

30 December 2013

## Summary

1) As stated in the *Scoping Report*, the electricity generation sector is already subject to the EU Emissions Trading Scheme. While a clear focus on both the challenges and opportunities of transitioning to a competitive low-carbon economy is to be welcomed, the roadmap must not impose any additional, disproportionate costs.

2) Ibec welcomes the acknowledgement of developing policies with built-in flexibility to respond to any changes, such as technological advancement or other changing circumstances. The approach of avoiding an overly prescriptive framework is to be commended and reflects the innovative environment necessary to deliver a low-carbon economy.

3) The *Scoping Report* underlines the importance of addressing any obstacles and delays that may prevent Ireland in meeting its targets. The roadmap will be most valuable in navigating a clear course of action in overcoming such barriers (for example public acceptance, structural, environmental and any other issues).

4) In the context of a fragile economic recovery, an evaluation framework based on the cost of mitigation is vital.

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Devising a national policy framework to complement the challenge of meeting our EU mandated targets is necessary given Ireland's unique emissions profile. The rationale for developing a national roadmap is to be commended – it will provide a clear focus with useful indicators for business certainty and the required investment to meet our binding targets.

The publication of the *Scoping Report* is timely: the level of international ambition is clearer following the conclusion of COP 19. Furthermore, it is opportune to start the process of outlining the national roadmap with the anticipated publication of the white paper for a 2030 framework for climate and energy policies.

As stated in the *Scoping Report*, unlike the other sectors subject to roadmaps (Transport, Built Environment and Agriculture), the electricity generation sector is already subject to the European Union's Emissions Trading Scheme (EU ETS). The section titled "Scope of the Roadmap" provides the reasoning for developing a roadmap for the electricity generation – however, as the sector is already party to the EU ETS, the roadmap must focus on the most cost-efficient route to meet the target, with a strong emphasis on the barriers and challenges in meeting these goals. This is where the roadmap will be most valuable.

While it is only the first step in framing the public consultation process, outputs should complement the findings of the Energy Roadmap 2050 (COM(2011) 885/2). The Energy

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Roadmap 2050 sought to develop a long-term European technology neutral framework in which decarbonisation policies will be more effective, underlining that it did not replace national, regional and local efforts to modernise energy. Therefore, the resulting national roadmap will be important in addressing the policy vision required to meet Ireland's binding targets and provide a smooth transition to a low-carbon economy.

### **Scope of the Roadmap**

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As stated in the Scoping Report, the electricity generation sector is unique when compared to the other areas subject to a sectoral roadmap – it is already subject to the European Union's Emissions Trading Scheme, unlike the other sectors.

As outlined in page 4 of the *Scoping Report*, as well as addressing specific measures in the electricity generation sector, the roadmap will also look at the potential measures in connected areas to support the delivery of these targets. This is perhaps one of the most valuable elements of the roadmap process and will provide an important national framework.

However, in the next phase of the public consultation, we would welcome clarification on policies noted in the statement that “even a well- functioning ETS may not provide sufficient incentives to meet our renewable energy goals in the absence of Government action”. A cautious approach is required to ensure that national policy outputs do not increase regulatory burden upon industry, or negate the benefits of other policies.

### **The Energy Policy Framework**

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Ibec welcomes the suggestion of formulating policies that provide for an appropriate amount of flexibility to respond to changing national and international circumstances. An innovative environment is necessary to meet the decarbonisation challenge. An overly prescriptive policy framework would stifle the pioneering approach necessary to attract investment and minimise the cost burden.

### **Developing the Low Carbon Roadmap for the Electricity Generation Sector**

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Ibec wholly supports the inclusion of least cost carbon mitigation in the evaluation framework.

The roadmaps are required to consider likely future EU and international targets and as outlined in the *Scoping Report*, the planned Climate Action and Low-Carbon Development Bill mandates other factors to be considered by the Government when considering targets, based on least cost policy options and weighed against the potential impact on Ireland's competitiveness.

### **Evaluation of Proposed Measures**

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The list of proposed evaluation measures addresses the key determinants across a range of pivotal areas. The list of criteria acknowledges the challenges faced by Irish industry and adopts a practical evaluation approach to lower emissions as well as complementing the approach adopted in the Energy Roadmap 2050.

### **Conclusion**

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With a fragile economic recovery in mind, the roadmap must avoid imposing additional costs on the economy. As the electricity generation sector is already subject to the EU ETS, the roadmap presents an opportunity to scope out the required national measures and policies to overcome potential regulatory, environmental and structural barriers that may interfere with the decarbonisation agenda.