













Chambers Ireland's Submission to the Department of the Environment, Climate and Communications' Public Consultation on Ireland's Current Long-Term Strategy for Greenhouse Gas Emissions Reductions

**July 2023** 

## **About Chambers Ireland**

Chambers Ireland is an all-island business organisation with a unique geographical reach. Our 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.

Our Network has pledged to advocate for and support the advancement of the United Nations Sustainable Development Goals (SDGs) and, in 2023, we were appointed to be an SDG Champion as part of the 2023-2024 SDG Champions Programme. Accordingly, 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), gender equality (SDG 5), industry, innovation and infrastructure (SDG 9) and climate action (SDG 13).<sup>1</sup>

In the context of the current consultation, which relates to our long-term strategy for reducing greenhouse gas emissions and the ultimate goal of becoming climate neutral by 2050, climate action is the most relevant sustainable development goal. However, the proposed strategy also impacts across all of our economy, as being a clean energy economy will have an enormous effect on our capacity to support decent work and economic growth (SDG 8), affordable and clean energy (SDG 7), and the effective delivery of a suite of policies that are of vital interest to our industry, innovation, and infrastructure (SDG 9) opportunities. It is for these reasons that we are submitting a response to this consultation.

<sup>&</sup>lt;sup>1</sup>The Chambers Ireland SDGs. Available at: https://chambers.ie/sustainable-development-goals/



## **Key Points**

- It is likely that Ireland will fail to reach our target of a 51% reduction in greenhouse gas emissions by 2030 given our current trajectory.
- The delay in the publication of the strategy, after the original consultation was in 2019, speaks to a lack of urgency at the national level.
- Ireland doesn't simply have a responsibility to act on climate action, we have an enormous
  opportunity, the draft strategy touches on the potential economic opportunities of energy
  security but does not go far enough in delivering on our energy potential and how this could
  transform our domestic economy.
- Our long-term Security of Supply will require a combination of renewables and hydrogen storage, and significant grid development and reinforcement. The main barriers to delivery of this are institutional and regulatory.
- We need a planning system that is effectively resourced and empowered to deliver on
  essential infrastructure projects as efficiently as possible. In order to do this, we need to
  strengthen and resource the planning professionals in local and national authorities and
  improve the decision-making capacity within these agencies.
- A long-term strategy needs to be adaptable, and delivery focused, it should promote the
  adoption of new approaches and technologies as they become avaiable. Taking an overly
  cautious approach will not yield the results we need in the short term and this will have a
  detrimental impact on our longer term goals.
- The consequences of inaction surrounding our CO2 emissions policies are just as damaging to our environment as actions that actively pollute.
- Few state bodies are considering the opportunity cost for the State in underinvesting in supporting infrastructure.
- At present, there is a high-level desire to create an energy system that is perfect, and that is leading to extremely delayed decision making that is holding us back when there is an overriding public interest in actually delivering what is needed on the ground now.



## **Chambers Ireland's Perspective**

Chambers Ireland welcomes the open consultative process and the broad engagement with stakeholders on Ireland's current long-term strategy for greenhouse gas emissions reductions.

In 2019, Chambers Ireland submitted a response <sup>2</sup> to the original open consultation on the same topic. It is disappointing that three and a half years have now passed since that consultation process was drawn to a close and only recently have we seen a coordinated response with the publication of the strategy. A long-term focus on reaching climate neutrality by 2050 requires coordinated action and a clear roadmap for all stakeholders across both the public and private sectors. We stressed the importance of taking urgent action in that original consultation and we highlighted the importance of energy security, energy efficiency, climate adaptation and how businesses can incorporate a more "circular" approach in their operations as key drivers in reducing our national greenhouse gas emissions.

Although the context of our original submission has now changed, the content is still relevant to the challenges we face. We have been set the goal to reduce the extent of further global warming by pursuing and achieving "by no later than the end of the year 2050, the transition to a climate resilient, biodiversity rich, environmentally sustainable and climate neutral economy". The interim goal of achieving a 51% reduction in greenhouse gas emissions by 2030 compared to 2018 levels also sets a clear parameter for the actions we need to take and the level of activity that needs to be implemented if we are to meet these targets and achieve meaningful results. In 2021, Ireland had one of the highest rates in the EU of greenhouse gas emissions per capita, with agriculture making up the largest share per sector and representing 37.5% of total emissions. Our transport and energy industries are the second and third largest contributors respectively.

The Environmental Protection Agency recently projected<sup>3</sup> that Ireland will achieve a reduction of 29% in greenhouse gas emissions by 2030, compared with the target of 51%. This is not good enough and highlights the failure of government to implement this strategy in a timely and

<sup>&</sup>lt;sup>2</sup> Chambers Ireland Submission on Long Term Strategy on Greenhouse Gas Emissions – December 2019 - Link

<sup>&</sup>lt;sup>3</sup> Ireland projected to fall well short of climate targets – Environmental Protection Agency (1 June 2023) - <u>Link</u>



effective manner. We urgently need a roadmap for the long-term reduction in greenhouse gas emissions and it is very disappointing that the publication of this strategy has taken so long in the context of a rapidly deteriorating climate crisis. Stakeholders need to be held accountable and a long-term strategy will set out the roadmap to ensuring this accountability across all levels of society and sectors of the economy.

## **Questions for Consideration**

1. Following on from the 2019 consultation, is there anything new or incremental you think should be included in Ireland's Long-term Strategy?

Reaching net zero emissions has a number of benefits for society, the environment and the economy. In our 2019 submission, we emphasised the potential of energy security to increase the competitiveness of our economy and highlighted demographic pressures, increased levels of economic activity, and potential political risks as reasons to accelerate the transition to a domestic energy market derived from renewable sources. These factors are now more relevant than ever.

The draft strategy touches on the potential economic opportunities of energy security but does not go far enough in delivering on our energy potential and how this could transform our domestic economy. Ireland doesn't simply have a responsibility to act on climate action, we have an enormous opportunity, and one which will be felt most strongly in regional areas. The acceleration of our green energy transition will secure the supply of energy for our cities and will enliven our regional economies.

We strongly believe that Ireland is in a unique position to benefit from the Green Transition and the shift to renewable energy. Given our extensive Exclusive Economic Area, our sea territory offers us access to enormous volumes of renewable energy. It is however variable which suggests that projects that would link us to the EU grid will be limited in their utility – not least because much of that grid infrastructure will not be needed except for during peak periods. Therefore, the potential to use Green Hydrogen to store this renewably derived energy will be key to smoothing



out our energy supply and demand curves. Fixing this energy in chemistry offers us a way to commercialise our energy potential and will also allow us to smooth out our electricity supply to suit our highly variable daily demand curve, and annual supply curve.

Ireland has an enormous opportunity to become a key part of European energy networks through the supply of compressed Hydrogen and Green Ammonia to that market and the creation of more High Voltage Direct Current connections to the European and GB grids. Our long-term Security of Supply will require a combination of renewables and hydrogen storage and significant grid development and reinforcement. The main barriers to delivery of this are institutional and regulatory.

Principally among these barriers is the lack of organisational capacity within the planning system to push through renewable energy projects at the rate in which we need to meet our climate goals. Decisions take too long to be made and without the right decision-making capacity in place, this results in huge backlogs and delays. Waiting times are untenable and are having a detrimental impact on a number of crucial infrastructure projects across housing, transport, and our energy system. We need a planning system that is effectively resourced and empowered to deliver on these essential projects as efficiently as possible. We need to strengthen and resource the planning professionals in local and national authorities. Resources need to be directed not only at improving efficiencies in dealing with planning applications, but also ensuring that effective, engaged public consultation is being supported at the earliest stage in the process. Within planning institutions decisions need to be taken by multidisciplinary teams which are staffed by people with appropriate expertise so that the decisions that are made are capable of withstanding the court scrutiny that they will inevitably incur. Should objections and disputes regarding infrastructure developments arise, we need the urgent establishment and resourcing of the Planning and Environment Court to ensure that there is a dedicated resource that can hear these challenges in a timely fashion.

We urgently need to upgrade our state decision making apparatus to ensure that we can deliver these enormous projects. In the short run to 2030 we need to take a maximalist approach to integrating new sources of renewable energy into our electricity and gas systems. Every watt



that we use that is not coming from an off-island or fossil fuel source will make us more secure. If we can increase the scope and scale of our ambitions surrounding green energy, then we will be on track for reaching our longer term climate targets.

2. Does the current long-term strategy identify realistic emission reduction pathways beyond 2030, or are there alternative or complementary pathways worthy of further consideration?

The issue with drafting a long-term strategy for reducing greenhouse gas emissions, which goes beyond 2030, is the uncertainty involved in forecasting for future trends or potential scenarios. New technologies, global trends, the revision or upgrading of climate targets over time, and unforeseeable issues that impact particular sectors e.g. the Russian invasion of Ukraine, all have the potential to either accelerate our progress in reducing our greenhouse gas emissions or challenge the scope of our ambitions. A long-term strategy needs to be adaptable and should promote the adoption of new approaches and technologies as required.

In our recent submission regarding the Offshore Renewable Energy Development Plan II (OREDP II)<sup>4</sup>, we cautioned about the lack of inbuilt flexibility in the plan to account for emerging and dynamic technologies that are being developed in the space of renewable energy. When we consider that Ireland must achieve near zero emissions from 2035 if we are to meet the goal of becoming climate neutral by 2050, the transition towards a net-zero power system is critical to Ireland's future and requires a clear policy and regulatory framework. The open adoption of emerging technologies and significant investment in research and innovation should be happening now. Taking an overly cautious approach will not yield the results we need in the short term and this will have a detrimental impact on our longer term goals. Achieving net-zero emissions requires us to increase the use of renewable energy, implement ancillary services, and decarbonise thermal power.

<sup>&</sup>lt;sup>4</sup> Submission by Chambers Ireland to the Department of the Environment, Climate and Communications regarding the Offshore Renewable Energy Development Plan II (OREDP II) - April 2023 - Link



3. Noting that the transition to climate neutrality requires systemic change and that it is critical to consider the factors that may contribute to or hinder progress of such a transition, are there enabling conditions to support the transition that you think require greater focus, if so, what are they?

As mentioned above, the economic potential of Ireland's renewable energy transition has the potential to drive investment in our economy and build our status at a European level as a producer of clean energy. This opportunity should not be undervalued and should be expanded upon in the long-term greenhouse gas emissions reduction strategy, as the Irish economy in 2050 could be radically transformed and look very different to how it looks today.

Similarly, rectifying the issues within the planning system would be a positive enabler that would improve conditions for achieving our long-term climate goals and transition to climate neutrality. Upskilling and resourcing our planning agencies across all levels, along with the implementation of the Environment and Planning Court, will be important steps in the right direction that will streamline the decision-making process and mitigate against the current delays that are having a detrimental impact on the progress of vital national infrastructure that is integral to our climate action ambitions.

4. Are there any other comments or observations that you wish to make regarding Ireland's Long-term Strategy?

Across successive Governments, the State's response to greenhouse gas emissions, and the climate crisis in general, has been characterised by inactivity. The consequences of inaction surrounding our CO2 emissions policies is just as damaging to our environment as actions that actively pollute. As mentioned above, it is disappointing that it has taken over three years from the original consultation on a strategy for the long-term reduction in our greenhouse gas emissions to result in the realisation of a published strategy. This is vital time that has been lost



without a coordinated and unified approach being in place to help guide the public and private transition to net zero.

Over this time, our climate ambitions have accelerated and been subject to revised targets and enhanced requirements. Chambers Ireland would question whether we have the institutional capacity to deliver the more moderate targets from 2019, let alone the expanded ambitions which we have now committed to. Furthermore, without this roadmap being in place to 2050, there are many institutions and agencies that are very focused on 2030 targets and are not integrating the even tougher challenges of the 2030s into their current plans, even though it would be better to be a year or two behind on our 2030 targets if those projects facilitated meeting our 2040 targets. This shortsightedness could prove to be detrimental in the long-run.

For example, some state entities, such as the Commission for the Regulation of Utilities, have a risk averse approach regarding infrastructure that will facilitate a reduction in emissions. They weigh the risk of stranded assets too highly relative to the risks in relation to climate change, the risks to our energy supply, the risks associated with higher energy costs, and disregard the opportunity costs of not taking action in their entirety. Our institutions and agencies have been slow to adapt to the changing political and environmental landscape. A case in point is EirGrid's selection of a relatively conservative programme in their "Shaping our Electricity Future" vision for the Irish grid, the Chambers Ireland preference was to support the "Technology Led" approach which would maximise capacity on the Grid, whereas the compromise pathway that was settled has already had to be reviewed and will be challenged as we approach our 2030 targets.

Overall, without a strategic plan in place and leadership being demonstrated from the highest levels of government, there are few bodies that are considering the opportunity cost for the state in underinvesting in supporting infrastructure. The EU's RePowerEU instrument has been introduced to strengthen Europe's energy security and, more specifically, the "overriding public interest" clause could be of huge benefit to Ireland in loosening the planning constraints placed on climate action permitting. This represents an opportunity that should be maximised to fast-track grid upgrades and the construction of renewable generation projects that are needed to



make our electricity networks more resilient and effective. At present, there is a high-level desire to create an energy system that is perfect, and that is leading to extremely delayed decision making that is holding us back when there is an overriding public interest in actually delivering what is needed on the ground now.