure and Reform and NewERA in 2013, a more structured approach to confirming Government's objectives for commercial semi-State bodies over the short and medium term, with a view to assisting the Boards in their operations and in complying with their obligations under the prevailing governance framework, was developed.

The approach includes the provision of a Shareholder Letter of Expectation (SLOE) on a bi-annual basis to the commercial semi-State companies and bodies under the remit of this Department, setting out the expectations of the Ministers for Communications, Climate Action and Environment, and Public Expenditure and Reform, as shareholders, in relation to policy issues and financial performance. NewERA assist the Ministers in formulating appropriate financial measures and targets for inclusion in the SLOE.

# Communications

## An Post

### Operating Environment

An Post was established in 1984 by the Postal and Telecommunications Services Act 1983 and provides a national postal service to meet the industrial, commercial, social and household needs for comprehensive and efficient services. The company has a staff of around 9,000 who are employed in mails processing, collection and delivery, retail and customer services, management and operational supervision and support activities.

### Role/Functions

An Post is designated as the sole universal service postal provider by the Communications Regulation (Postal Services) Act 2011 for the period until August 2023. The Commission for Communications Regulation sets out the requirements of the Universal Service Obligation and the quality of service to be provided.

In response to the Covid-19 pandemic, An Post has played a valuable role in its commitment to rural communities and to the elderly and vulnerable in our society. The company has provided a swift and sustained response to the crisis by the introduction of a number of initiatives, which were implemented with good will and efficiency throughout the country.

### Structure

Type	Chair	CEO	No. Employees
Commercial	Dermot Divilly	David McRedmond	c. 9,000

### Board

Number of Positions	Current Members	Positions directly appointed by Minister	Currently sitting members directly appointed by Minister
15	14	8	7



There is currently one vacancy on the board. Following a Public Appointments Service (PAS) competition, a number candidates were shortlisted for interview before being forwarded to the Minister.

## **Funding/Financial Information**

### **Financial Overview for 2019**

- An Post recorded an operating profit of €41.9m in 2019.
- Group revenue was €892.1m in 2019.
- The mails and parcels revenue was €592m.
- Retail revenue was €162.9m.
- The continuing decline in mails volumes (down 6.3% in 2019) and the effects of e-substitution on the retail business transacted through the post office network are the main drags on the business.

NewERA is maintaining an ongoing oversight of An Post financials. With effect from 29 March 2018, An Post was formally assigned as a 'designated body' under section 18(3) of the National Treasury Management Agency (Amendment) Act 2014. This allows NewERA to formally provide advisory services on An Post to the Minister on an ongoing basis.

## **Oversight Arrangement**

The oversight arrangement for An Post is a Shareholder Letter of Expectation which issues to all the commercial companies every two years. The Shareholder Letter of Expectation issues in accordance with the Code of Practice and represents a framework for delivery of shareholder objectives for the company. The latest Shareholder Letter of Expectation issued to An Post on 23 August 2019.

## **Priorities for 2020**

- Monitor implementation by An Post of its comprehensive Strategic Plan to ensure the future sustainability of the company.
- Maintaining, in conjunction with NewERA, an ongoing oversight of An Post financials.
- Investigate further opportunities for Government business through the Post Office Network.
- Engagement with An Post on longer term strategy

## Governance Issues

### Strategic Plan

In response to the structural challenges facing the postal sector generally and An Post (cumulative mail volume decline of 60% from the 2007 level), An Post put in place a Strategic Plan for the medium-long term future of the company. The Plan covers the period 2017 – 2021. In order to implement the Plan, the cost of which was estimated to be in the region of €150m, the Minister for Finance provided a loan of €30m to the company in December 2017 to support the renewal of the post office network (€15m) and the continued fulfilment of a 5 day per week mails delivery service (€15m).

An Post is continuing to undergo vital transformation as part of the delivery of its strategic plan which has seen the company split into two distinct business units, An Post Mails and Parcels and An Post Retail.

Its parcels business was entirely redefined and relaunched based on a breakthrough labour agreement. The Company is now offering Saturday and evening deliveries and has launched new product lines such as AddressPal and ReturnsPal, embracing the rising trend of online shopping.

A new 50,000 ft<sup>2</sup> automated parcel processing facility, which launched in Dublin in early December 2019, has the capacity to process 120,000 parcels per day. The timing of having this facility up and running now during the current Covid crisis is reaping benefits for the company as parcel delivery volume is up. In April alone An Post was delivering 1.2m parcels per week.

### An Post Financial Service Products

An Post has been diversifying and growing the financial services products it provides for individuals and SMEs to include loans, credit cards and more foreign exchange products; local banking in association with the major banks and a full range of State Savings products.

### An Post Launched Two New Dedicated Sub-Brands:

1. **An Post Money** offers an expanded range of financial services including credit cards, personal loans, current account (debit card) and multi-currency FX card across its network and through the website.
2. **An Post Commerce** provides expert e-commerce, mails and mail media solutions for domestic and international businesses.

## **IR**

An Post has a workforce of around 9,000 operating in an industry which is experiencing long term structural decline globally as a result of the increased use of e-mail and online payment services. It is a heavily unionised organisation with the majority of employees represented by the Communications Workers Union.

As part of its ongoing transformation, An Post is looking at all aspects of its business. As the transformation programme is implemented there will be changes to the workforce and work practices. This includes not only the mails business and the post office network but also central operations currently located at the GPO.

### **Proposed move from the GPO**

The current office accommodation in the GPO is in need of refurbishment and An Post is currently exploring options for a new HQ. The aim will be to relocate, either temporarily or permanently, by the end of 2020. The post office and the museum will remain in the GPO.

### **Postal Pricing**

The Communications Regulation (Postal Services) (Amendment) Act 2017 was introduced to repeal the price cap mechanism which was in place for regulating postal pricing within the universal service. An Post increased the price of a stamp to €1 with effect from 13 April 2017. This measure was introduced as a matter of priority given the serious financial situation facing An Post.

As part of delivery of its strategic plan, An Post is developing a comprehensive pricing strategy and has considered a range of options [REDACTED]. Details of the strategy will be presented to the Department prior to implementation.

### **Maintenance of the Universal Service**

The Communications Regulation (Postal Services) Act 2011 transposed the EU Postal Services Directive (2008/6/EC), giving effect to the final step in the opening of the postal services market as well as maintaining the obligation to ensure a universal postal service. An Post is designated as the universal postal service provider for 12 years (until 2023), ensuring the nationwide provision of the universal service (5 day a week delivery) and providing certainty to An Post, its users and the EU that Ireland's obligations are met. An Post has stated that the cost of discharging the universal service obligation is [REDACTED].

## **Terminal Dues**

Terminal dues are a significant issue for An Post. An Post is a net importer of international mail, that is, more international mail comes into Ireland than goes out.

Terminal dues are rates paid for delivery of international inbound mail items. Under the Universal Postal Union Treaty, which covers most countries in the world, An Post is required to deliver all international inbound mail items. The rates payable, on terminal dues, are determined by the UPU or multilateral European Agreements or bilateral agreements entered into by An Post. These agreements can differ in nature.

For example, there is a bilateral agreement in place with Royal Mail which up until recently has been reviewed every 3 years. [REDACTED]

An Post is very aware of the impact of terminal dues on its finances and is committed to working to maximise revenues in as far as possible. The fact that such matters are subject to international, European and bilateral agreements means that the scope for increasing revenue is somewhat limited. An Post continues to engage with the Department and ComReg on this matter.

## **Post Office Network**

On 28 August 2018, An Post published the location of 159 Post Offices where the serving Postmaster had opted to retire. The announcement by An Post of the 159 voluntary closures stemmed from an agreement reached in May 2018 with the Irish Postmasters Union (IPU) Executive. This agreement followed three months of intensive negotiations overseen by Turlough O'Donnell SC, and was subsequently endorsed by 80% of IPU members. All closures have been made on a voluntary basis.

An Post has confirmed that where a post office closes, 70% of the business transfers to the nearest office. The reality is that by facilitating those that wish to exit the business, neighbouring offices will be further supported thereby ensuring a sustainable network for the future.

An Post gave a commitment that there will be a post office in every community of over 500 people and within 15km of 95% of the rural population and 3km of the urban population. All island post offices are being retained. Where an office in a Gaeltacht area closes, An Post will ensure that service through Irish is available at a neighbouring post office.

In line with the relevant legislation, operational matters relating to the Post Office Network, including plans for individual post offices, are a matter for the Board and management of An Post and the Minister does not have a statutory function in relation to such matters.

An Post has the largest retail presence in the country, and Ireland has one of the most extensive post office networks per head of population in the EU. At the end of April 2020 An Post had 936 active outlets (891 contractor operated and 45 company post offices) and 90 postal agencies. Significant investment is being made in redefining the Post Office network including reducing the number of Post Offices, modernising the Postmaster contract and updating the brand. The consolidation of the post office network has assured the widest possible distribution across the State with an ever-improving network. The key focus continues to be to future proof the company and keep it relevant to its customers in relation to the types of services it provides.

### **Renewal of Department of Employment Affairs and Social Protection contract with An Post**

On 7 November 2019 the Department of Employment Affairs and Social Protection announced that the contract for cash payment of Social Welfare will be retained by An Post. This means that cash pay-out of social protection payments will, from 1 January 2020, continue to be available as it currently is, over the counter at Post Offices for the next two years at least and also includes the option for renewal for a further four years, after the initial two-year period.

### **European Investment Bank (EIB) Loan in the context of the An Post Strategic plan**

In Q4 2019 An Post received an investment loan of €40m from the European Investment Bank to finance innovation and modernisation project as part of its strategic plan.

The borrowing is being used to help fund the capital costs associated with 5 investment programmes which are part of the Transformation Plan. These are:

- (1) Parcel sorting automation;
- (2) Sustainable deliveries;
- (3) Financial services;
- (4) Digitalisation; and
- (5) Post Office renewal.

The total cost of these programmes is estimated at €82.9m. It is envisaged that up to €40m of these costs will be funded from the EIB Facility with the remainder being funded from other funding sources (e.g. Company cash).

### **Environmental Issues**

An Post, as the operator of the largest nationwide fleet, continues to lead by example. The company is well on the way to transitioning to a zero emissions fleet. In February 2020, Dublin became the

first capital city globally with zero emissions postal delivery. An Post ambition is to ensure that all cities in Ireland will have zero emissions postal delivery by the end of 2020.

## Digital Hub Development Agency

### Operating Environment

The Digital Hub Development Agency (DHDA) was established under the Digital Hub Development Act 2003 to oversee the development of the Digital Hub.

### Role/Functions

The Digital Hub provides a collaborative environment for digital companies with structured support in the form of workshops and seminars to complement the natural networking environment it encourages. Its state-of-the-art office space and facilities are located in the heart of Dublin City.

It is a supportive partner of the local community running programmes to give local young people digital skills training involving workshops, seminars, visits to Technology multinationals and showcases. It also provides digital literacy training for the community.

The DHDA implements the Digital Hub's enterprise and campus development strategy facilitates and contributes to urban regeneration in the Liberties area and pilot projects that aid the development of the digital sector in Ireland.

### Structure

Type	Chair	CEO	No. Employees
Non-Commercial	Mr Paul Holden	Mr Fiach Mac Conghail	16

### Board

Number of Positions	Current Members	Positions directly appointed by Minister	Currently sitting members directly appointed by Minister
14	11	13	10

The Chief Executive is an ex officio member. The DHDA Act also requires that the Chief Executive of Dublin City Council, or a person nominated by him, is a member and that a representative from the local community be appointed to the board. There are five women board members.

## **Funding/Financial Information**

DHDA operates under the aegis of the Department and is currently funded through a mix of commercial income (rent) and Exchequer funding.

Exchequer funding for 2020 has been maintained at the same level as 2019 (€0.795m). Covid-19 has had an impact on the commercial income of the DHDA (occupancy is expected to at 57% for the year compared to an original forecast) and the agency has signalled that it will require access to emergency funding this year to remain solvent.

## **Oversight Arrangement**

Oversight of the DHDA's performance and funding is through:

- Monitoring compliance with the Code of Practice
- Oversight Agreement
- Performance Delivery Agreement
- C&AG Audit

## **Priorities for 2020**

In the second half of the year the Agency will be required to assist with the implementation of the decisions arising from the Strategic Review.

## **Governance Issues**

The main issue facing the Agency in 2020 will be its ability to remain solvent. A new performance delivery agreement is to be put in place once a decision as to the future of the DHDA has been agreed.



## Commission for Communications Regulation

### Operating Environment

The Commission for Communications Regulation (ComReg) was established as an independent statutory regulator by the Communications Regulation Act 2002.

The 2002 Act provides that ComReg is independent in the exercise of its functions under the Act. The Commission is led by three Commissioners, who essentially have equal status though the position of Chair brings additional duties. The Chairperson exercises a casting vote, if required and is accountable to the Dáil (effectively the Public Accounts Committee) in relation to the accounts of the Commission and reports of the C&AG.

### Role/Functions

ComReg has statutory responsibility for (1) regulation of the electronic communications sector (telecommunications, radio communications, broadcasting transmission and premium rate services) and (2) the postal sector. ComReg also has a statutory role as a competition authority and regarding the Emergency Call Answering Service [ECAS].

### Structure

Type	Chair	Commissioners	No. Employees
Regulator	Mr Garrett Blaney	Robert Mourik Jeremy Godfrey	133

### Board

Number of Positions	Current Members	Positions directly appointed by Minister	Currently sitting members directly appointed by Minister
3	3	0	0

### Funding

ComReg is funded by a combination of (i) a levy on providers of electronic communications services and on providers of postal services and (ii) fees payable in respect of spectrum rights of use.

## **Oversight Arrangement**

In line with the requirements of the Code of Practice, an Oversight Agreement has been signed by the Department and ComReg and is in place for 3 years until 31 December 2020. The Oversight Agreement describes the roles, responsibilities and obligations of DCCAE and ComReg as set out in the relevant legislation.

## Broadcasting

### RTÉ

#### Operating Environment

RTÉ is a statutory body and the national public service broadcaster of Ireland. It both produces and commissions programmes and broadcasts them on television, radio and the Internet and is regulated by the Broadcasting Authority of Ireland (BAI).

#### Role/Functions

RTÉ is required to operate and maintain a national television and radio broadcasting service which shall have the character of a public service, be made available, in so far as it is reasonably practicable, free-to-air to the whole community on the island of Ireland and to Irish communities abroad.

RTÉ is a dual funded public service broadcaster, relying on commercial and licence fee income.

#### Structure

Type	Chair	CEO	No. Employees
Commercial - Public Service Broadcaster	Moya Doherty	Dee Forbes	1,822

RTÉ's Director-General, in conjunction with executive management, takes responsibility for RTÉ's day-to-day operations. There is a clear division of responsibilities between the position of Chair of the Board, who is non-executive, and the Director-General. The Chair's responsibilities include leading the Board, determining its agenda, ensuring its effectiveness and facilitating full participation by each Board member. The DG and executive management meet regularly with the Department to discuss RTÉ's operating and financial performance.

## Board

Number of Positions	Current Members	Positions directly appointed by Minister	Currently sitting members directly appointed by Minister
12	8	0	0

The RTÉ Board is the governing authority of RTÉ. The role of the Board is to guide the corporate direction and strategy of RTÉ and represent the interests of viewers and listeners, ensuring that RTÉ fulfils its statutory responsibilities in an efficient and effective manner. Pursuant to Section 81(1) Broadcasting Act 2009, the number of members of the board of RTÉ shall be 12 in number, of which:

- 6 of them shall be appointed by the Government on the nomination of the Minister;
- 4 of them shall be appointed by the Government on the nomination of the Minister, having taken advice from of the Joint Committee on its proposed nominees;
- 1 shall be a staff nomination appointed by the Government and;
- 1 shall be the director general of RTÉ

Not less than five of the Board members shall be men and not less than five of them shall be women. RTÉ currently have four Board vacancies, leaving only eight Board members. The quorum for the RTÉ Board is seven. In accordance with the legislation, the Joint Oireachtas Committee (JOC) should advise the Minister of the names of four upcoming vacancies, however, the work of the JOC ceased with the dissolution of the 32nd Dáil.

## Funding/Financial Information

RTÉ, as a public service broadcaster, is funded through a mix of licence fee revenues and commercial revenues which are obtained largely from advertising.

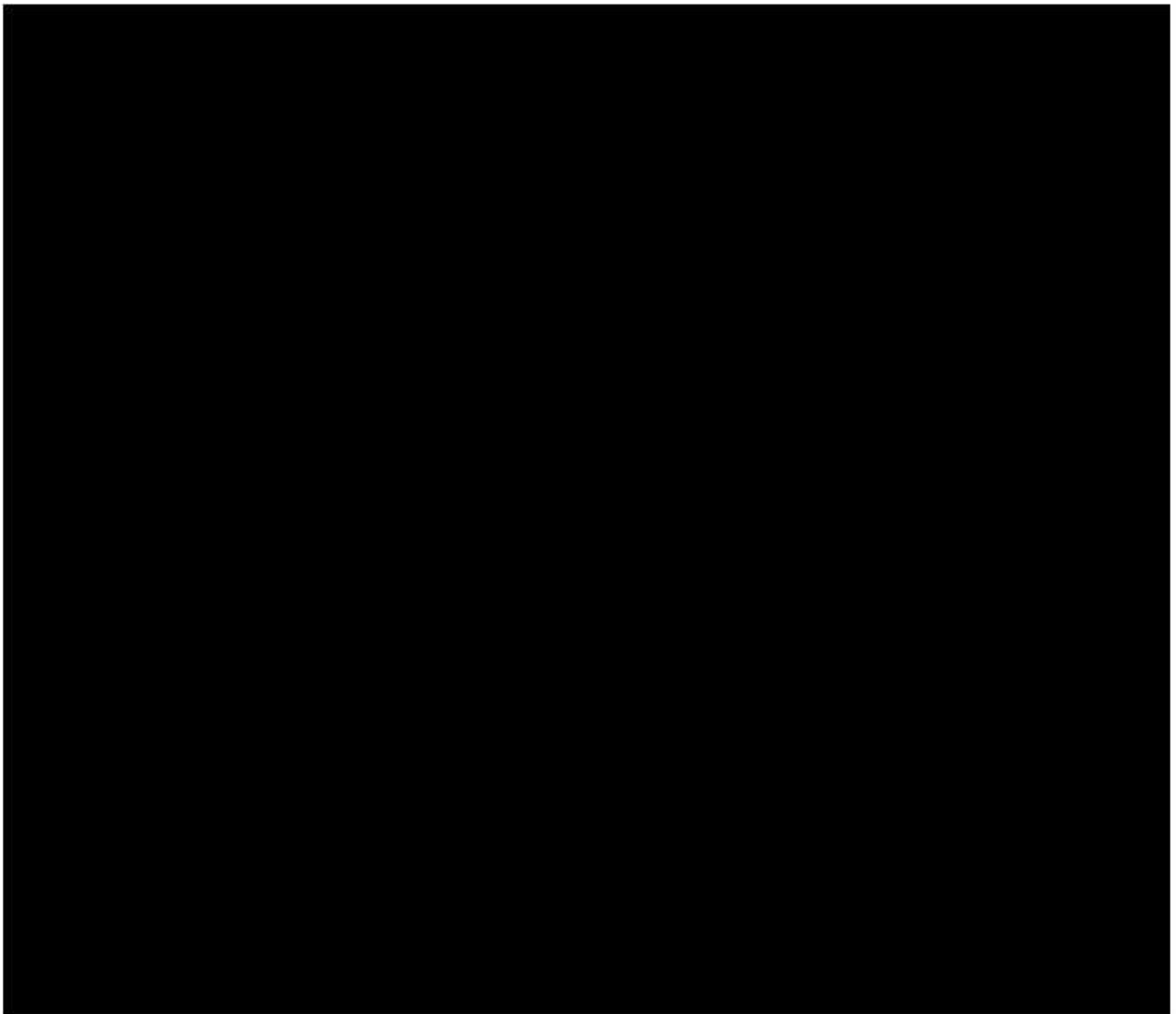
The broadcasting sector in general has been facing a very challenging funding environment over the past number of years. Fundamental changes in the advertising market and audience behaviour have had a significant impact on the financial position of RTÉ which recorded a deficit before tax and exceptional items in 2018 of €12.6m.

Though licence fee revenue has risen by €10m since 2014, this has not prevented the emergence of a growing deficit. While the 2017 land sale provided some relief to RTÉ, allowing it to repay debt, fund severance schemes and undertake much needed capital investment, the underlying trends



affecting RTÉ's financial and commercial position remain. The finances of the national broadcaster are not sustainable and are undermining its capacity to remain relevant in an increasingly competitive and fragmented broadcasting sector while continuing to deliver on its statutory responsibilities as a public service broadcaster.

RTÉ's Annual Report and Group Financial Statements for 2019 are not yet finalised. The table below represents the draft figures for 2019 and income statement outlook for 2020.



To address the Group's funding shortages, RTÉ developed a series of strategic initiatives that it believes can restore operating profitability. On 7 November 2019, RTÉ wrote to the Minister proposing a revised strategy which included a number of radical measures to cut costs and raise revenue.

In December 2019, the Government noted the content of RTÉ's Revised Strategy 2020–24 and details of the actions to be taken by the broadcaster in response to its financial crisis. It was agreed that:

- An additional Exchequer funding of €10m (with approx. €9.3m to be allocated to RTE), in respect of free TV Licences, would be provided in the 2020 revised Estimates.
- A new reporting template will be introduced which will be the focus of monthly meetings between officials from RTÉ, DCCAIE, DPER and NewERA. The Minister for DCCAIE and the Minister for Public Expenditure and Reform will be kept updated on the outcome of these meetings.
- A Commission on the Future of Irish Public Service Broadcasting will be established by the Department of the Taoiseach. The Commission will make recommendations to Government on setting a new strategic direction for public service broadcasting. Professor Brian McCraith was appointed as Chair of the Commission in January 2020.

The Covid-19 pandemic has had a devastating impact on Broadcasting Sector with unprecedented cuts to the advertising market. Adding to an already challenging funding environment, RTÉ's revenue has decreased significantly as a result of the crisis, both in terms of its commercial revenue and licence fee funding. RTÉ has provided the Department with an overview of its current financial position and the response and mitigation measures taken to date, as well as outlining revenue forecasts and the outlook for 2021.

Discussions have been ongoing between RTÉ, DCCAIE, DPER and NewERA regarding RTÉ's financial position and the impacts of the Covid=19 crisis on revenue and costs. A report by NewERA is being prepared.

## **Oversight Arrangement**

In line with the requirements of the 2016 Code of Practice, an Oversight Agreement has been signed by the Department and RTÉ and is in place for 3 years until 31 December 2020. The Oversight Agreement does not include any additional obligations rather it describes the roles, responsibilities and obligations of DCCAIE and RTÉ, as set out in the Broadcasting Act. As part of governance arrangements, RTÉ meets with the Department on a quarterly basis to discuss relevant matters.

RTÉ provide detailed financial analysis to DCCAIE on a monthly basis including revenues, costs and deficit/surplus by channel, service and broadcasting genre and between public-service and non-

public service activities. This information is consolidated at year-end and published in RTÉ's annual report.

## **Priorities for 2020**

Engagement in relation to RTÉ financial position and implementation of revised strategy.

## **Governance Issues**

### **Review of contractors**

The Eversheds Sutherland report into the use of contracts for services by RTÉ has recommended that RTÉ introduce a clear policy and guidelines regarding the use of contracts for services, and that it reviews 157 of the 433 contracts examined. In response to the report, RTÉ committed to developing and implementing a new overarching policy and process with regard to the engagement of freelancers/contractors. RTÉ has completed the examination of all freelance/contractual employment arrangements. Corporate Governance Division continues to monitor this matter as part of its oversight of RTÉ.

## Teilifís na Gaeilge – TG4

### Operating Environment

TG4's first broadcast took place on 31 October 1996 and was operated as part of the RTÉ family of services. Teilifís na Gaeilge, trading as TG4, was established as an independent statutory body in 2007, in accordance with the Broadcasting Act 2001.

TG4 is a free-to-air channel, available across all the viewing platforms, with a strong viewer base throughout the island of Ireland.

TG4's Irish language output is available world-wide on the TG4 Player which provides a live stream of the TV output as well as an archive of the channel's recently broadcast Irish language programmes.

### Role/Functions

TG4 is a public service broadcaster. TG4 is required to operate and maintain a national television and radio broadcasting service which shall have the character of a public service, be made available, in so far as it is reasonably practicable, free-to-air to the whole community on the island of Ireland and to Irish communities abroad. TG4 receives a programme supply of 365 hours of Irish language programming annually from RTÉ, at no cost to TG4, as specified in the Broadcasting Act 2009.

### Structure

Type	Chair	CEO	No. Employees
Commercial - Public Service Broadcaster	Siún Ní Raghallaigh	Alan Esslemont	87

TG4 Chief Executive Officer (CEO), in conjunction with the senior management team, is responsible for TG4 day-to-day operations. The CEO and the senior management team must follow the broad strategic direction set by the Board, and must ensure that all Board members have a clear understanding of the key activities and decisions related to the entity, and of any significant risks likely to arise. The CEO acts as a direct liaison between the Board and management of TG4.



## Board

Number of Positions	Current Members	Positions directly appointed by Minister	Currently sitting members directly appointed by Minister
12	12	0	0

Pursuant to Section 81 (1) of the Broadcasting Act 2009, the members of the Board of TG4 shall be 12 in number, of which:

- Six members are appointed by the Government on the nomination of the Minister.
- Four members are appointed by the Government on the nomination of the Minister and having regard to the advice of the Joint Oireachtas Committee.
- One member is a staff representative.

The Director General of TG4 is an ex officio member.

## Funding/Financial Information

### Financial Overview

Total Exchequer funding for TG4 in 2020 is €37.2m, comprising current funding of €34.2m and capital funding of €3m.

TG4's public funding has risen by over 10% since 2017. The BAI recommended an additional €6m in annual public funding over the period of the current strategy, and 59% of this has been allocated on an ongoing basis. Significantly, over the past number of years, the Government has also entirely replaced the €9.245m that TG4 had received from the licence fee with exchequer funding.

TG4 faces a challenging financial environment, with heavy competition internationally and domestically from increased terrestrial channels, operators offering phone and TV bundles and online media outlets such as Netflix and YouTube all vying for audience viewing time

### Oversight Arrangement

In line with the requirements of the Code of Practice, an Oversight Agreement has been signed by the Department and TG4 and is in place for 3 years until 31 December 2020. The Oversight Agreement does not include any additional obligations, rather it describes the roles, responsibilities

and obligations of DCCAIE and TG4, as set out in the Broadcasting Act. As part of governance arrangements, TG4 meets with the Department on a quarterly basis to discuss relevant matters.

TG4 provide detailed financial analysis to DCCAIE on a monthly basis including revenues, costs and deficit/surplus. This information is consolidated at year-end and published in TG4's annual report.

## **Priorities for 2020**

Similar to RTÉ, TG4 faces a very challenging financial environment as result of COVID-19. TG4 has suspended all non-essential programme-making and has ensured that ongoing essential programming, including 'Nuacht TG4' (News) and 'Cúla4 ar Scoil' (Education) are produced in a safe manner.

In order to try to sustain the independent screen economy, TG4 is implementing a series of measures worth at least €3m. These include new development rounds for television programmes and feature films, the re-acquisition of rights and the commissioning of longform and shortform content which can be produced safely.

Government and HSE guidelines during the Covid-19 crisis have had a significant impact on the independent audio-visual sector. TG4 is working with companies to maintain continuity of employment and to provide guidance and funding through this crisis. The new measures announced will help ensure that the sector is secure for now and also ready for the recovery period when it starts.

## Broadcasting Authority of Ireland

### Operating Environment

The Broadcasting Authority of Ireland (BAI) was established under the Broadcasting Act 2009 on 1st October 2009, as the independent regulator for the broadcasting sector. The Act sets out a range of general and specific objectives for the BAI. The BAI has a key role in developing and supporting the broadcasting sector in Ireland

### Role/Functions

The BAI is the regulator of broadcasting in Ireland. The principal function of the BAI is to prepare a strategy for the provision of broadcasting services in the State additional to those provided by RTÉ, TG4, the Houses of the Oireachtas Channel and the Irish Film Channel. A strategy statement is published every three years setting out key objectives, outputs and related strategies including the use of resources.

### Structure

Type	Chair	CEO	No. Employees
Regulator	Pauric Travers	Michael O'Keeffe	41

BAI's Chief Executive Officer is responsible for managing the day-to-day operations of the BAI on a delegated basis. The CEO and Deputy CEO, along with the Senior Management Team, manage the throughput of material for consideration and decision by the Authority and Statutory Committees.

The BAI's main decision body is the Authority, which provides strategic direction for the organisation. The Contract Awards Committee and the Compliance Committee are responsible for operational activities covering licensing and compliance (such as monitoring & complaints) respectively. The Financial, Audit and Risk Committee oversee the financial activities of the BAI.



## Board (BAI Authority)

Number of Positions	Current Members	Positions directly appointed by Minister	Currently sitting members directly appointed by Minister
9	5	0	0

Pursuant to Section 8 of the Broadcasting Act 2009 the members of the Authority shall be 9 in number, of which:

- Five members are appointed by the Government on the nomination of the Minister.
- Four members are appointed by the Government on the nomination of the Minister and having regard to the Joint Oireachtas Committee.

BAI currently have four Board vacancies, leaving only five Board members. The quorum for the BAI Board is five. In accordance with the legislation, the Joint Oireachtas Committee (JOC) should advise the Minister of the names of four upcoming vacancies, however, the work of the JOC ceased with the dissolution of the 32nd Dáil.

## Funding/Financial Information

The BAI is funded by a levy on broadcasters under section 33 of the Act. The Authority also manages the Broadcasting Fund which was set up under Section 156(2) of the Act and provides that 7% of net television licence fee receipts are to be paid into the Broadcasting Fund which is used to administer the Sound and Vision and Archiving Schemes. Section 157 of the Act requires that separate accounts are prepared for the Broadcasting Fund.

The Authority's main source of income is generated from a levy imposed on public service broadcasters based on BAI's budgeted expenditure for a given financial year. The levy charge is allocated to the broadcasters relative to their qualifying income. BAI 2019 total levy income was €5.9m.

## Oversight Arrangement

In line with the requirements of the Code of Practice, an Oversight Agreement has been signed by the Department and BAI and is in place for 3 years until 31 December 2020. The Oversight Agreement does not include any additional obligations; rather it describes the roles, responsibilities and obligations of DCCA and BAI, as set out in the Broadcasting Act.

As part of governance arrangements, the BAI meets with DCCAE on a quarterly basis to discuss relevant matters.

## **Priorities for 2020**

The BAI agreed to waive levy payments from the independent radio sector for the first six months of 2020 saving the sector €1m.

On the 8<sup>th</sup> April 2020, following a request from the Minister, the BAI announced details of a special funding round under the Sound & Vision Scheme to support the independent commercial radio sector in its provision of public awareness and understanding of COVID-19, including the risks and public health measures being implemented to reduce the spread of the disease. In total, €2.5 million has been made available to support this funding round.

On the 3<sup>rd</sup> June 2020, the BAI announced they received a total of 32 applications from independent commercial radio stations across the country, seeking total funding in the region of €2.75m. The applications were evaluated according to the COVID-19 Fund assessment criteria, which included: the public value of the proposals; the feasibility; the value for money; and, the track record of the applicant. All 32 applications qualified for consideration for funding and details of the successful projects can be found on the BAI website.

This will be complemented by a funding round of €750,000 for community radio over the summer and a further round in the Autumn for commercial television and public service broadcasters including public service broadcast radio.

# Energy

## Bord na Móna

### Operating Environment

Bord na Móna (BnM) was established as a statutory body under the Turf Development Act 1946, to develop the peat resource in the Midlands and West of Ireland.

Under its “New Contract with Nature” strategy, BnM is managing the transition away from its traditional peat businesses, to becoming a leading supplier of renewable and sustainable products and services.

### Role/Functions

Bord na Móna was initially established to produce, market, and foster the production and use of turf and turf products. The company currently operates a diversified portfolio across six main interlinked business areas which principally cover the power generation, resource recovery, horticulture, fuels, biomass, and peat feedstock sectors, serving markets in Ireland, the UK, and mainland Europe. BnM is 95% State-owned with the remaining 5% employee-owned through an employee stock ownership plan (ESOP). Key issues arising centre on the closure of two ESB peat burning electricity generating stations in the Midlands, the further development of the Company’s Brown to Green Strategy, and the transformation to a more sustainable business model.

### Structure

Type	Chair	CEO	No. Employees
Commercial	Geoffrey Meagher	Tom Donnellan	c. 1,700

### Board

Seven of the Directors are normally appointed for a term of five years. Four of the Directors are appointed for a term of four years, in accordance with the Worker Participation (State Enterprises) Acts 1977 and 1988. The CEO is appointed to the Board upon taking that position.

Number of Positions	Current Members	Positions directly appointed by Minister	Currently sitting members directly appointed by Minister
12	11	7	7

## **Funding**

### **Financial position**

The latest Financial Statements for Bord na Móna are for FY19, which covers the 12 months up to 27 March 2019.

While FY19 was a very challenging year for Bord na Móna, with significant exceptional costs incurred as it undertook the restructuring required under its 'Brown to Green' strategy, year on year operating performance (excluding exceptionals) showed signs of improvement, with a recorded increase in profitability.

Despite favourable underlying trading during the period, the scale of the exceptional costs incurred resulted in a loss after tax of €49.9m. However, adjusted profit after tax, excluding the impact of exceptional costs, was €34.5m, representing a positive improvement in profitability. New debt was reduced by circa €52m to €23m and the Company's balance sheet remains strong with a significant reduced level of debt and comfortably in compliance with their debt covenants.

The FY20 Interim Accounts for the period up to end-September 2019 are expected to be submitted, with a report from NewERA, in the coming weeks. It is expected that these Interim Accounts will show the businesses have been performing well, despite the significant profit impact arising from issues such as the curtailment of activities in ESB power stations. Year-on-Year operating profit is expected to have improved. However, it should be noted that the full impact of recent decisions may not be apparent in the Interim Accounts due to timing.

### **Dividend**

Reflecting the overall loss making position of the company no dividends have been paid in FY18 or FY19. The financial projections prepared by Bord na Móna for the purpose of its strategic plan forecast a resumption of dividend payments in FY21. This matter remains under review.

## **Oversight Arrangements**

The governance framework for commercial State bodies is a Shareholder Letter of Expectation which issues to the commercial companies every two years. The Shareholder Letter of Expectation issues in accordance with the Code of Practice for the Governance of State Bodies and represents a framework for delivery of shareholder objectives for the company.

## Priorities for 2020

- Shareholder Letter of Expectation 2020
- Manage the process to exit the use of peat for the generation of electricity
- Development of a Public Service Obligation for the rehabilitation of the Bord na Móna bogs

## Governance Issues

Bord na Móna is undergoing a fundamental transformation as it exits peat harvesting and pivots to sustainable lines of business. The company is a significant asset in that it owns over 80,000 hectares of land in the Midlands. To support this transformation, Bord na Móna has developed a 'Brown to Green' strategy which envisages the development and scaling up of new and existing business opportunities to ensure the future commercial viability of the company and enable it to continue to fulfil its mandate to be an employer of scale in the Midlands region.

### The new businesses include:

Renewable energy projects including wind and solar farms; a peatlands rehabilitation scheme is being developed with the aim of rehabilitating the peatlands to a higher standard than Bord na Móna's licences require, discussions are ongoing with regards to the funding of this scheme; recycling and recovery businesses; new [REDACTED]

[REDACTED] businesses [REDACTED]

The scale of the transformation has a significant impact on Bord na Móna employees. This is illustrated by the decision of the ESB to close two power stations in the Midlands following an An Bord Pleanála's decision to deny the West Offaly Power station planning permission to continue operating post-2020 on a co-firing basis (peat and biomass, with the aim of being 100% biomass by 2027). ESB evaluated the commercial potential of their two Midlands peat burning electricity generating stations and came to the conclusion that without being able to convert to co-firing with biomass the stations were no longer economically viable.

The Brown to Green Strategy envisages the provision of significant employment in the Midlands for Bord na Móna employees in green businesses. BnM currently employs approximately 1700 people.

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]



In September 2019 the High Court ruled to overturn the Peat Extraction Regulations and associated Planning Regulations on foot of a judicial review. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] On 06 May 2020 An Bord Pleanála approved Bord na Móna's applications for leave to seek substitute consent. Bord na Móna submitted substitute consent applications in early June 2020. BnM has suspended peat harvesting while the applications are being considered by An Bord Pleanála.

## ESB

### Operating Environment

Founded under the Electricity (Supply) Act, 1927, ESB is the State-owned energy generation and supply company. ESB currently has 34% of the Single Electricity Market in Ireland and employs nearly 8,000 people. ESB has operations within the UK and is seeking to solidify its position in an all island market. ESB is 95.7% State owned with the remaining 4.3% owned by the employees through the Employee Share Ownership Plan (ESOP).

### Role/Functions

ESB is a vertically integrated State-owned utility with a strong commitment to the all-island electricity market.

ESB operates across the electricity market, from generation through transmission and distribution, to supply of customers. ESB also has an expanding presence in Great Britain's generation and supply markets. The ESB networks are also used to carry fibre for telecommunications.

Government policy is that ESB should focus on long-term value generation and support general energy policy to safeguard energy security, develop a sustainable energy future and ensure competitive, efficient, secure, and properly regulated energy markets. ESB is expected to have regard to the Government's National Energy and Climate Plan (NECP) and the underpinning policies set out in the Climate Action Plan and Project Ireland 2040.

### Structure

Type	Chair	CEO	No. Employees
Commercial	Ellvena Graham (vacant from 14 July 2020)	Pat O'Doherty	7,974

ESB is divided into six divisions:

- Generation and Trading (GT)
- ESB Networks (ESBN)
- Northern Ireland Electricity Networks (NIE Networks)
- Customer Solutions (which includes Electric Ireland and eCars)

- Engineering and Major Projects
- Enterprise Services

#### Board

Number of Positions	Current Members	Positions directly appointed by Minister	Currently sitting members directly appointed by Minister
12	12	0	0

The term of the current ESB Board Chair ends on 13 July 2020. Corporate Governance Division is working with the Public Appointments Service to open a competition to find a new Board Chair.

### Funding/Financial Info

#### Financial Overview

In FY19 ESB reported an operating profit of €682 million, an increase of €227 million from FY18. This is due to improved energy margins, a number of non-recurring FY18 operating cost items not repeating in FY19, and a strengthened sterling valuation at year end.

Profit after tax increased significantly to € 338 million, an increase of €278 million from FY18, reflecting an improvement in operating profits, decreased exceptional item expenses, and lower finance charges following debt refinancings.

ESB invested €1.2 billion in capital expenditure in 2019, an increase of €40 million on 2018.

ESB announced total dividends of €88 million for FY19 of which 97.5% (approximately €84 million) will be paid to the Exchequer.

ESB received an A- rating from Standards & Poor and Moody's.

ESB net debt stood at approximately €5.239 billion for FY19. ESB has a statutory borrowing limit of €6 billion as provided for in the Electricity (Supply) (Amendment) Act 2004.

## **Governance/Oversight Arrangements**

The current Shareholder Letter of Expectation was issued in December 2019 and is due for update in Q2 2021.

ESB has confirmed compliance with the Code of Practice in respect of the financial year ended 31 December 2019.

As part of governance arrangements ESB meet with DCCA, DPER, and NewERA on a quarterly basis to discuss relevant matters.

## **Priorities for 2020**

In late 2017 ESB introduced Strategy 2030, a multi-year strategic framework to guide the Company out to 2030. The Strategy sets out the path to achieve ESB's ambition to create a brighter future by leading the transition to reliable, affordable, low-carbon energy. It will also ensure that ESB continues to grow as a successful business while maintaining the financial strength to invest in a low-carbon future at the necessary pace and scale.

ESB's two peat burning stations, Lough Ree Power and West Offaly Power, are shutting down at the end of their planning permission at end 2020.

[REDACTED]

[REDACTED]

[REDACTED]

ESB is expected to play an active role in delivering on the Climate Action Plan.

ESBN will have a crucial role in delivering the National Smart Metering Programme a major infrastructure, multi-year programme, carried out in conjunction with the Commission for Regulation of Utilities (CRU).

ESB is also expected to maximise the use of its network and provision of wholesale telecoms services in support of the National Broadband Plan.

## **Governance Issues**

### **Strategic Developments**

The operating environment for ESB will remain challenging in 2020 and beyond, with competition, disruptive innovation, commodity prices and market integration all putting pressure on traditional revenue streams. However, these developments are also presenting opportunities for ESB,

particularly in the development of services, where ESB can bring value-driven solutions to its customers and enable the transition to reliable, affordable low-carbon energy. The introduction of the Integrated Single Electricity Market (I-SEM) - a new wholesale electricity market across the island of Ireland - introduced a number of fundamental market changes, resulting in a more competitive market and lower prices for consumers. This change will put pressure on market players to adapt and become more competitive.

The decision by ESB to close their two peat burning stations in the Midlands – Lough Ree Power station and West Offaly Power station – at the end of 2020, on the cessation of their planning permission and the Public Service Obligation support for peat, has resulted in an accelerated exit from the extraction of peat for electricity generation for Bord na Móna and has the potential to severely impact the economy of the wider Midlands region.

[REDACTED]

**Brexit**

ESB are carefully considering the Brexit implications for its business, given the benefits of the all-island energy market and the importance of a regulatory environment in the UK that remains open and competitive.



## Eirgrid

### Operating Environment

EirGrid PLC was established to act as the independent Transmission System Operator (TSO), in line with the requirements of the EU Electricity Directive and became operational as the TSO on 1 July 2006.

EirGrid Group is responsible for planning, developing and operating a secure and efficient electricity transmission system and for providing transparent non-discriminatory transmission access to generators. EirGrid Group is also responsible for the secure and efficient operation of the East-West Interconnector to Great Britain. EirGrid is fully State owned. EirGrid is a 'designated body' and subject to ongoing review by NewERA.

Eirgrid is governed by its Articles and Memorandum of Association, which sets out the Government's rights as shareholder. The Minister for Public Expenditure and Reform holds 99% of the issued shares while the Minister for Communications, Climate Action and Environment holds one share. Other nominee shareholders each hold one share on trust for the Minister for Public Expenditure and Reform.

### Role/Functions

EirGrid's primary purposes are the daily management of the Irish national grid, the operation of the wholesale power market, and the development of high voltage infrastructure to serve Ireland's economy. EirGrid operates the flow of power on the grid and plans for its future, while ESB Networks is responsible for carrying out maintenance, repairs and construction on the grid. Eirgrid Group is also responsible for the secure and efficient operation of the East-West Interconnector to Great Britain.

### Structure

Type	Chair	CEO	No. Employees
Commercial	Brendan Tuohy	Mark Foley	516

### Board

Members of the Board of EirGrid are appointed by the Minister, with the consent of the Minister for Public Expenditure and Reform, in accordance with Section 53(2) of S.I. No. 445/2000 - European

Communities (Internal Market in Electricity) Regulations, 2000. S.I. No. 59/2009 provides that the number of directors on the Board of EirGrid, including the Chairperson, shall not exceed 10.

Number of Positions	Current Members	Positions directly appointed by Minister	Currently sitting members directly appointed by Minister
10	10	8	8

## Funding/Financial Information

EirGrid Group's financial year runs from 1 October to 30 September. Its revenue is primarily derived from regulated tariffs (95%). Tariffs, which are agreed with the regulators, are based on forecasts and are collected based on actual energy consumption. Variations between the projections and the actual revenue recovery result in under or over recoveries. The main revenue is the Transmission Use of System (TUoS) tariff – a charge payable by all users of the transmission systems in Ireland and Northern Ireland. The Group also earn a share of tariffs as Market Operator and Nominated Electricity Market Operator for the Single Electricity Market (SEM). Revenues are also derived from the use of the East West Interconnector (EWIC) through auctions, and for the provision of daily capacity into the energy markets.

- Revenue for FY19 was €747.8m which was €10.6m (1.5%) lower than the previous year, primarily due to the hand back of prior year over recoveries.
- Operating profit of €113.4m (€82.9m in FY 18) and Profit before tax of €96m (€65.8m in FY18) both increased on the prior year primarily due to higher East West Interconnector (EWIC) auction receipts arising from the new I-SEM market, and higher Transmission Use of Systems (TUoS) revenue as a result of higher electricity demand.
- Dividends - EirGrid plc paid a dividend of €4m in 2019 in respect of 2017/18 and a dividend of €4m is proposed to be paid in the second quarter of 2020 in respect of 2018/2019. This policy is set in agreement with DCCAE, NewERA and DPER.

## Oversight Arrangement

The governance framework for EirGrid is a Shareholder Letter of Expectation which issues to all the commercial companies every two years. The Shareholder Letter of Expectation issues in accordance with the Code of Practice and represents a framework for delivery of shareholder objectives for the company. The latest Shareholder Letter of Expectation issued to EirGrid on 12 December 2019.

## **Priorities for 2020**

### **Covid-19**

As an operator of critical national infrastructure, EirGrid continues to operate a safe, secure and reliable power system in Ireland and Northern Ireland to operate the market efficiently and transparently.

EirGrid's early implementation of its contingency plans has ensured security of supply since the outbreak of the Covid -19 crisis. The well-being of staff and the protection of the national infrastructure has been at the centre of the Group's response to the pandemic, as they plan for a phased safe return to the office in accordance with national published health advice.

### **Power System Vision 2030**

Power System Vision 2030 is a seminal piece of work that will underpin the Climate Action Plan and which will inform the process of informing and engaging with a vast array of stakeholders in relation to what Ireland might look like with a Renewable Energy Share from Electricity (RES-E) of 70% in 2030. A final report and a communications and engagement plan is expected to be delivered by the end of the year.

### **Celtic Interconnector Ireland-France**

The Celtic Interconnector received a grant of €530.7m in October 2019 and is now ready to move into the Detailed Design and Consents phase, following Ministerial consent which was received on 6 April 2020. This will be the last phase before the final investment decision and construction is estimated to commence in late 2021.

Activities related to progressing the Celtic Interconnector project will continue with high priority status. Assessment of the project options, with a particular focus on the site for the converter station following recent public consultation, will continue and it is expected that a decision will be made in the next few months. This will enable EirGrid to proceed with preparing the necessary documentation for submission to An Bord Pleanála.

### **North-South Interconnector**

In February 2019, the Supreme Court upheld the planning decision for the southern section of the North-South Interconnector. However in Northern Ireland, the Department for Infrastructure conceded the challenge brought to the High Court, which has delayed the project reaching Project Agreement stage. Following the return of the Government in Northern Ireland, the application has now been re-submitted to the Department of Infrastructure and EirGrid is hopeful of a positive



decision in the coming months. In the event of a positive decision, the process of procurement would begin with a view to construction commencing within 12 months.

### **Transmission System Operator Price Control**

EirGrid continues to engage with the CRU and the Utility Regulator Northern Ireland on the TSO price control submissions for EirGrid and SONI. The decisions by both regulators will be very critical to enable EirGrid to continue to deliver against its targets and objectives, particularly the ambition and commitments which underpin the Climate Action Plan.

### **Transmission System Infrastructure**

Transmission System Infrastructure project progression is a priority focus for EirGrid with a number of project related engagement and consultation activities expected to be undertaken between now and the end of the year. These projects include Capital Project 966, a proposed development that will help transfer electricity to the East of the country and distribute it within the network in Meath, Kildare and Dublin where current constraints are presenting challenges to a range of stakeholders.

### **Renewables – On-shore wind, off-shore wind and solar**

EirGrid will consider and make a submission to the Offshore Grid Delivery Model Option Consultation recently launched by DCCAE. EirGrid fully supports this approach and is supportive of expeditious decision making in respect of the off-shore model and is committed to working with developers in ensuring timely connection of off-shore projects in the Irish Sea.

### **Communities**

As part of its six-step grid development process, EirGrid will be consulting and engaging with local communities impacted by a range of transmission system projects that are being progressed in the second half of the year. EirGrid will also launch an enhanced approach to Community Engagement, in a context where they view the “Just Transition” Model as extending to those communities which accommodate infrastructure associated with the transition to a power system which can deliver 70% renewables on average by 2030.

### **Communication and Education**

To communicate and educate the public and stakeholders on EirGrid’s role in the decarbonisation of Irish society and delivering on the Irish Government’s Climate Action Plan, a new advertising campaign will be launched late into the second half of the year. A co-ordinated communications and education programme (including key state agencies and government departments) is essential to

creating understanding around the energy transition and ultimately winning “Hearts and Minds” across all elements of society, particularly in the rural space.

### **Brexit**

EirGrid’s Brexit Review Group will continue to monitor developments and respond accordingly, while engaging with all key stakeholders.

### **Others**

EirGrid will continue to progress work on major work programmes such as Delivering a Secure, Sustainable Electricity System (DS3), Renewable Energy Support Schemes (RESS) Auctions and European Network Codes.

## **Governance Issues**

### **EirGrid Strategy**

EirGrid launched their new strategy 2020-2025 Transform the Power System for future generations in 2019. The new strategy is shaped by two factors - climate change and the impending transformation of the electricity sector. The primary goal is to lead the island’s electricity sector on sustainability and decarbonisation. EirGrid are planning to prepare the electricity system for a future based almost entirely on renewable energy. They can currently operate the grid with up to 65% renewable power, including onshore wind and solar, however, this must increase to 95% by 2030 and they are aiming to achieve this by using innovative solutions, as well as proven technologies.

### **Five-Year Corporate Plan**

The Code of Practice states that a copy of the draft strategic/corporate plan of a commercial State body should be sent to the relevant Minister before the plan is finalised and adopted by the Board. EirGrid submitted their Corporate Plan for the years 2020 – 2024 in April 2020 and is currently undergoing a financial review by NewERA.

## **Sustainable Energy Authority of Ireland**

### **Operating Environment**

Sustainable Energy Authority of Ireland (SEAI) was established in 2002 to promote and assist the development of sustainable energy.

## Role/Functions

SEAI implements a wide range of programmes on behalf of the Department which are managed through the relevant Energy Policy Division. The grant programmes are funded through subhead C4 and largest of these programmes includes the Better Energy Programmes (Warmer Homes, Homes, Communities and Warmth and Wellbeing), Electric Vehicles and supports for Public Sector/Business Energy Efficiency and Industrial Engagement.

## Structure

Type	Chair	CEO	No. Employees
Non-Commercial	Vacant	William Walsh (Interim)	94

The current SEAI structure is headed by a CEO and divided into seven departments:

- Office of the Chief Operating Officer
- Emerging Sectors
- Business and Public Sector
- Delivery
- Low Carbon Technologies
- Development
- Communications

[REDACTED]

[REDACTED]

[REDACTED] SEAI's current Chief Operating Officer, Mr William Walsh, is currently acting as interim CEO.

[REDACTED]

## Board

Number of Positions	Current Members	Positions directly appointed by Minister	Currently sitting members directly appointed by Minister
12	10	11	11

Competitions to find a new Board Chairperson and ordinary Board Member for the Authority have been completed by the Public Appointments Service with appointments from shortlists to be made by the Minister.

## Funding

SEAI is an Exchequer funded body and based on the latest available figures (FY18), SEAI is approximately 97% State funded, with an additional amount generated through the Authority's role as Issuing Authority with responsibility for the Building Energy Rating Scheme (BER). SEAI receives both capital and current funding from the Exchequer, with €208 million allocated for 2020. This reflects a 204% increase in annual funding since 2015.

In 2018 90% of expenditure related to programme expenditure, with 8.3% related to administration, and the final 1.7% related to the Building Energy Rating.

## Oversight Arrangement

In August 2018 a Performance Delivery Agreement was agreed between SEAI and DCCAIE. It is set to run until 30 July 2021. This Agreement, without prejudice to the obligations and duties that derive from the Sustainable Energy Act 2002 (as amended), sets out the roles and responsibilities for both SEAI and DCCAIE in relation to each other.

SEAI has confirmed compliance with the Code of Practice in respect of the financial year ended 31 December 2018. As part of governance arrangements, SEAI meet with DCCAIE on a quarterly basis to discuss relevant matters. Monthly meetings are also held between the relevant policy Divisions in both DCCAIE and SEAI to ensure oversight of programmes and schemes.

SEAI's monthly Drawdown requests are administered by Corporate Governance Division, with the approval of the relevant policy division for each programme and scheme.

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

## National Oil Reserves Agency

### Operating Environment

The National Oil Reserves Agency (NORA) was established as a stand-alone agency under the NORA Act 2007. Although established as a non-commercial state body, NORA operates within the commercial oil markets.

### Role/Functions

NORAs main functions are to maintain Ireland's 90 days of strategic oil reserves for use in an oil supply disruption and to administer the State's Biofuels Obligation Scheme.

### Structure

Type	Chair	CEO	No. Employees
Non-Commercial	Terry Nolan	Pat Meehan	6

### Board

Number of Positions	Current Members	Positions directly appointed by Minister	Currently sitting members directly appointed by Minister
6	6	5	5

### Funding/Financial Information

NORA is funded by way of a levy imposed on the sale of most oil products in the State, with the exception of aviation fuel and marine bunker fuels. Currently the rate of the levy is 2 cents per litre. This is collected by the oil companies from the consumer and paid on a monthly basis to NORA.

### Oversight Arrangement

Oversight of performance and funding is through:

- Monitoring compliance with the Code of Practice
- Oversight Agreement
- Performance Delivery Agreement
- C&AG Audit



Bimonthly meetings are held with the Department to discuss operational and governance issues.

## **Priorities for 2020**

In Q4 2020 NORA are expected to complete the refurbishment of a 40-year-old former ESB fuel oil storage terminal, located on the south side of Dublin Port. When completed the facility will be capable of holding 82kt (kilotonnes) of diesel and 31kt of heating kerosene. This provides an alternative source of these fuels to the greater Dublin market, in that they can be released to the oil companies, in the event that Dublin Port is disrupted.

Government's policy is for a preference to hold stocks on the island of Ireland, subject to storage availability and value for money considerations. As a result, NORA actively seeks storage opportunities in Ireland and is currently in discussion with the ESB to host stocks at power generation facilities, which may also be utilised for the purposes of secondary fuelling, if required, and with SSE to host stocks on the site of the former oil burning power station at Great Island in Wexford.

NORA also continues to develop its plans for the release of oil in an emergency, including the development of its Emergency Response Mechanism (ERM).

NORA is also putting in place the administrative arrangements to provide for the increase in the biofuels obligation in January 2020, from 10% by volume to 11%, and for other technical changes to the biofuels obligation scheme to come into force on the enactment of the NORA Bill.

## **Governance Issues**

On the enactment of the NORA Bill, future surplus levy funds generated, after the expenses of the Agency have been met, will be utilised by the Climate Action Fund. To this end the Minister will issue an annual direction to NORA specifying the amount of levy surplus to be provided to the Climate Action Fund. The passing of the NORA Bill will also provide for the NTMA to provide 'central treasury services' to NORA, enabling the NTMA to accept deposits from the Agency, or to advance its funds, in the event of an oil emergency.

The Minister recently reappointed Mr. Frank O'Connor of the NTMA, who had been due to retire, to continue to serve on the NORA Board for a further three months, until 13 August 2020. This was necessary in order to ensure that NORA's Audit and Risk (A&R) Committee had the recent and relevant financial experience necessary to review and approve the Annual Report & Financial Statements for submission to the Board, once the Office of the Controller and Auditor General has reviewed and agreed these. The Department is engaging with State Boards to put in place a

replacement for Mr. O'Connor as soon as possible. Another board member Mr. Frank O'Flynn was recently been reappointed to the Board, for a further 5 years.

## Irish National Petroleum Corporation

### Operating Environment

The Irish National Petroleum Corporation (INPC) is the state company that operated the Whitegate refinery and Bantry Oil Terminal on Whiddy Island, prior to them being sold by the State in 2001.

### Role/Functions

The INPC has had no operational capacity since the sale of its business and commercial interests (the refinery, marketing business and Bantry Terminal) in 2001 and it is now effectively a non-trading shell company. The INPC is managed by a 'technical Board' consisting of three non-executive directors (from NORA and the Department).

### Structure

Type	Chair	CEO	No. Employees
Non-Commercial State Body	Terry Nolan	n/a	n/a

INPC is overseen by a 3-person technical board whose functions relate to upholding the Minister's rights and obligations under the 2001 Sale and Purchase Agreement, which principally involves managing environmental liabilities, going forward.

### Board

Number of Positions	Current Members	Positions directly appointed by Minister	Currently sitting members directly appointed by Minister
3	3	3	3

### Funding/Financial Information

INPC retained c. €10 million of the sale price of Whitegate Refinery and Whiddy Island Oil Terminal, in order to have sufficient assets to meet potential liabilities which might arise under the terms of the Sale and Purchase Agreement.

### Oversight Arrangements

Oversight of performance and funding is through:

- Monitoring compliance with the Code of Practice
- Performance Delivery Agreement
- C&AG Audit

The Department is represented on the technical board of INPC.

### **Priorities for 2020**

The operational activities of INPC are confined to the maintenance of its only asset, the Bantry oil jetty, which was damaged in an explosion in 1979, with considerable loss of life. As part of ongoing maintenance works, as a public safety measure, INPC intends to remove the jetty walkway and supports, which have become badly corroded.

### **Governance Issues**

Given the limited role of INPC, in the long term it may be preferable to provide for the wind-up of the Agency. However, the need to manage the jetty on an ongoing basis currently prevents this. In the long term the removal of the jetty, in its entirety, is desirable. A preliminary study, conducted in 2015, estimated the cost of these removal works at c. €21m.

## Commission for Regulation of Utilities

### Operating Environment

The Commission for Regulation of Utilities (CRU) was established as an independent statutory regulator by the Electricity Regulation Act 1999. This role was further enhanced under the Gas (Interim) (Regulation) Act 2002 and the Water Services (No.2), Act 2013.

The CRU is legally independent in the performance of its functions and is entirely accountable to the Oireachtas for such performance. It is funded by means of a levy on electricity and gas undertakings and income from licensing fees.

While the CRU is a body under the aegis of the Department of Communications, Climate Action, and Environment due to its role as regulator for water services some policy aspects are held by the Department of Housing, Planning, and Local Government (DHPLG).

### Role/Functions

The Commission is responsible for:

- Regulation and reform of the electricity market, including the licensing of new entrant generators and suppliers;
- Regulation of the natural gas market;
- Security of supply, customer protection, upstream and downstream gas safety and electrical safety; and
- Economic regulation of water services.

### Structure

Type	Chair	Commissioner	No. Employees
Regulator	Aoife McEvilly	Jim Gannon Paul McGowan	96

CRU is led by up to three Commissioners at any one time, who are assisted in their duties by a staff of approximately 100, including five directors.

CRU is divided into five Divisions, each led by a director:

- Water Division



- Operations and Organisational Development
- Energy Markets
- Energy Networks and Legal
- Energy Safety and Customer Affairs.

#### Board

Number of Positions	Current Members	Positions directly appointed by Minister	Currently sitting members directly appointed by Minister
3	3	0	0

#### Funding

In accordance with paragraph 16 of the Schedule of the Electricity Regulation Act 1999, CRU is funded through the imposition of a levy on industry.

CRU is funded by the levy, safety case fees, and licence income received from the relevant electricity, gas, LPG, water, and petroleum safety regulated entities.

On 21 June 2019 the Comptroller and Auditor General issued a clean, unqualified audit report on CRU's Financial Statements for FY18 (01 Jan – 31 Dec), the latest available.

#### Oversight Arrangement

In line with the requirements of the Code, a tripartite Oversight Agreement has been signed by the Department, CRU and DHPLG [Water Functions] and is in place for 3 years until 31 December 2020. The Oversight Agreement does not include any additional obligations, rather it describes the roles, responsibilities, and obligations of DCCA, CRU, and DHPLG as set out in the relevant legislation.

CRU has confirmed compliance with the Code of Practice in respect of the financial year ended 31 December 2018. As part of governance arrangements, the CRU meets with D/CCA on a quarterly basis to discuss relevant matters.

#### Priorities for 2020

CRU is guided by a three-year strategic plan to enable the organisation to deliver on its public service obligations. The Strategic Plan 2019-2021 reflects the critical nature of the energy and water sectors



to the people in Ireland and CRU's commitments to enabling the transition to a sustainable low carbon future. There are four strategic priorities in the Plan:

- Deliver sustainable, low-carbon solutions with well-regulated markets and networks;
- Ensure compliance and accountability through best regulatory practice;
- Foster and maintain a high-performance culture and organisation; and
- Develop effective communications to support customers and the regulatory process.

CRU publishes annual Work Plans which set out how the Regulator will deliver on these strategic priorities and continue to carry out its core functions. The 2020 Work Plan sets out the specific outputs and key performance indicators by division for 2020, reflecting the challenging environment for the delivery of safe, secure, sustainable, and competitive outcomes for citizens and consumers.

CRU are currently undertaking a mid-year review of the 2020 Work Plan in light of the impact of the COVID-19 pandemic on their ability to deliver on the original Plan.

## Natural Resources

### Inland Fisheries Ireland

#### Operating Environment

Inland Fisheries Ireland (IFI) was established under the Inland Fisheries Act 2010. IFI is the agency responsible for the protection, conservation and, management of Ireland's inland fisheries and sea angling resources.

#### Role/Functions

The functions of IFI are set out under Section 7 of the Inland Fisheries Act 2010. These include the protection, management, conservation, development and promotion/marketing of the inland fisheries resource. The general functions of IFI are to:

- promote, support, facilitate and advise the Minister on the conservation, protection, management, marketing, development and improvement of inland fisheries, including sea angling,
- develop and advise the Minister on policy and national strategies relating to inland fisheries including sea angling, and
- ensure implementation and delivery of policy and strategies developed under (b) as agreed with the Minister.

#### Structure

Type	Chair	CEO	No. Employees
Non-Commercial	Fintan Gorman	Ciaran Byrne	312 (FTE's)

#### Board

Number of Positions	Current Members	Positions directly appointed by Minister	Currently sitting members directly appointed by Minister
10*	9	3	3

\*CEO is an ex officio member therefore there are 9 appointees

## **Funding/Financial Information**

Inland Fisheries Ireland is Exchequer funded through the Department of Communications, Climate Action and Environment and its allocation for 2020 is €31.095m. The Body generates approximately €3m own resources per annum.

## **Oversight Arrangement**

Oversight of the IFI's performance and funding is through:

- Monitoring compliance with the Code of Practice
- Oversight Agreement This Agreement is a living document which is reviewed on an annual basis.
- Performance Delivery Agreement: Inland Fisheries Division is currently in the process of agreeing a PDA for the three-year period 2020 – 2022.
- C&AG Audit
- Quarterly corporate governance meetings with DCCA

## **Priorities for 2020**

- New Corporate Plan for IFI for period 2021-2025
- Progress new policy statement for the sector focussing on economic dividend for rural areas.
- Progress stakeholder engagement via unified representative group
- Continue development of Big-Game angling (C&R fishery for Tuna)

## **Governance Issues**

- Appointment of a CEO (vacancy arising July 2020)
- Appointment of a new Board member – on the nomination of the JOC for CCAE and awaiting Government formation and establishment of new JOC
- Agree new Corporate Plan for IFI 2021-2025

## Loughs Agency

### Operating Environment

The Loughs Agency of the Foyle Carlingford and Irish Lights Commission was established under the British Irish Agreement Act 1999 as a North South body. In fisheries/marine development context it has responsibility for the Foyle and Carlingford catchments and it assumed the responsibilities of the former Foyle Fisheries Commission under the Foyle Fisheries Acts (both jurisdictions) of 1952.

### Role/Functions

The role of the Loughs Agency is to provide effective conservation, management, promotion and development of the fisheries and marine resources of the Foyle and Carlingford areas. It is also responsible for the development and licensing of aquaculture, as well as the development of marine tourism. The Agency also functions in the promotion of development of Lough Foyle and Carlingford Lough for commercial and recreational purposes in respect of marine, fishery and aquaculture matters.

### Structure

Type	Chair	CEO	No. Employees
Non-Commercial North/South Body	Vacancy (Mr Andrew Duncan Vice Chair)	Sharon McMahon (Acting)	53

### Board

Number of Positions	Current Members	Positions directly appointed by Minister	Currently sitting members directly appointed by Minister
12*	10	0	0

\*Members are appointed by the North South Ministerial Council (NSMC) - 50% on the nomination of the Minister and 50% on the nomination of the NI Minister under the d'Hondt system.

### Funding/Financial Information

The Loughs Agency is jointly funded by the Department of Communications, Climate Action and Environment and the Department of Agriculture, Environment and Rural Affairs (NI) with the allocation for 2020 being £2.2m sterling approx. from each Department. The working currency of the Agency is sterling

## Oversight Arrangement

Oversight of the Loughs Agency performance and funding is through:

- Monitoring compliance with the Code of Practice
- Monitoring compliance with the Financial Memorandum for N/S Bodies
- Oversight Agreement. This is a living document reviewed on an annual basis
- Performance Delivery Agreement. A new PDA for the period 2020 – 2022 is currently in preparation
- Subject to audit by C&AG and the NI Audit Office
- Quarterly joint Governance and Accountability meetings - DCCA/DAERA(NI)

## Priorities for 2020

- Facilitate completion of development projects at Omagh and Prehen

## Governance Issues

- Agree a PDA for the period 2020 – 2022.
- Finalise the new Financial Memorandum with DPER and DFP (NI).
- Appointment of a Chair by NSMC
- Appointment of a CEO by NSMC

## **Mining Board**

The Mining Board is a Statutory Body established under Section 33 of the Minerals Development Act 1940. The Board is an appellate body principally involved in consideration as to whether minerals are excepted from provisions of the Minerals Development Act 1979 which vested in the Minister the exclusive right of working minerals in the State save for “excepted minerals”.

The Board comprises a Chair and two ordinary Board Members. The Chair shall be a practicing barrister or solicitor of at least 10 years' standing and the two ordinary Board Members shall be property arbitrators under the Property Values (Arbitrations and Appeals) Act 1960.

Expenses in relation to the Board are paid directly by the Department.



# Environment

## Environmental Protection Agency

### Operating Environment

The Environmental Protection Agency (EPA) was established in 1993 under the Environmental Protection Agency Act, 1992. It is a non-commercial, regulatory public body and has independence in the performance of certain functions as set out in the 1992 Act, as amended. On 1st August 2014, the Radiological Protection Institute of Ireland merged with the EPA.

### Role/Functions

**Knowledge:** Provide high quality, targeted and timely environmental data, assessments and evidence to inform decision making by citizens, businesses and Government.

**Regulation:** Implement effective regulation and environmental compliance systems to deliver good outcomes for people and the environment and target those that don't comply.

**Advocacy:** Work with others for a clean, healthy and well protected environment and sustainable environmental behavior.

It has a wide range of functions to protect the environment, and its primary responsibilities include:

- Environmental licensing;
- Enforcement of environmental law;
- Environmental planning, education and guidance;
- Monitoring, analysing and reporting on the environment;
- Regulating Ireland's greenhouse gas emissions;
- Environmental research development;
- Strategic environmental assessment;
- Waste management;
- Radiological protection.
-

## Structure

Type	Chair	CEO	No. Employees
Regulator	Laura Burke	Laura Burke	420

## Board

Number of Positions	Current Members	Positions directly appointed by Minister	Currently sitting members directly appointed by Minister
6	5	0	0

The EPA is managed by a full time Executive Board, consisting of a Director General and five Directors. The Executive Board fulfils both the governance and management roles in the organisation. The Directors of the EPA are full-time executive Directors. They are paid an inclusive salary and consequently no Director's fees are paid. There is currently one Director vacancy on the Executive Board. In line with Section 24(1) of the Environmental Protection Agency Act, as amended, Directors of the Agency are appointed by Government. To enable the Government appoint a replacement, the selection process was initiated. Shortlisting has taken place but the interviews have been suspended due to Covid-19.

The EPA is assisted by an Advisory Committee of up to twelve members who meet regularly to discuss issues of concern and provide advice to the Board on matters relating to the EPA's functions

## Funding/Financial Information

The EPA annual income is comprised of funds from DCCAE, Department of Housing, Planning and Local Government (DHPLG) and Agency Generated Income. Exchequer funding allocated from the DCCAE Vote in 2020 is €40.880m. The Environment Fund allocation is yet to be determined. A further €6.5m is expected to be allocated from the DHPLG Vote.

## Oversight Arrangements

Oversight of the EPA's performance and funding is through:

- Monitoring compliance with the Code of Practice
- Oversight Agreement 2018-2020
- Performance Delivery Agreement 2018-2020

- C&AG Audit

## **Priorities for 2020**

The main EPA priorities for 2020 in relation to functions within the DCCAE remit:

### **Corporate Strategy**

Develop a new EPA Corporate Strategy 2021- 2025 considering the opportunities identified by the OECD review, the EPA Advisory Committee, EPA Staff Engagement Survey and Public Attitudes Surveys.

### **EPA Website**

Redevelop and launch new EPA website with improved accessibility and content for the public.

### **Air Quality**

Continue to implement the national monitoring programme for air quality, to underpin the proposed national clean air strategy and in doing so provide more accessible information to the public on air quality and associated health impacts.

### **Radiation**

Support the delivery of the National Radon Control Strategy, including identifying approaches to improve the testing and remediation rates by the public and radon awareness levels for employers on testing requirements in workplaces. Consolidate the risk-based approach to the regulation of radiation practices through finalisation of the Code of Practice on implementation of the new Basic Safety Standards Directive.

### **Climate Change**

Support the implementation of the Climate Action Plan through a consolidated climate change and circular economy programme. Strengthen the communication of greenhouse gas emissions data. Evolve the National Dialogue on Climate Action focusing on targeted engagement and activation.

### **Licensing**

Maintain and increase throughput and timeliness of EPA licensing decisions and authorisations. Establish and develop new licensing regimes for water abstractions.

### **Priority Sites**

Continue to publish the industrial and waste sites that become a national priority for enforcement in 2020. Continue to use the National Priority Sites list to target enforcement effort at the poorest performing sites to drive improvements in environmental compliance.

### **Network for Ireland's Environmental Compliance and Enforcement**

Engage with local authorities through the Network for Ireland's Environmental Compliance and Enforcement (NIECE) to improve enforcement of air legislation and the source segregation of commercial and household waste. Revise the performance assessment framework for local authorities to further improve local authorities' performance.

### **Waste Enforcement**

Work with the National Waste Enforcement Steering Committee (NWESC) and NIECE, to deliver effective enforcement of the waste sector and to tackle waste crime. Develop and implement an EPA Waste Enforcement Action Plan 2020, which ensures that our regulatory approach to the waste sector maximises our impact.

### **Research**

Prepare a new EPA research strategy for the period 2021 to 2030 incorporating the findings and recommendations from the mid-term review of the 2014-2020 strategy and aligning with evolving national and European research strategies and priorities.

### **State of the Environment Report**

Publish the EPA's seventh State of the Environment Report – Ireland's Environment – An Assessment: 2020.

### **Circular Economy**

Support the development of the circular economy in Ireland by optimising the scale and impact of the National Waste Prevention Programme and food waste activities. Inform the development of a national waste and circular economy policy through provision of accessible and timely statistics and information.

### **Governance Issues**

The OECD recently concluded a review of the Agency.