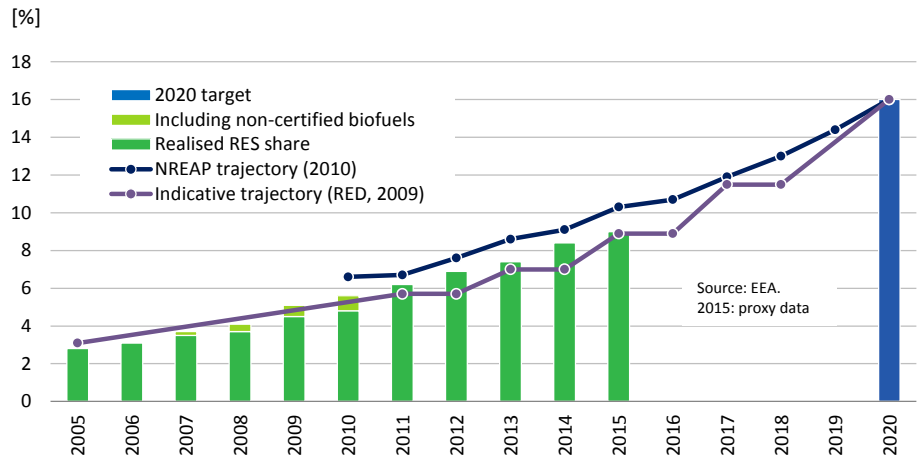
Ireland

Renewable Energy Policy Factsheet

September 2017

Summary

With Ireland's current 'trajectory' of renewable energy growth, it is likely to slightly fall short of its 2020 nationally binding renewable energy target. Ireland initiated a 'moratorium' on its REFIT (Renewable Energy Feed-in Tariff) support scheme in December 2015, with the aim of introducing a revised scheme in 2017 in line with market developments. Grants and tax relief remain in place for renewable heat promotion. An Offshore Renewable Energy Development Plan (OREDP) was introduced in 2014, which sets out Government policy in relation to the sustainable development of Ireland's abundant offshore renewable energy resource.

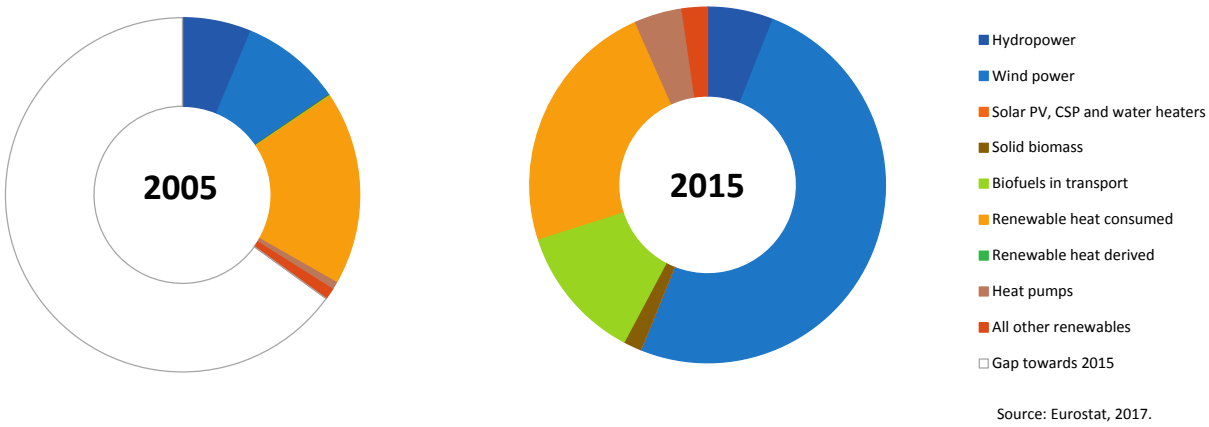


Abbreviations used:

RES: renewable energy sources
RES-E: renewable electricity
RES-H/C: renewable heating/cooling
RES-T: renewable transport fuels

Data for 2015

Overall RES share:	9.2%	Avoided fossil fuels:	1.7 [Mtoe]
Overall RES 2020 target:	16.0%	Avoided fuel expenses:	0.6 [billion euro]
Share RES-E in electricity:	25.2%	RES Turnover:	665 [MEUR]
Share RES-T in transport:	6.5%	RES Employment:	4700 [jobs]
Share RES-H/C in heating:	6.4%		



Source: Eurostat, 2017.

	2005	2015		
	Energy	Energy	Employment	Turnover
Hydropower	65.4 ktoe	62.3 ktoe	200 Jobs	1 MEUR
Wind power	95.5 ktoe	521.3 ktoe	2500 Jobs	410 MEUR
Solar PV, CSP and water heaters	0.0 ktoe	0.1 ktoe	300 Jobs	21 MEUR
Solid biomass	0.7 ktoe	16.9 ktoe	600 Jobs	60 MEUR
Biofuels in transport	1.1 ktoe	128.1 ktoe	400 Jobs	120 MEUR
Renewable heat consumed	182.9 ktoe	241.7 ktoe		
Renewable heat derived	0.0 ktoe	0.0 ktoe		
Heat pumps	7.2 ktoe	45.2 ktoe	300 Jobs	30 MEUR
All other renewables	10.5 ktoe	24.0 ktoe	400 Jobs	23 MEUR
Gap towards 2015	676.2 ktoe			

Source: Eurostat, EurObserv'ER, 2017.

Hydropower jobs & turnover only covers 'small hydropower'. PV=Photovoltaics, CSP=Concentrated Solar Power. Biofuels in transport only covers compliant fuels (employment and turnover additionally cover the non-compliant biofuels). Derived heat includes heat produced in main activity producer plants and heat sold produced in autoproducer plants. Its counterpart is the final heat consumption in the final consumption sectors (such as households).

CURRENT RENEWABLE ENERGY POLICY

The Irish government published in May 2012 a Renewable Energy Strategy which reinforces the commitment to renewable energy in line with the 2009 Renewable Energy Directive , and which sets out concrete actions to develop renewable energy in the domestic market and for export. Additionally, the Offshore Renewable Energy Development Plan (OREDP), adopted in 2014, identifies opportunities for the sustainable development of Ireland's abundant offshore renewable energy resources for increasing indigenous production of renewable electricity. The OREDP sets out key principles, policy actions and enablers for delivery of Ireland's significant potential in this area. In this way, the OREDP provides a framework for the sustainable development of Ireland's offshore renewable energy resources. Among others, the OREDP sets to create capital grants for development and demonstration ocean projects, which are foreseen to be available until end of 2017.

OVERVIEW OF MAIN SUPPORTING POLICIES

The REFIT (Renewable Energy Feed-in Tariff) schemes closed for new applications on 31 December 2015. At present, there is no support available for the production of electricity from renewable energy sources. However, in parallel with the market developments, the Irish government is working on developing a new support scheme for renewable electricity to be available from 2017. A key component of this process will be stakeholder engagement, where the new scheme will be subject to the new rules on public support for projects in the field of energy, adopted by the European Commission in 2014, which seek to promote a gradual move to market-based support for renewable energy. Renewable energy sources for heating purposes are promoted through a grant and a tax return. Renewable energy use in transport is supported through a quota system. In addition, subsidy and tax mechanisms are provided for the purchase of electric and (plug-in) hybrid electric vehicles, though this is not directly linked to the renewable electricity promotion.

Table 1: Overview of support schemes to promote renewable energy in Malta

	REGULATORY POLICIES					FISCAL INCENTIVE AND PUBLIC FINANCES			
	Feed-in premium[1]	tendering	Quota obligation without certificates system	Tendering	Net-metering/ net-billing	Capital subsidy, grants	Tax regulation mechanism	Other	Loans
RES-E									
- Offshore wind	o								
- Onshore wind									
- Solar									
- Hydro									
- Geothermal									
- Solid biomass									
- Biogas									
RES-H/C									
- Solar thermal						o	o		
- Geothermal							o		
- Biomass									
- Biogas									
- Large ambient heat application									
- Small scale installations, e.g. solar thermal collects, heat pumps, biomass boilers and pellet stoves									
- Others, i.e. aerothermal, hydrothermal							o		
RES-T									
- Biofuels			o						

Sources: EurObserv'ER, GSR/REN21, RES-Legal Europe (2017)

[1] The Renewable Energy Feed-in Tariff (REFIT) schemes supported various renewable electricity generation technologies until 31 December 2015, and is currently not open for new projects.

Table 2: Brief description of key policy instruments aimed at promoting RES in Ireland

Instrument	*Description*
Renewable Energy Feed-in Tariff (REFIT)	The REFIT scheme in Ireland is split into two programmes: REFIT 2 and REFIT 3. The REFIT 2 programme was opened in March 2012 and covers small and large scale onshore wind, biomass landfill gas and small hydropower (≤ 5MW). REFIT 3 programme opened in February 2012 and supports anaerobic digestion, biomass with CHP and biomass combustion and co-firing. The REFIT 2 and REFIT 3 competitions are separate schemes with separate terms and conditions in respect to each scheme. Both schemes were closed to new applications on 31t December 2015. REFIT capacity cap is 4,000MW and REFIT 3 has an overall limit of 310 MW, differentiated by technology (anaerobic digestion, biomass CHP and biomass CHP and biomass combustion (including co-firing with peat)). Projects benefiting from REFIT programmes must be operational by 2017.
Better Energy Homes Scheme	Homeowners of dwellings built before 2006 can apply for a € 1,200 grant aid for the installation of a solar thermal installation
Biofuels obligation scheme	This scheme obliges suppliers of fuels to ensure that biofuels make up to a defined percentage of the company's total annual sale of fuel. Fuel suppliers receive one certificate for each litre of biofuel placed on the market. Two certificates are issued if the biofuel is produced from materials such as biodegradable waste, residue, non-food cellulosic material, ligno-cellulosic material or algae. Certificates are issued for biofuels that have been demonstrated to have complied with the sustainability criteria of the Directive. Biofuels must not be made from feedstocks sourced from certain categories of land, and must achieve certain greenhouse gas emissions reductions.
Grants for electrical vehicles	SEAI offers grants up to €5,000 (€3,800 for commercial purpose) for the purchase of a Battery Electric Vehicle (BEV) or a Plug-in Hybrid Electric Vehicle (PHEV) purchased and registered in Ireland. The grants are accessed directly by the car dealer. Additionally, both types of cars are eligible for Vehicle Registration Tax relief.

For further information:

Member State Progress Report, available at the Renewable Energy pages of the European Commission, https://ec.europa.eu/energy/en/topics/renewable-energy/progress-reports

EurObserv'ER 16th annual overview barometer, https://www.eurobserv-er.org/category/all-annual-overview-barometers

International Energy Agency (IEA) database on policies and measures , https://www.iea.org/policiesandmeasures/renewableenergy/?country=Ireland

RES Legal database: http://www.res-legal.eu/search-by-country/ireland

Global Status Report by REN21, http://www.ren21.net/gsr-2017

What is meant by …?

Auctions for granting renewable energy support	An auction is a process of granting production or investment support to renewable energy projects based on the lowest bids by eligible project developers.
Feed-in tariff (FiT)	A support scheme which provides for a technology-specific remuneration per unit of renewable energy payable to eligible renewable energy producers. A proper, periodic review of FiT rates is often undertaken with the aim to prevent both too high FiTs so as to minimise regulatory rents, i.e. supra-normal returns and too low FiTs to preclude below-target market uptake because of FiT levels that are perceived by market participants to be less attractive. In addition, feed-in tariffs often include "tariff degression", a mechanism according to which the price (or tariff) ratchets down over time.
Feed-in premium (FiP)	A scheme which provides for a support level per unit of renewable energy to eligible renewable energy producers, typically for a period of 10-20 years, at a pre-set fixed or floating rate. The premium is typically adjusted periodically to exactly offset change in the average energy wholesale market price, based on a pre-specified benchmark market price. A floating FiP may move freely or may only be allowed to move within a pre-set interval.
Grants	Grants are non-repayable funds disbursed by one party (grant makers), often a government department, corporation, foundation or trust, to a recipient, often (but not always) a non-profit entity, educational institution, business or an individual. (Source: Wikipedia.org)
Green public procurement	In Green public procurement contracting authorities take environmental issues into account when tendering for goods or services. The goal is to reduce the impact of the procurement on human health and the environment. (Source: Wikipedia.org)
Renewable quota scheme (RQS)	A RQS mandates certain market actors (typically retail suppliers or large energy end-users) to respect a pre-set minimum share or amount of their total energy procurements from renewable sources of energy. Typically a tradable green certificate (TGC) scheme is operated to enable the obligated parties to prove their compliance with the prevailing renewable quota target by means of TGCs.
Sliding feed-in-tariff	A FiT scheme which pre-sets technology-specific declining feed-in tariffs for certain prospective vintages in line with the technology-specific learning curve, as projected by the National Regulatory Agency (NRA). Often a degression rate is used indicating the %/annum decrease in the rate level.
Soft loans	Loans at concessional (below market-based) terms, for example at sub-market-conform interest rates, made available in several Member States to stimulate certain renewable energy technologies.
Tax credits	These are amounts a tax paying entity is allowed to deduct when declaring payable taxes, for example company tax or income tax, to the tax authorities , for example the producer tax credits (PTCs) used in the United States to stimulate among others wind energy deployment.

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