IFA submission made in response to the Consultation on the

Green Paper on Energy Policy in Ireland

issued by the

Department of Communications, Energy and Natural Resources

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Introduction

IFA welcomes the publication of the Green Paper on Energy Policy in Ireland and the opportunity to input into the development of a national energy plan.

Energy policy is a key issue for farm families and rural Ireland. Each year farmers spend over €500m on electricity, gas and other energy types. High energy costs in Ireland are directly impacting on the competitiveness of the agri-food sector which exported almost €10 billion worth of produce in 2013 and must compete with other European and international food producing regions, despite having the fourth most expensive electricity in the EU. In 1999, the CER was established in Ireland to improve the competitiveness of the sector, however since then energy costs have risen by 121%. Energy policy in Ireland has failed to deliver for consumers.

This Green Paper is timely in the context of the many questions that are currently being asked by farmers, rural communities and wider society, including:

- Why has the CER failed to improve the competitiveness of the energy sector?
- What is the need for all the proposed pylons, wind turbines and other infrastructure developments?
- What alternatives to pylons exist?
- Are all alternatives to pylons being genuinely examined?
- Does Ireland require the scale of the electricity infrastructure developments currently being proposed?
- Does the Government have a long-term commitment to address Ireland’s energy security challenge, by supporting the development of an indigenous renewables sector which has a balanced energy mix that includes solar, micro-energy and bioenergy?

The outputs of the Green Paper, subsequent White Paper and overall national policy must provide clarity and certainty for rural communities by providing the same directional path for energy policy as Food Harvest 2020 does for the agri-food sector.

Response to the six themes identified to assist in framing a national energy plan

The Green Paper identifies the following six policy priority areas as being central to the development of Ireland’s future energy path:

Priority 1: Empowering Energy Citizens
Priority 2: Markets and Regulation
Priority 3: Planning & Implementing Essential Energy Infrastructure
Priority 4: Ensuring a balanced and Secure Energy Mix
Priority 5: Putting the Energy System on a Sustainable Pathway
Priority 6: Driving Economic Opportunity
IFA has set out below, proposals and comments for each of these policy priority areas which seeks to take account of improving competiveness in the energy sector and maximises the opportunities for farmers to participate in a vibrant indigenous renewable energy sector.

**Priority 1: Empowering Energy Citizens**

The purpose of Priority 1 as outlined in the *Green Paper* is “to start a discussion on the role that Irish citizens can play,……and what is needed from Government to enable and encourage people to join in this process”, regarding future energy policy.

To-date energy infrastructure has evolved based on developer proposals, with varying degrees of consultation and engagement with farmers and rural communities. This has resulted in a general lack of trust emerging between local communities and energy infrastructure developers.

To empower citizens to engage in the energy debate, Government must provide clear positions on the following:

- What energy types are and are not being considered, to meet Ireland’s future energy needs?
- What is the extent of the energy demand which underpins the need for all the proposed pylons, wind turbines and other infrastructure developments?
- Does Ireland require the scale of the electricity infrastructure developments currently being proposed?
- What alternatives to pylons exist and are all alternatives to pylons genuinely being examined?
- What long-term commitment does Government have to support the development of farm-scale renewable energy production?
- Does the Government have a long-term commitment to support the development of an indigenous land based bio-energy sector?

*IFA propose that the output of the Green Paper must provide a clear directional path for future energy policy by setting out the plans for energy development over the next decade, similar to the Food Harvest 2020 strategy for the agri-food sector. This plan must also identify the Government funding that will be required to meet the targets outlined in a comprehensive energy strategy and a clear commitment to engage with local communities and consider all options, including undergrounding when planning energy infrastructure development.*
Priority 2: Markets and Regulation

Ireland’s independent energy regulator, the Commission for Energy Regulation (CER) is in place since 1999. The CER is tasked with improving the competitiveness of the energy sector. However this role remains undelivered, with energy costs rising by 121% since 1999. Today Ireland has the fourth most expensive electricity in the EU, with prices rising by 5.1% in the second half of 2013 compared with just 2.8% across Europe.

Ireland’s agri-food sector is predominately export orientated, producing almost €10 billion worth of exports in 2013. The sector must compete with regions across Europe and internationally where input costs, such as energy, are lower.

IFA propose that a comprehensive review of the role of the Commission for Energy Regulation must be completed. This review must align the functions of the CER with national growth and development strategies such as Food Harvest 2020 and Action Plan for Jobs, in an effort to restore Ireland’s energy competitiveness. The revised mandate of the CER must include a firm commitment to reduce energy costs.

Priority 3: Planning & Implementing Essential Energy Infrastructure

3.1 Revising the Planning Consultation Process

EirGrid, the state-owned company responsible for providing transmission electricity infrastructure in Ireland, uses the Project Development & Consultation Roadmap as a blueprint for the delivery of electricity infrastructure.

This roadmap is in reality a planning consent roadmap rather than a consultation roadmap. There is no reference in the roadmap to either a stakeholder engagement process or mechanisms to introduce changes, if required, to a proposed development following the consultation process.

For farmers the process is fundamentally flawed, in that EirGrid only seek to reach agreement with landowners regarding wayleave and access issues at stage 5 in the process, after a planning application has been submitted to An Bord Pleanála. There is, therefore, limited, if any, scope to change the plans submitted by EirGrid to An Bord Pleanála, at this stage in the planning process.

The absence of consultation with landowners earlier in the planning process demonstrates a clear lack of commitment to the protections provided to landowners under the Code of Practice for Survey, Construction and Maintenance of Overhead Lines in Relation to the Rights of Landowners (Code of Practice). It also supports the belief that a general culture exists in EirGrid regarding project delivery which is strongly influenced by statutory powers and engineering capabilities, and a view that agricultural concerns are not given due consideration in route design and route planning.

1 CSO Consumer Price Index – Annual Series

IFA propose a fundamental review of the electricity infrastructure consultation process. Farmers must be a key stakeholders engaged with when a project is being considered. The terms of the Code of Practice must be adhered to. Landowners’ concerns must be fully addressed during the consultation process.

3.2 Interaction of ESB and EirGrid in infrastructure consultation process

EirGrid currently has responsibility for the planning of electricity infrastructure projects despite the fact that ESB owns the asset, once constructed. EirGrid does not have an established relationship with wider society as it has no interactions with the community in terms of electricity supply nor with farmers in line maintenance or customer supply. It is perceived therefore solely as an organisation that disrupts local communities by planning the construction of pylons, substations and other electricity infrastructure. Its core role as an Independent System Operator is damaged as a result. This has led to a situation where the island of Ireland is threatened with deficiency in infrastructure. This situation creates a particular difficulty during consultations with the IFA organisation whereby the end asset owner, (ESB) is not in a position to negotiate terms with landowners.

IFA believes that, to improve the process of energy infrastructure development, there should be direct engagement between ESB and landowners relating to the development of their asset (electricity infrastructure) on farmers’ land. ESB should be authorised to negotiate directly with landowners. This is especially relevant in the context of ESB’s track record of engaging, listening, modifying and building relationships.

Priority 4: Ensuring a balanced and Secure Energy Mix,
Priority 5: Putting the Energy System on a Sustainable Pathway
Priority 6: Driving Economic Opportunity

Agriculture is Ireland’s largest indigenous productive sector and continues to play an important role in the country’s economic recovery. Food and drink exports in 2013 were almost €10 billion. In addition almost 300,000 people are employed directly and indirectly in the agri-food sector.

The success of the sector is built on an emission efficient system of food production which capitalises on Ireland’s natural resources by ensuring grass is the central part of the livestock diet.

While Government policy must prioritise sustainable food production, it must also, through the development of a national energy plan, support the renewable energy sector and help meet our climate change targets.

IFA has published a number of policy papers in recent years including Ireland’s Land-Base Renewables Strategy and Harnessing Ireland’s Wind Resource for Renewable Energy Production which put forward solutions to meet these challenges by harnessing farmers’ expertise and productive capacity to develop a vibrant renewable energy sector.

The following are some of IFA’s key policy recommendations:

- **Green Energy Unit**: There is a lack of coherence on Government energy policy and delivery among the relevant Government Departments and state agencies. Government must commit to the establishment of a dedicated Renewable Energy Unit, which co-ordinates the activities of Government Departments, state agencies and stakeholders that have overall responsibility
for the delivery of Ireland’s renewable energy objectives. This Unit must be established from existing resources and expertise.

- **National Renewable Energy Roadmap:** Communities deserve clarity regarding renewable energy developments in their locality. Therefore Government must publish a coherent renewable energy roadmap which sets out how wind energy, solar energy, bioenergy and other renewables will evolve and develop in Ireland.

This must be supported by the publication of the national Bioenergy Plan announced in July 2014 and include a long-term Government commitments which provides a clear pathway for the development of an indigenous bioenergy industry. This must include Government commitment to investing in the development of a market for bioenergy output from the primary agriculture sector. Farmers need certainty in Government policy to undertake costly investments and diversify into bioenergy production.

It must also include realistic renewable energy feed in tariffs (REFIT) to support the development of farm scale developments and on obligation on public bodies to purchase Irish produced energy sources, where feasible.

- **Transparency in Electricity Pricing:** Renewable energy is often incorrectly identified as a key reason for higher electricity bills, due to the public service obligation (PSO) levy paid by electricity consumers. In fact, over two thirds of the PSO levy is paid to support fossil fuel powered electricity production. This point would be better understood if the PSO levy cost was split out between the various energy forms (renewable energy, peat and other fossil fuel).

- **County Wind & Bioenergy Development Plans:** Wind and bioenergy development and planning across Ireland is haphazard. Local authorities often lack guidance regarding best practice which can cause frustration for local communities. The Department of Environment, Community and Local Government should issue clear guidance to all local authorities requiring the development of renewable energy plans in each county. This will facilitate consistency of approach in the preparation of these plans while assisting local authorities to develop co-ordinated strategies which comply with national and European obligations.

- **Improved Grid Access:** The total period from application to full firm grid access can take up to 20 years. The lengthy and open-ended timeframe operated by the CER can directly impact on the viability of energy projects. A three year time limit on grid connection should be introduced from time of application, for projects that have received planning permission.

- **Legislate for distance from sensitive properties, including houses - for wind projects:** There are currently no specific conditions in legislation covering the distance that a wind turbine should be sited from sensitive properties, including houses. This omission is a cause of considerable concern for rural communities. The current Sustainable Energy Authority of Ireland study which was commissioned by the Department of Communications, Energy and Natural Resources to address this issue must be completed urgently. In its absence the 500m setback distance from all sensitive properties including houses, which is referred to in the
Department of Environment wind planning guidelines, must be applied to all current wind energy proposals.

- **Micro-Energy**: Each year Ireland spends €6.5 billion on energy imports. However farm scale micro-energy production in Ireland is in decline, despite the significant potential to offset fossil fuel use and reduce greenhouse gas emissions. Wind, solar and hydro energy are all forms of micro energy which can be installed at farm level to address the many environmental challenges and provide a reasonable return on investment for farmers. To maximise the on-farm micro-energy opportunity the definition of micro-energy needs to be increased to achieve viable scale at individual enterprise level, the REFIT tariff must be brought in line with other European countries and a stimulus package must be introduced. Existing REFIT tariffs and the number of years that the tariffs are available remain inadequate to support the long-term development of a vibrant micro-energy sector in Ireland.

- **Forestry**: The forestry sector has a central role to play in achieving Ireland’s climate change and renewable energy targets. However, the cuts in forestry premium and erosion of its real value through taxation increases in the past number of years have led to a reduction in the area planted. IFA proposes that, in order to increase forestry planting area to the 15,000ha annual target, there must be an increase of 15% on the existing forestry premium in Budget 2015. In addition, premium funding must be made available over a 20 year period.