



**Chambers
Ireland**
Advancing business together



Chambers Ireland Submission to the Department of Environment, Climate and Communications Public Consultation Climate Change

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Chambers Ireland, the voice of business throughout Ireland, is an all-island organisation with a unique geographical reach. Our 40 members are the Chambers of Commerce in the cities and towns throughout the country – active in every constituency. Each of our member Chambers is central to their local business community and all seek to promote thriving local economies that can support sustainable cities and communities.

In September 2019, our Network pledged to advocate for and support the advancement of the Sustainable Development Goals. In doing so, we use the Goals as a framework to identify policy priorities and communicate our recommendations. We have a particular focus on five of the goals encompassing decent work and economic growth (SDG 8), sustainable cities and communities (SDG 11), advancements in gender equality (SDG 5),

viable industries, innovation, and infrastructure (SDG 9) and progress in climate action (SDG 13).¹

We use these Goals as a lens for interpreting and prioritising our policy proposals.

The issue of carbon budgets is particularly important to our Network as it is a critical element to our national Climate Action response. Our national approach to emissions is unsupportable and unsustainable. There needs to be immediate action to alter our emissions trajectory. Ireland is particularly challenged because we have left it far too long to commence our adaptation to a low carbon economy. Having neglected our national infrastructure for the last decade, and having invested enormous sums of private and public monies in building sprawling, low-density housing which demand high carbon intensity lifestyles, we now find ourselves having to build more infrastructure at a time when we aspire to be reducing the absolute level of our greenhouse gas emission outputs.

Given the demands upon our economy to transition to at least carbon neutrality by 2050 at the latest, and given our commitment to reduce our emissions to 51% below our 2018 levels, by 2030, it will be extremely difficult for these aims to be achieved unless the issue of our carbon emissions is present in every decision that government is taking. This is why Chambers Ireland supports the concept of Carbon budgeting.

As importantly, Chambers Ireland supports the shift to long-term zero-carbon energy sources. As Chambers Ireland outlined in our white paper on maximising the benefit of developing the national wind energy industry and the national grid², the Irish business community is deeply interested in our potential to develop an offshore renewable energy industry.

¹ The Chambers Ireland SDGs. Available at: <https://www.chambers.ie/policy/sustainable-development-goals/chambers-ireland-sdgs/>

² Chambers Ireland white paper on maximising the benefit of developing the national wind energy industry and the national grid. Available at: <https://www.chambers.ie/wp-content/uploads/2021/01/Chambers-Ireland-white-paper-on-maximising-the-benefit-of-developing-the-national-wind-energy-industry-and-the-national-grid.pdf>

Recommendations

- Greater consideration needs to be given to embodied carbon, particularly in relation to vehicles and existing buildings
- Low-carbon transport is active transport, active transport will remain unattractive so long as under-investment in active travel infrastructure continues, all budgets are finite, including carbon budgets, so active travel infrastructure must be prioritised.
- After active transport infrastructure, electric public mass transport infrastructure investment must be the next highest priority.
- We have to become ambitious about our energy industry. Green hydrogen and green ammonia offer us a pathway to energy security on one side, helps our farming industry decarbonise on another, and will also set us up to become net energy exporters to the rest of the European Union. That vision needs to become a national ambition.
- Our short to medium term plans for our energy grid need to be reviewed to ensure that they can accommodate an expanded ambition for our national energy potential.
- The transformation of our economy to a zero carbon economy will be an enormous challenge and will need to be state led, given the scale of the shift and the infrastructure requirements that need to be put in place, incrementalism, policy nudges, and the price mechanism will not lead us to where we need to go, as we have wasted too much time for gradual processes to work.

Chambers Ireland's Carbon Budgeting stance

Chambers Ireland has, since the publication of the 2019 Climate Action Plan, been calling on Government to integrate Carbon Budgeting within the decision-making process of all State agencies.

If we are to be serious about our 51% reduction targets for 2030, and our net-zero aspirations for 2050, the State has to incorporate the carbon impact of its actions and its policies into its decision matrices, or else the long-term climate costs will continue to be deferred against short term fiscal incentives.

Our 2018 greenhouse gas emissions, which our 2030 targets are based upon, mean that we must be emitting no more than 33.5 million tonnes of CO₂ equivalent by the end of this decade.

Collectively the State, though its wide range of agencies, is the primary player when it comes to CO₂ emissions. The State is the largest energy consumer in the country, but even more importantly, its decisions shape the environment that the rest of us, the business community and the public, navigate in our daily lives.

Nationally, our track record to date on emissions reductions has been extremely poor with our benchmark 2018 emissions being almost 10% higher than our 1990 levels – our emissions in 2022 will be still higher than they were in 1990.

Chambers Ireland is generally supportive of the Carbon Budgeting proposal that was published by the Climate Change Advisory Council. Carbon Budgeting is a useful tool for ensuring appropriate public policy making because ultimately it is the activities of the State that bind us to our current behaviour and limit the range of our potential activities.

However, if, instead of being a mechanism to direct state policy, a Carbon Budget is used as a mechanism for allocating CO₂ emissions between different sectors in society, it will do no more than act as a multiplier on the existing carbon taxes.

If we in the business community, and all of us in our wider society, are to be able to transition to less polluting alternative energy sources, we need the State to have laid the groundwork to ensure that those alternatives are available. There's little point trying to send out market signals through the price mechanism if more environmentally sustainable substitutes are not available.

Across successive Governments, the State's response to greenhouse gas emissions, and climate crisis in general, has been characterised by inactivity. Inaction around the CO₂ emissions consequences of policies are just as damaging to our environment as actions that actively pollute.

When communities are planned without integrated public transport networks and active transport links, the State relies on people using cars to fill in the gap where those services ought to be. When housing estates are built with no pedestrian access to shops and schools, that is the State locking in decades of transport associated CO₂ emissions.

Inactivity has caused the long delay in creating regulatory and planning certainty for offshore renewable energy. While we greatly welcome the recent passing of the Marine Area Planning Bill the problem shouldn't have taken fifteen years to progress, this has meant that that we have not been able to develop a clean offshore wind energy industry. A lack of action which has locked in decades of fossil fuel emissions.

The main benefit to introducing Carbon Budgeting is that it will no longer allow administrations to defer action as the rolling five-year budgets require immediate action, and to this end it needs to become a key element of both the planning process, and the planning programmes of Government.

This decade will see an enormous investment in the built fabric of our country, between the National Development Plan infrastructure, and the hundreds of thousands of housing units that we so desperately need, a huge amount of 'extra' CO₂ is going to be released, even as we are attempting to curtail emissions. An effective Carbon Budgeting mechanism should accelerate the delivery of projects that will decrease our CO₂ consumption. Carbon Budgeting incentivises us to take the bigger, harder actions first. Commencing difficult tasks is never an easy political move, but early action will be rewarded by a Carbon Budgeting system. And, in the longer run, taking impactful action immediately will afford us more options and greater flexibility as time progresses and our timelines to net-zero are inevitably brought forward.

It is vital that all elements within the State consider not only the carbon output of the decisions that are being taken, but also the associated second order effects that those decisions cause in the public through shaping our behavioural responses.

This is the reason why Chambers Ireland has been calling on Government to consider Carbon Budgeting within their decision making. The 300,000 housing units that will be built over the next few years as part of "Housing for All" will, in general, stand for at least a hundred years. Where they are located, what services are available to them within a fifteen-minute walk, will determine what a century of emissions will look like.

Given that our members are based in cities and towns across Ireland, we found it heartening that the Climate Change Advisory Council have a sense that on transport "liveable cities are the 'easy' bit". We do however have to say that, if making city and

town centres attractive places to live and work is the easy part of this process of transition to a decarbonised economy then the vast majority of people are going to be shocked by the enormity of the task we have ahead of us.

Even very small movements towards reactivating vacant and underutilised property are happening at a pace that suggests we will not have made much ground by 2030. The prioritisation of various transport projects echoes the same. And the lack of urgency around offshore renewable energy speaks to a lack of coherence in the State's overall approach to the decarbonisation of our society.

Chambers Ireland hopes that Carbon Budgets will be the tool that finally spurs us into action.

Chambers Ireland's Observations re: Carbon Budgeting proposals

Firstly, embodied carbon seems to be an area of discussion that is frequently neglected we tend to look only at carbon emissions and not what the trade-offs and substitute goods are. When considering the built environment, it is vital that the initial approach to existing buildings are that they are renovated and upgraded first. This is a particularly important area where government needs to take action because at present it is far cheaper to develop on a green field site than in brownfield or urban areas.

Within the embodied carbon discussion government must take a long hard look at their ambitions for electronic cars. If we are to be reaching 1.5 million eVs on the road by the mid-2030s this will mean scrapping hundreds of thousands of existing vehicles even while they have a useful potential. This is incredibly wasteful, particularly when viewed from a carbon budgeting perspective. If a vehicle is not being used very frequently, or is only used for short journeys, it is likely that it would be better to

continue its use for longer, rather than forcing the owner to purchase a new eV (given that most of the carbon associated with an eV is released when it is being built). Obviously, the better option is that individuals would transition to more sustainable forms of transport (walking, cycling, eScooters etc.) but that approach is only viable if the appropriate infrastructure is built to support the transition. The policy focus which results in effectively maintaining the current number of cars on the road (regardless of their mechanism of power) is incoherent with the broader aim of reducing transport emissions because the emissions associated with eVs are significant – and they are up front, not emissions which are associated with usage of the vehicle. Maintaining a national fleet of such size will involve the release of megatonnes of carbon each year, regardless of how frequently they are used. And it will also divert resources for infrastructure away from modes of transport that are actually low-to-no emissions.

If we are to facilitate this transition to low carbon intensity travel we will need to prioritise the expansion of urban, suburban, and intercity transport infrastructure. This must be accomplished at the earliest opportunity, so that it supports people not needing to use cars. Furthermore, these low-carbon (particularly in the context of a decarbonised electricity system) modes of transport can be integrated into the hundreds of thousands of homes that “Housing for All” is set to deliver. Light-rail and metro projects must be accelerated so that the hundreds of thousands of homes that are to be built in the coming years can be built around them, the alternative is to continue to build homes that are reliant on land-intensive, carbon-intensive vehicles.

Innovation in the energy arena needs to be supported and promoted. Fostering new industries, like Green Hydrogen, will help us reduce our electricity and transport network’s CO₂ emissions, but it will also allow us to create a green ammonia industry that will reduce the farming industry’s emissions by creating a green nitrate fertiliser pipeline. Given our enormous offshore renewable energy resources we have the potential to not only become energy self-sufficient we will also be well positioned to become a net energy exporter, not only guaranteeing our own security of supply, but also aiding our peer nations in their transition to zero carbon. This process has been

stunted as a result of 14 years of hesitation when it came to legislating for an offshore planning regime. While at last legislation regulating this has been enacted, that is only the most prominent problem that has prevented our offshore energy industry from developing. There will be more, and it is vital that every member of the Oireachtas and every State Department and Agency co-ordinates their efforts to ensure that no more hurdles emerge.

Our electricity sector requires large scale deployment of enabling infrastructure including offshore wind and grid upgrades to deliver ambitious carbon emission reductions. Chambers Ireland has concerns that current plans and infrastructure programmes may not be capable of maximising our renewable energy generation potential.

The energy modelling shown in the Climate Change Advisory Council technical report highlights that a gradual, linear transition pathway is technically unrealistic. Our progress will not be incremental, it will occur in step changes which can only be initiated by State investment. The programme of action to support the Carbon transition must be ambitious and will not be accomplished through minor efforts at incentivisation through the price mechanism. Government must be bold in its ambition and its plans.

Given that high-cost energy has been a continuous burden for Irish businesses, and given the enormous price inflation that is currently affecting business and households, and given the persistent geopolitical risk we, and Europe more broadly, experiences a result of our dependence on fossil fuels, Chambers Ireland welcomes the analysis of the Electricity Association of Ireland, that Ireland could to become one of the cheapest, and most carbon efficient places to do business in Europe by 2030. However, we believe that the best way to ensure that this outcome occurs is to ensure that we maximise the generative capacity of our renewable energy resources, and couple that with development of a green hydrogen and green ammonia sector that will allow us to

smooth out our electricity supply by storing what is now curtailed. Our national ambition must be to become net energy exporters. Having a surplus of energy in storage is the best way to ensure security of supply.