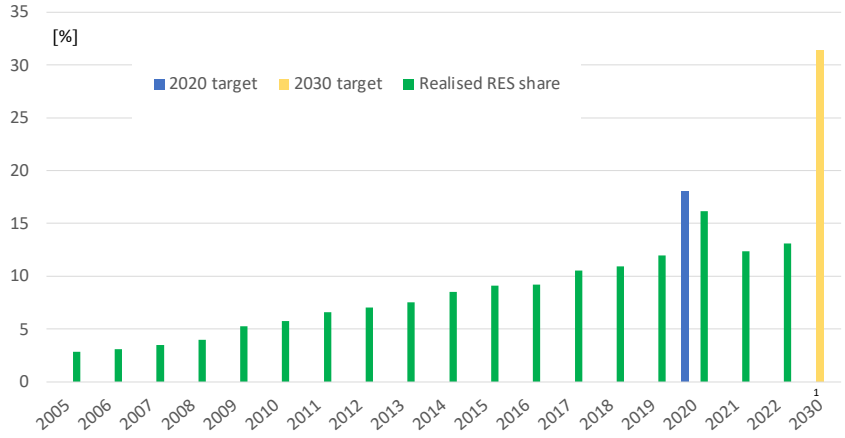
Renewable Energy Policy Factsheet

June 2024

Ireland

Renewable energy status

Share of energy from renewable sources in total gross final energy consumption



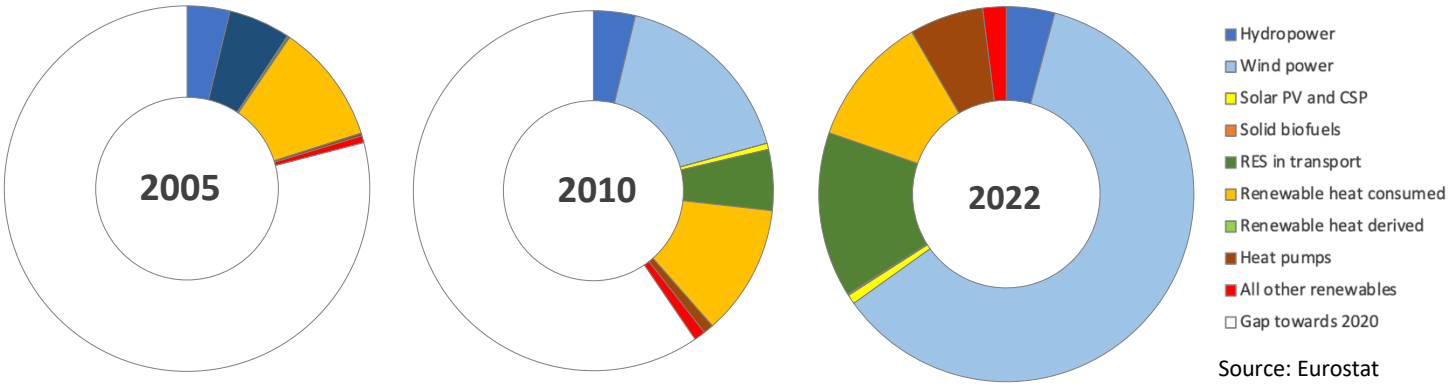
Source: Eurostat

Abbreviations used:

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

Data for 2022

Overall RES share:	13.1%	Avoided fossil fuels:	2.3 [Mtoe]
Overall RES 2020 target:	16.0%	Avoided fuel expenses:	1 907 [MEUR]
Overall RES 2030 target:	31.4%	RES Turnover:	1 070 [MEUR]
Share RES-E in electricity:	36.8%	RES Employment:	7 600 [jobs]
Share RES-T in transport:	5.5%	RES imports[2]:	89 [MEUR]
Share RES-H/C in heating:	6.3%	RES exports[2]:	18 [MEUR]



Source: Eurostat

	2005	2010	2022		
	Energy in ktoe	Energy in ktoe	Energy in ktoe	Employment in FTE	Turnover in MEUR
Hydropower	65.4	64.8	66	100	10
Wind power	94.6	293.4	959	2 800	480
Solar PV. and CSP	0.0	0.0	13	400	50
Solid biomass	0.7	9.4	2	1 600	140
Ren. energy in transport[3]	3.1	94.4	224	600	90
Renew. heat consumed	183.0	202.6	178		
Renew. heat derived	0.0	0.0	0		
Heat pumps	4.2	15.7	100	1 700	240
All other renewables	10.5	17.6	32	400	60

Source: Eurostat, EurObserv'ER

FTE = Full time equivalent, 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 auto-producer plants. Its counterpart is the final heat consumption in the final consumption sectors (such as households).

[1] From Integrated National Energy Climate Plan

[2] Referring to the International Trade chapter from the publication: EurObserv'ER - *The State of Renewable Energy in Europe, 2022 edition*

[3] Employment and turnover are only referring to biofuels in transport.

CURRENT RENEWABLE ENERGY POLICY

RES-E

Ireland provides support for renewable electricity in the framework of the Renewable Electricity Support Scheme (RESS). RESS auctions are held at frequent intervals. The first auction round (RESS 1) in 2020 was a multi-technology auction for solar and onshore wind with a guaranteed supply price for participants successfully submitting an offer price (€/MWh) and an offer quantity (MW capacity) in their auction bid. The second round of auctions (RESS 2) followed the same conditions. It was held in 2022. In total, 80 projects with a total of 1948 MW were successful in the auction. The average strike price was 98 €/MWh. Awarded projects will be delivered between 2023 and 2025. The third round of auctions (RESS 3) was held in 2023 and introduced some minor amendments. For example, the community projects preference category was removed and transitioned to a non-competitive small-scale generation scheme (SSGS). Overall, the key design principles from RESS 1 and RESS 2 have been maintained. In the RESS 3 qualification process, a total of 36 projects applied to participate. In the end 23 projects were successful with a total of 646 MW. The total annual generation from this capacity is expected to be 934 GWh, which is significantly lower than the indicative auction volume of 2000 to 3500 GWh. The weighted average strike price was 100 €/MWh. The projects will deliver renewable electricity generation across 2026 and 2027. Besides, in 2023, the first offshore auction ORESS 1 was held. Six projects applied and four were awarded with a total of 3074 MW. The weighted average strike price was 86 €/MWh. The latest version RESS4 introduced a technology specific maximum for bids and technology evaluation correction factors. The related auction will be held in the second half of 2024.

RES H&C

Ireland has implemented various policies to decarbonize the heat sector, including updated building regulations and incentives for energy efficiency upgrades. The Support Scheme for Renewable Heat encourages the adoption of renewable heat systems in non-domestic settings. Looking ahead, the government plans to introduce a renewable heat obligation by 2024, in line with its commitment to significantly reduce emissions and increase the use of biomethane to 5.7 TWh.

For domestic heat users, investment grants are provided for solar thermal and heat pump systems and a technical assessment before getting a heat pump under the Better Energy Homes scheme. The amount of grants has been increased in February 2022 to €3,500 – €6,500 for heat pump depending on the type of heat pump and dwelling, €200 for the technical assessment, up to €1,200 for solar water heating installation and up to €700 for updated heating controls. Additionally, the new Home Energy Upgrade Loan Scheme provides low-cost loans to homeowners for energy upgrades, supported by a €500 million government-backed fund. Funded investments include investments in insulation, heating controls, heat pumps, solar thermal heat supply, and solar PV electricity supply. In total €500 million of funding are available.

Heat users in the non-domestic sector (commercial, industrial, agricultural, district heating, public sector and other non-domestic heat users) not participating in the EU ETS are eligible for an installation grant of up to 30% of eligible costs for three different types of heat pumps and an ongoing operating grant (tariff) for a boiler or high efficiency combined heat and power (CHP) system using biomass or biogas.

RES-T

The Renewable Transport Fuel Policy 2023-2025 aims to significantly increase renewable energy use in Ireland's transport sector to meet national and EU climate goals. It includes measures such as raising biofuel usage to achieve B12 (12% biodiesel) and E10 (10% ethanol) by 2025, with further targets of B20 and E10 by 2030. The policy promotes transport fuels from renewable sources through a biofuels quota scheme, increasing the obligation to the set quota of 11% by volume. This scheme requires fuel suppliers to ensure biofuels constitute a defined percentage of their total annual fuel sales. Legislative changes under the National Oil Reserves Agency Act and EU regulations will ensure compliance, and the Renewable Transport Fuel Obligation (RTFO) may extend to rail, aviation, and maritime sectors. Supporting measures include increasing the RTFO rate by 4.5 percentage points in 2024 and 4 points in 2025, setting a minimum ethanol content in petrol at 5.5%, and promoting biofuels from specific feedstocks. The policy also introduces an advanced biofuel obligation rate of 0.3% by energy in 2023 and aims to reduce high-ILUC-risk biofuels to 0% by 2030. Additionally, Electric Vehicle (EV) Grants provide financial aid for purchasing EVs and PHEVs, including up to €600 for home charger units, while tax incentives reduce Vehicle Registration Tax (VRT) and Motor Tax based on CO2 emissions. Companies can also apply the Accelerated Capital Allowance (ACA) to offset the cost of EV investments. The policy emphasizes research, inter-agency coordination, and public health and biodiversity considerations.

Table 1: Brief description of key policy instruments aimed at promoting RES in the Ireland

Instrument	*Description*
Renewable Electricity Support Scheme (RESS)	The Renewable Electricity Support Scheme provides support to renewable electricity projects in Ireland. With a primary focus on cost effectiveness, the RESS delivers a broader range of policy objectives, including: • an Enabling Framework for Community Participation through the provision of pathways and supports for communities to participate in renewable energy projects • increasing technology diversity by broadening the renewable electricity technology mix • delivering an ambitious renewable electricity policy to 2030 • increasing energy security, energy sustainability and ensuring the cost effectiveness of energy policy Renewable electricity is a central element of our action on climate disruption as set out in the Programme for Government, the Climate Action Plan 2019, and the National Energy and Climate Plan 2021-2030. The RESS Scheme ensures that we are on a pathway to meet our ambitious climate targets and lays the foundations of a thriving and cost effective renewable electricity market. This will support the growth of the green economy, create sustainable work opportunities, and ultimately benefit the consumer as renewables become more cost effective. RESS auctions are held at frequent intervals throughout the lifetime of the scheme. This allows Ireland to take advantage of falling technology costs and avoid 'locking in' higher costs for consumers. Website: https://www.gov.ie/en/publication/36d8d2-renewable-electricity-support-scheme/
Better Energy Homes Scheme	Homeowners and landlords of dwellings built before 2021 can apply for grants for the installation of a solar thermal installation, solar PV panels, heat pump systems and a technical assessment before getting a heat pump. The amount of grants has been increased in February 2022 to €3,500 – €6,500 for heat pump depending on the type of heat pump and dwelling, €200 for the technical assessment, up to €1,200 for solar water heating installation and up to €700 for updated heating controls. Website: https://www.seai.ie/grants/home-energy-grants/individual-grants/
Support Scheme for Renewable Heat (non-domestic)	The Support Scheme for Renewable Heat is a government funded initiative designed to increase the energy generated from renewable sources in the heat sector. The scheme is open to commercial, industrial, agricultural, district heating, public sector and other non-domestic heat users not covered by the emissions trading system. The scheme provides supports in form of an installation grant and an ongoing operational support (tariff). • Installation grant can be applied for air source, ground source or water source heat pumps with funding of up to 30% of eligible costs. • Ongoing operational support / the tariff provides a tariff based on useable heat output in renewable heating systems for a period of up to 15 years, in new installations or installations that currently use a fossil fuel heating system and convert to using biomass boiler or biomass high efficient (HE) combined heat and power (CHP) heating systems, or biogas (anaerobic digestion) boiler or biogas HE CHP heating systems. Website: https://www.seai.ie/business-and-public-sector/business-grants-and-supports/support-scheme-renewable-heat/
Electric Vehicle Grant	For privately bought EVs, a grant is available for qualifying new battery electric vehicles (BEVs) with a List Price of over €14,000. As of 12th oft July 2024 there is a cap of €60,000 on the full price of all vehicles, including all optional extras, paint and delivery but excluding any incentives such as grants or rebates. The grant amount varies between €1.500 and €3.500 depending on the list price of the vehicle. For commercially bought EVs, grant supports are available for the purchase of new N1 category electric vehicles for business and public entities. N1 category vehicles are typically small goods carrying vans with a technically permissible maximum mass not exceeding 3500kg. Depending on the list price of the vehicle, a grant between €2,000 and €3,800 is available for qualifying N1

	category BEVs with a list price of over €60,000 or less than €14,000. It should be noted that these grants apply to new vehicles only and cannot be claimed on second hand vehicles.Large Panel Vans: Applications can now be made for large panel van which SEAI will classify as N1L. The grant amount for these vehicles is €7,600. The grant will be for new large panel vans (BEV only) with a technically permissible maximum mass of exactly 3500kg (N1 category vehicle). Large Panel Vans with a price, excluding all grants, rebates, incentives and inclusive of all optional extras, delivery charges, metallic paints etc. of €90,000 or less will be eligible for this grant. Accelerated Capital Allowance: Electric Vehicles and electric vehicle charging equipment may qualify for Accelerated Capital Allowances (ACA). Website: https://www.seai.ie/grants/electric-vehicle-grants/grant-amounts/
Electric Vehicle Charging Grant	For home charger (residents or homeowners), a grant up to €300 can be applied for the purchase and installation of an EV home charger unit. The eligible applicants are: • any private owner of an eligible EV bought (new or second hand) after 01/01/2018, or • employees with exclusive permission to use a Company Vehicle for at least 12 months from date of application. Vehicles eligible for the Home Charger grant must be M1 Passenger Vehicles which are either Battery Electric Vehicles (BEV) or Plugin Hybrid Electric Vehicles (PHEV). The vehicles may be new vehicles, second hand vehicles, imported vehicles or company owned or leased passenger vehicles. Website: https://www.seai.ie/grants/electric-vehicle-grants/electric-vehicle-home-charger-grant/
Biofuel quota scheme	The biofuels obligation scheme sets out an obligation that suppliers of road transport fuels must include a certain percentage of environmentally sustainable biofuels across their general fuel mix. The scheme works by ensuring that each supplier fulfils their requirement by having the necessary number of biofuel certificates required. This level of obligation has increased over time from an initial rate of 4%. Now, the rate is 8.695% which means that 8% of the motor fuels, typically diesel and petrol, placed on the Irish market are produced from renewable sources. A second public consultation was held at the end of 2019 on the proposed increase to the biofuel obligation to 11% (by volume). Furthermore, the scheme was extended until 2030. Website: https://www.gov.ie/en/publication/91f03c-biofuels/

For further information:

Government of Ireland, https://www.gov.ie/en/

Government of Ireland, Auctions, https://www.gov.ie/en/publication/36d8d2-renewable-electricity-support-scheme/

National Energy and Climate Plans (NECPs), https://www.gov.ie/en/publication/0015c-irelands-national-energy-climate-plan-2021-2030/

Sustainable Energy Authority of Ireland (SEAI), https://www.seai.ie/

Eirgid, https://www.eirgrid.ie/industry/renewable-electricity-support-scheme-ress#RESS%203

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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