
RECOMMENDATIONS

Energy Policies of IEA Countries

Ireland

2012 Review

Executive Summary

KEY RECOMMENDATIONS

The government of Ireland should:

- Continue to encourage greater diversification and flexibility of gas supply, in light of the country's high level of reliance on the fuel.*
- Maintain funding support to develop and deploy new low-carbon technologies in which Ireland possesses a comparative advantage, including wind, biomass, ocean and smart grids.*
- Further enhance the consultation, planning and consenting process for critical energy infrastructure projects, with an emphasis on balancing the concerns of local communities with the economic, social and energy security benefits of the proposed projects.*
- Ensure that participation in regional energy markets brings benefits to Irish consumers and certainty for investors in the energy market, by working closely with regional partners and the EU.*
- Ensure that the powers of the energy regulator are enhanced as necessary in order to ensure that market and competition rules are strictly adhered to and that the interests of consumers are protected.*

General Energy Policy

RECOMMENDATIONS

The government of Ireland should:

- Publish a new Energy Policy Framework this year that articulates the government's vision for post-2012 national energy policy framework up to 2020 and beyond, taking account of EU and IEA developments.*
- Outline a clear plan for emissions reduction targets and the future of the carbon tax in Ireland, so as to allow industry and market players to adapt accordingly.*
- Continue to review the competitive landscape of the non-regulated gas and electricity sectors, with a focus on the appropriateness and depth of state activity in these sectors and in line with EU legislation.*
- Ensure that NewERA, in its new Shareholder Executive capacity, has a strong focus on driving cost efficiencies in the companies and within the network businesses, with a view to meeting or exceeding the CER's efficiency measures and targets.*

Climate Change

RECOMMENDATIONS

The government of Ireland should:

- Publish an updated national policy position in response to the commitment in the 2010 Cancun Accords to develop low-carbon development strategies or plans.*
- Determine a vision for the carbon tax to facilitate long-term planning, guaranteeing more transparency and with a view to clarifying how it will feed directly back into publicly supported GHG reduction programmes.*
- Explore synergies between the energy and agricultural sectors that would, inter alia, contribute to reducing GHG emissions.*
- Actively engage with the British government in order to ensure that a potential change to the UK carbon pricing mechanism is implemented in a manner which minimises the implications for Irish policy.*

Energy Efficiency

RECOMMENDATIONS

The government of Ireland should:

- Continue to develop its already competent NEEAP into a consistent medium- and long-term strategy for improving energy efficiency, containing transparent targets and sub-targets across all energy-consuming sectors, including monitoring, based on reliable data and allowing adaptations, embedded in an integrated energy strategy for Ireland. The IEA's 25 energy efficiency policy recommendations provide an effective portfolio of cost-effective policies on which to evaluate or base the NEEAP.*
- Ensure that a comprehensive monitoring and evaluation system is implemented by the SEAI to account for the social and economic outcomes to consumers and government from the NEEAP.*
- Ensure that necessary and sufficient funding for cost-efficient energy-saving measures for private households and SMEs is available, alongside instruments and incentives that promote the development of a market for energy services.*
- Define concrete steps (buying incentives, providing infrastructure) for achieving energy savings in the transport sector, including the 10% target for electric vehicles in 2020.*
- Ensure that the public sector is seen as exemplary in respect of energy efficiency, both from the perspective of implementation of new and innovative measures and actions, as well as monitoring and verification of energy savings.*
- Ensure that the necessary resources are provided to support the implementation of the Affordable Energy Strategy.*
- Ensure that the Sustainable Energy Authority of Ireland is adequately resourced in order to ensure the continued delivery of energy efficiency programmes, as well as the monitoring and verification of energy-saving targets.*

Electricity

RECOMMENDATIONS

The government of Ireland should:

- Encourage the development of additional flexibility in the single electricity market by, for example, refining the criteria for capacity payments and undertaking a review of the regulatory framework of the ancillary services market.*
- Keep under review the planning and consenting process for critical energy infrastructure to ensure that it delivers an effective, transparent and streamlined planning and consenting process.*
- Reassess the competitive landscape of the electricity sector, with a focus on the appropriateness of the depth of state activity in the sector and the unbundling of incumbents' vertically integrated assets, in line with EU legislation. In addition to selling Bord Gáis Energy, the government should pursue its plans for disposal of some of ESB's non-strategic power generating plants.*
- Support the process of developing rules for the practical implementation of a common pan-European electricity market, ensuring that the benefits which the Single Electricity Market delivers are retained.*
- Engage in co-operation with regional partners, including through existing forums, to develop a common and mutually beneficial approach to electricity infrastructure and markets.*
- Ensure that in the five-year network review process, the CER focuses on scrutinising past and future performance to ascertain that relevant expenditure is efficient, with strict cost control and appropriate incentives in place.*
- Ensure that the powers of the CER are enhanced as necessary in order to ensure that market and competition rules are strictly adhered to and that the interests of consumers are protected*

Oil

RECOMMENDATIONS

The government of Ireland should:

- Continue to promote exploration opportunities in Ireland by ensuring a stable investment framework.*
- Review strategic implications of the possible closure of the Whitegate refinery, and take appropriate measures to underpin security of supply within such a context.*
- Continue to take appropriate measures via the National Oil Reserves Agency with regard to storage and strategic stocks to ensure that Ireland maintains its current levels of security of oil supply.*
- Continue with NORA's programme to increase stockholding levels on the island of Ireland.*
- Continue to promote policies that promote energy efficiency and sustainability, so as to reduce Ireland's dependence on oil.*

Renewable Energy

RECOMMENDATIONS

The government of Ireland should:

- Implement a clear strategy for evaluating and developing Ireland's renewable energy and meeting its 2020 targets, taking into account the implications for the overall economy and in particular for the environmental and agricultural sectors.*
- Continue to address potential impediments to the further development of biomass energy, and develop cost-effective support mechanisms through closer alignment between energy policies and agriculture policies.*
- Keep under review the conditions of REFIT programmes and other support mechanisms in order to optimise the overall cost-effectiveness of these policies in deploying renewable energies and implement appropriate risk-sharing.*
- Review the shortcomings of the Gate 3 procedure regarding the delivery of incremental renewable sources, with a view to improving and enhancing the outcomes of gate procedures in the future.*
- Take steps to increase public awareness of the benefits of renewable energy sources and of the supporting policy framework, so as to encourage their deployment and the provision of the necessary infrastructure.*

Coal and Peat

RECOMMENDATIONS

The government of Ireland should:

- Take a decision regarding the future of clean coal in Ireland's energy mix (the future of Moneypoint), and the development of carbon capture and storage opportunities for coal-fired emissions in line with EU and international developments.*
- Encourage ESB and Bord na Móna to increase progressively the amount of biomass co-firing in peat-fired power plants.*

Natural Gas

RECOMMENDATIONS

The government of Ireland should:

- Follow through with the orderly sale of BG Energy, ensuring all legislative, financial and other issues are addressed.*
- Ensure that the regulatory authority continues to focus on requiring cost control and efficiencies in the forthcoming five-year price review for gas networks, including in the areas of infrastructural investment, operational expenditure and any costs incurred in restructuring.*
- Keep under review the Strategic Infrastructure planning process for identifying critical energy infrastructure, including upstream developments, and ensure that it delivers an effective, transparent and streamlined planning and consenting process under the supervision of An Bord Pleanála.*
- Ensure that the regulator determines the future status of the two interconnectors in relation to the tariff charges for the use of the onshore transmission network, given the potential impact that this could have on consumer costs and competitiveness, as well as on security of supply and on the development and use of alternative supply entry points to Ireland.*
- Consider a cost-effective fiscal investment framework to facilitate the commercial development of offshore gas storage facilities, recognising the benefits to Ireland's security of supply concerns, and put in place the necessary legislative framework.*
- Continue working with the government of Northern Ireland to develop the Common Arrangements for Gas framework to best effect for consumers in both jurisdictions, taking into account the EU 2014 goal for market integration, regional co-operation on gas in the gas north-west region and the economic costs and benefits of investments required to achieve flows of gas across the island.*

Energy research, development and demonstration

RECOMMENDATIONS

The government of Ireland should:

- Continue to support RD&D funding in key energy research priority areas*
- Ensure a fully collaborative approach by Sustainable Energy Authority of Ireland, the Science Foundation Ireland, and all other relevant agencies and institutions for programme development and capacity building.*
- Develop and apply homogeneous metrics for RD&D project evaluation.*
- Increasingly use long-term modelling and planning capabilities to develop energy policies.*
- Pursue world-leading efforts in electricity and smart grids involving government, regulator and grid operator, and enhance participation of retailers to develop smart grid business case.*
- Concentrate efforts in ocean energy to accelerate development.*
- Explore potential and strategy for all forms of bioenergy and evaluate their impact on the agricultural sector.*
- Continue active engagement in international collaboration in RD&D, in particular in IEA Implementing Agreements, aligned with national priorities/.*
- Optimise future opportunities for Irish energy research under EU programmes, including Horizon 2020.*

