Opening Statement to the Joint Oireachtas Committee on Housing, Local Government and Heritage on

Planning Regulations for Solar Farms

Bill O'Keeffe, IFA Farm Business Chair

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Chairman and Committee Members, I would like to thank you for inviting the IFA to address you today on this very important issue for farmers. I am joined here Robert Malone, IFA Senior Policy Executive.

Introduction

Solar energy generation has evolved rapidly over the past 10 years. The cost of solar energy generation, both from solar farms and roof top solar has reduced significantly over the past decade due to increasingly efficiency in the production of photovoltaic solar panels, the majority of which are now produced in China.

The cost of installing solar panels has reduced while the energy generation ability of these panels has improved over the past ten years, to the point where energy generation from solar, and onshore wind turbines, are now the most cost-effective form of energy generation In Ireland today.

Energy generation from solar, both large scale solar farms and farm/residential roof-top solar that feed excess energy back into the grid, fits well with energy generation from wind turbines in Ireland given that peak solar generation is in the summer months while wind energy generation is higher in winter months.

This reduced overall cost, along the need for Ireland to reduce emissions from the energy production sector, has driven the development of solar energy installations in Ireland.

Solar generation capacity has grown rapidly, from a standing start just a few years ago to a total of around 1.7 Gigawatts (GW) in 2024 with a target of 8GW from solar energy by 2030 under the Irish Government's Climate Action Plan.

This is equivalent to roughly 16,000 hectares of solar farms if all of the 8GW were achieved exclusively via larger-scale solar farms. In reality, much of this can be delivered from roof top and smaller-scale solar developments. Nevertheless, if the 8GW target is to be achieved by 2030, significant additional land area will be required.

With this reality driving increased investment in solar energy generation, these is a need for delivery on the Programme for Government's commitment to develop ***planning guidelines for solar development*** in Ireland.

Types of Solar Development

Roof-top solar is a cost-efficient method of generating low-emission energy within Ireland. Roof-top solar panels are now a common sight on many commercial buildings, and increasingly so on many farm buildings.

Roof top solar systems are cost efficient and allow farmers to invest in renewable energy that will typically have a payback period 4-7 years. They can also avail of grant funding through the Targeted Agricultural Modernisation Scheme (TAMS) and Accelerated Capital Allowances, where eligible.

Farm solar systems are designed and installed to meet average on-farm energy usage. However, there is also the ability for excess energy to be stored in battery systems and used when required or exported back to the grid.

IFA is fully supportive of roof-top solar production and has a commercial interest in assisting farmers in installation through the joint venture of our Member Services division with Bord Gáis.

Farms and industrial premises can install up to 300m² of roof-top solar panels per building without planning permission. From an agricultural point, this size generally accommodates almost all roof-top solar installations on farms today. The majority of residential roof-top solar installations also do not require planning permission.

Further promotion of roof-top solar is needed if Ireland is to reach emission reduction targets in the energy sector by 2030. There is currently grant funding available to farmers through the Targeted Agricultural Modernisation Scheme (TAMS), with up to 60% grant funding available. However, there are real fears that the funding provided to support TAMS roof-top solar will not be sufficient to meet future demand from farmers seeking to install roof-top solar energy systems. Accordingly, IFA is seeking a dedicated renewable energy grant scheme, separate from TAMS, with funding provided from the €3 billion Climate and Nature Fund for on-farm renewable investments, including roof-top solar.

Solar Farms

While roof-top solar is universally supported by farmers and local communities, there are concerns and a level of opposition in certain areas around the development of utility scale solar farms, which are increasing in size up to hundreds of acres of land in some cases.

The main concern among some farmers is the loss of productive agricultural land to solar farms. Many developments of large-scale solar farms have taken place on some of Ireland's most productive land.

Farmland, especially good quality farmland, is an emotive asset among farmers, and the removal of good agricultural land, taken out of food production does not sit well with some farmers. Either way, it is imperative that proper planning guidelines are put in place that take account of the concerns of farmers, but also allow for the on-going development of solar energy facilities, where deemed appropriate.

Policy and planning in other agricultural countries

Some countries with comparable agricultural food production systems to Ireland, have placed certain restrictions on granting planning permission to large scale solar farms.

The United Kingdom (UK) has a grading system for agricultural land ranging from Grade 1 (excellent quality) to Grade 5 (very poor quality).

The National Planning Policy Framework (NPPF) sets out that the economic benefits of Best and Most Versatile Agricultural Land (BMVAL) should be recognised in planning applications for solar developments.

Based on the agricultural land classification (ALC) scheme, BMVAL is excellent to good quality land in grades 1, 2, and 3a.

Where significant development of agricultural land is involved, poorer quality land should be used in preference. The availability of land used for food production should be considered alongside other considerations when deciding what sites are most appropriate for development.

Other comparable agriculture-based countries also have planning restrictions on the development of solar farms . Since 2024, France requires that any solar installations on agricultural land guarantee a loss of agricultural production of less than 10% and must not cover more than 40% of the farmland.

Italy also promotes the development of agri-voltaic solar installations where agricultural production can continue in tandem with the solar installation.

On the other hand, Germany has introduced solar-priority zones and provide incentives to convert farmland into solar farms.

Grid Capacity

Utility-scale solar farms are generally located where grid connection and capacity are available. This is usually in areas close to the larger population areas such as the Dublin commuter belt regions of North County Dublin, Counties Meath, Kildare and Carlow. Large-scale solar development has also taken place in County Cork and many more are in the planning phase.

Solar developments in these more densely populated regions will therefore have a greater effect on local communities and are likely to lead to greater community opposition. Planning guidelines must recognise the deficits in the national electricity grid infrastructure. Solar farm developments should not be given planning permission in sub-optimal locations simply because there is sufficient electricity grid capacity in the location.

There must be greater investment in the grid infrastructure by EirGrid to allow further solar farm developments to be located in the most suitable area that minimise the impact on local communities, local agriculture and the environment.

Farmer and Community Consultation in Solar Farm Planning

Planning guidelines for solar farm developments should take account of the long-term impact that large scale solar farm developments will have on the local community, and farmers in the area. The removal of large areas of land, particularly productive land, in a confined local area, could have a very negative impact on the community.

Solar farms generate little economic activity other than income for solar farm developers which are often backed by international investor funds, with no link to the local community.
There is also the annual lease value to the landowner but little to no upstream or downstream economic activity is generated for the local community or wider economy once a solar farm is in place.

Minimum local employment is generated from solar farm activity, quite the opposite from our traditional family farm-based model of farming in Ireland today.

A large-scale solar farm will not support the local dairy co-op, feed and farm supply merchants, beef or sheep processors, livestock marts, machinery dealers, the many different professional service providers, such as vets, accountants, agricultural advisors and agri contractors.

Planning guidelines should consider the future impact on the local community from the change of use of land from food production to energy production.

Guidelines

IFA supports the introduction of planning guidelines in this area. They must be based on consultation with all stakeholders in rural communities, with farmers being central to this consultation. We need to understand the impact this will have on agriculture as a sector, but also on the family farm structure and viability on these farms in areas where large scale solar farms are being developed.

IFA understand that solar farm development will continue to take place, but it needs to be in a way that minimises disruption and with local support from farmers and local communities.

Landowners

IFA represents the livelihoods of approximately 72,000 farmers. Most agricultural sectors are financially vulnerable due to volatile margins, small scale farm holdings and high farm input costs.

The Teagasc National Farm Survey 2024 reported the average national average farm income across all farming systems was €36,256 in 2024, This average includes dairy at €108,671, the only sector with a viable family farm income. According to the CSO, the average farm size in Ireland is 35 hectares (86 acres).

The emergence of Solar farms as an option in recent years has seen some landowners being offered long term lease agreements with terms of up to 35 years and lease values of over €1,200/acre per annum on offer where solar farms are being developed on agricultural land.

This can be an important source of income to landowners that mainstream agriculture cannot compete with. Some farmers continue to farm on other land which is not being used for solar development and may also graze sheep on the solar developed site.

IFA supports the ability of landowners to self-determine the future use and development of their land, within planning regulations. Clear guidelines on the development of large-scale solar farms, based on consultation with local farmers and communities, will greatly assist the future development of solar farms and ensure they are located in the most suitable areas.

Tax implications of Solar Farms

Landowners often avail of retirement relief to avoid a capital gains tax (CGT) liability on the transfer of a farm to the next generation. The capacity to qualify for retirement relief should not be impacted by the fact that solar panels are installed on the land, provided the area in which the solar panels are installed does not exceed half the total area of the land concerned.

Similarly for Capital Acquisitions Tax (CAT), land on which solar panels are installed is regarded as agricultural land for the purposes of the definition of agricultural property, provided the area of land occupied by solar panels and ancillary equipment does not exceed half the land area. This is important for eligibility for agricultural relief from CAT when a farm is being gifted or inherited.

IFA always advises landowners to seek expert professional taxation and legal advice when contemplating a long-term change of land use, such as solar farms on their land.

Decommissioning

Planning guidelines should insist that responsibility for decommissioning of end-of-life solar farms is a clear requirement to the solar farm developer in the planning process. The cost associated with dismantling, and safe removal of solar panels and restoration of land to its original state should be clearly stipulated in any planning decision. There is a place for solar farm development in Ireland, but it cannot be at the detriment of farmers in rural Ireland.

ENDS.

Background

The IFA is Ireland's largest farming organisation, with over 72,000 farmer members covering all production systems. The Association is structured with 947 branches and 29 County Executives across the country. The IFA President and various Committee Chairmen, along with branch and county representatives are democratically elected by the farmer membership. IFA represents all farming sectors at National, European and International level. Through our office in Brussels, the IFA represents Irish farmers on the European umbrella body of farm organisations COPA/COGECA. In addition, the IFA is the representative for Irish farmers on the World Farmers' Organisation.