

## Lobbyist accuses Naughten of ‘dithering’ on climate change

**Naughten’s failure to include a specific subsidy for solar energy described as “akin to climate change denial”**

By [Jack Horgan-Jones](#) Sep 10, 2017

Climate change minister Denis Naughten has been accused of behaviour “akin to climate change denial” by a former government TD turned top energy lobbyist.

**Michael McCarthy, chief executive of the Irish Solar Energy Association (ISEA), said Naughten’s failure to include a specific subsidy for solar energy in last week’s consultation on renewable energy subsidies is “akin to climate change denial”.**

**He said the state would miss its obligations under binding European targets for green energy, costing hundreds of millions of euro per year. Criticising the consultation, McCarthy said the proposed approach would not allow swift enough delivery of solar to offset that.**

**“The minister is at the very least ignoring the advice available to him, and walking the the country and the exchequer into a €300 million per annum financial sanction from Brussels which effectively wipes out the fiscal space,” he said.**

**“The solution is there. It’s a cost-effective way of doing it. But for some reason, Denis is dithering on this. That’s akin to climate change denial in my view.”**

**The former Labour TD for Cork South West called for a technology-specific subsidy for solar, which would see a guarantee to support a certain amount of solar energy under the new Renewable Energy Support Scheme (Ress).**

**He said a process to decide which projects were supported by the subsidy could be run in tandem with a government application for state-aid clearance. This in turn would allow solar developers to build immediately once clearance from Brussels was achieved, and make a meaningful contribution to hitting the 2020 targets.**

**“We want the technology-specific option. We think they can run that option while process with DG Comp is ongoing. Time is of the essence,” he said.**

**The deadline for responses to the state’s consultation is November 4, but McCarthy indicated that ISEA would be looking to intensify its lobbying of the government over the issue above and beyond engaging in the consultation.**

**“We will be making our own submission to that in advance of November 3, and we’re hoping to meet the Taoiseach to press our case at that level.”**

**He said Naughten had declined an invitation to meet representatives of the association. “We had an application to meet the minister and he was unavailable. The invitation still stands.**

**“This is a nascent industry. All the levers that have to be pushed in order to drive forward this industry, in order to create high-end sustainable jobs and meet our climate change targets are ready to [be pushed]. But this is not going to happen unless the government wake up to the reality of climate change and they look at the solution to the current problem of not meeting 2020 targets.”**

The government has said it intends to treat all types of renewable energy equally in the new scheme, with developers asked to compete for a feed in premium (FIP), similar to other European jurisdictions.

In a note for clients on the new scheme, LK Shields, partner and head of energy Philip Daly, suggested that solar would benefit under the regime. “It is widely expected that the application of the next generation of renewables subsidies to solar PV will result in the rapid development of the sector in Ireland,” the lawyers wrote.

“Indeed, the department notes that they expect the scale of solar PV development in Ireland to be considerable, due to its potential and its limited presence to date, relative to other European countries.”

**'This and the Donegal floods go hand-in-hand': How Ireland plans to get to grips with renewable energy**

A new government consultation wants feedback on how we fund sustainable energy in Ireland.

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Scenes after the devastation in Donegal last month

A FEW WEEKS ago, “once-in-a-lifetime” flooding struck the north-west of Ireland.

Serving as an effective reminder of the tangible effects of climate change, the scenes of the army helping the clean-up in Donegal have formed the backdrop to a new consultation launched this week by the Department of Communications, Climate Action and Environment.

Entitled “Renewable Electricity Support Scheme (RESS) – Design Consultation”, it is asking what a scheme that would provide financial support to renewable electricity projects would look like.

One of the challenges identified by the department with the scheme is that of funding, with many of the scenarios outlined in the consultation likely to make the PSO cost on each electricity bill higher.

**Speaking to *TheJournal.ie*, Irish Solar Energy Association CEO Michael McCarthy said that recent events in Donegal – and in Houston – bear an “inextricable link” to climate change and should act as a “wake-up call” for government.**

**We have a moral obligation to the people of Donegal, and to the people of all those affected by floods in this country, to up our game in terms of climate change.**

**“Ress can help us to address these issues,” he added. “From our point of view, we think the [consultation] document is vague in terms of a timeline, and in terms of capacity and budget.”**

This was echoed by Green Party leader Eamon Ryan who told *TheJournal.ie* that the party was “disappointed in the limited scope of what is being planned and the ongoing delay in taking real climate action”.

According to the government, Ireland is committed to produce from renewable sources at least 16% of all energy consumed by 2020.

It says that its target to have 40% of electricity consumed from renewable sources by 2020 is one of the most demanding in the world.

Ireland, however, is one of only four currently in the European bloc that is expected to miss its 2020 goals, according to European Commission forecasts released this year.

In launching the consultation, Minister Denis Naughten said: “The scale of the transformation needed to meet our low-carbon transition targets cannot be overstated.

If we are to reach those targets, we must harness the combined efforts of the entire country.

As well as industry, Naughten said that communities and other stakeholder groups are needed to make sure Ireland gets value for money, and sustainable solutions.

“It is an approach that I believe will allow us to achieve our renewable electricity ambitions,” he said.

This does not, however, include provisions for individuals to be in receipt of scheme funding for “micro and small-scale renewable generation”, which would include roof or ground-mounted solar panels.

## **Planning ahead**

The consultation document has three main points for how it wants to expand renewable energy generation in the country.

Using examples from countries like Denmark, Canada and Scotland it cites how local communities contribute to the low-carbon economy.

On Canada, it said that support mechanisms available to local communities include “grants, low-interest loans, financial incentives, tax rebates and advantageous power purchases agreements, as well as expert support, contractual templates etc.”

In Denmark, it says that 35% of the country’s electricity comes from wind and a further 85% of that is owned by the residents of Danish communities.

As well as looking at what works in other countries, the government also wants to diversify the “renewable energy mix”.

It said that Ireland is “well placed to take advantage and greatly diversify its renewable portfolio” but that due to the high cost of some technologies, public opinion is required on how far we should go with this diversification.

According to the Green Party, however, Ireland has been well-placed for such development for some time.

Eamon Ryan said: “What we are seeing in Ireland is analysis paralysis here while other countries start to take real action.

Ireland is falling behind in the deployment of large-scale solar power and offshore wind farms, where prices have fallen dramatically in recent years. The reality is that such big renewable power supplies no longer need public subsidies, if we can get the market rules and auction process right.

One way of generating energy that is ruled out are people doing so on a very small-scale, like powering their own home.

The department said: “The economic evidence indicates that meeting Ireland’s renewable electricity targets and renewable diversity ambitions are more cost-effectively achieved at large and medium scale.”

On this point, Ryan also disagreed. He said that it “makes sense” to support solar panels on people’s rooftops as it “restores ownership of power back to the people and promotes the efficient use of power at the place it is produced”.

## **Funding**

In the challenges to the scheme, the department admitted that the cost passed on to consumers has the potential to be an issue.

The PSO levy is currently used to subsidise renewable energy sources in Ireland, and this could rise as a result of the proposals by government.

It said: “The new support scheme will be funded by the PSO and paid for by all customers. Renewable electricity technologies are still more expensive than the market reference price for electricity.

The PSO covers the ‘viability gap’ between the € each renewable generator needs to earn over its lifetime and what it will recover directly from the market.

The PSO at the bottom of everyone’s electricity bill has been steadily rising in recent years. In 2011-12, the monthly levy was €1.61. Now, for 2017-18, it’s €7.69.

With this new consultation, that has the potential to rise further.

The consultation document said: “However, all the policies and recommendations will have a cost either to the electricity customer (through the Public Service Obligation (PSO)) or to the taxpayer.

There is a balance to be struck since, depending on the level of ambition with regards to community renewable energy projects, the total costs could be significant.

Dr David Connolly, head of policy at the Irish Wind Energy Association, said: “Price integrity for the consumer must be a significant factor in the next phase of Ireland’s renewable energy journey.

The end-user, be they businesses or households across the country, are ultimately the ones impacted by energy costs and this must be a huge consideration in the new support scheme.

**McCarthy, however, said that any rise to PSO rates would be offset by the potential cost of EU sanctions against Ireland for failing to meet its renewable energy targets.**

**In early 2016, former energy minister Alex White told the Dáil the cost of each percentage point shortfall “may be in the range of €100 million to €150 million” based on figures from the Sustainable Energy Authority of Ireland.**

**McCarthy said: “Irish taxpayers will have to foot the bill if we fail here. And that’s a lot of money. If we miss it by 2%, that’s €300 million. That would dwarf any PSO increase.**

**That’s more of an immediate concern. The Brussels clock is ticking. If we carry on like this to 2030, the so-called fiscal space would be wiped out by the Irish government’s inertia on renewable energy.**

Ryan added: “The next stage in our energy revolution has to involve a radical rethink of how the whole system works. With smart metering, solar power, offshore wind and greater interconnection we can develop a clean, competitive, efficient and secure electricity system.

It is long past time for this solar revolution to begin.

The public consultation closes on 3 November 2017.

<http://www.thejournal.ie/renewable-climate-change-3570141-Sep2017/>

# THE IRISH TIMES

## New scheme proposes renewable-energy sector overhaul

Government plan designed to help meet targets to reduce emissions by 2030

Tue, Sep 5, 2017, 01:00

[Kevin O'Sullivan](#)



Home-owners and businesses are set to face a significant increase in electricity costs to help pay for new subsidies for renewable energy under an overhaul planned by Minister [Denis Naughten](#).

The changes to the renewable electricity support scheme (RESS), which will now go out for public consultation, are designed to help Ireland meet demanding CO2 emissions targets by 2030.

However, the price rises caused by increases in the Public Service Obligation (PSO) levy which is paid by all electricity consumers are expected to fall away as the cost of producing green energy falls.

Currently, the money collected from the PSO levy is used to subsidise renewable energy generation and peat-burning power plants operated by Bord na Móna. It is also used to secure the Irish electricity supply.

Details of the RESS were published on Monday by Minister for Climate Action and the Environment Denis Naughten. The RESS endorses the most successful models used elsewhere, notably in Denmark, Canada and Scotland, which also promote community participation in renewable electricity projects.

“Communities and citizens will actively participate in and benefit from renewable projects in their local area,” Mr Naughten said.

Major developers will have to facilitate community involvement in any of their projects approved for RESS support. In Denmark developers have to offer a 20 per cent community share ownership for wind projects with turbines larger than 25m.

Separately, there will be supports for community groups who propose appropriate projects with ring-fenced funding. As a consequence schools, sports clubs, farmers and other groups will be able to participate in the scheme. If approved they will receive support for the renewable electricity they generate and get access to the national grid.

### *Competitive auctions*

The restructuring of subsidies provides for a wide range of energy sources but is “technology agnostic”, ie it does not favour one energy source over another. Instead projects will have to go through a process of “competitive auctions”, which Mr Naughten said was “the best way to ensure value for money for electricity consumers, enhancing the security of supply and broadening the renewable technology mix”.

The RESS, however, excludes on cost grounds support for individuals proposing “micro and small-scale renewable generation” such as householders using roof top or “ground-mounted” solar panels.

The Minister has asked the Sustainable Energy Authority of Ireland to examine how best micro-generation can be supported.

**The Solar Energy Association of Ireland gave a cautious welcome for some solar aspects of the RESS but criticised the lack of clarity and ambition in the document. Its chief executive Michael McCarthy said: “We still don’t know what the Government wants to do with capacity. There’s no clear timeline. There is no budget indicated.”**

**There was no ratio between wind and solar provided, while the association was dubious about its “technology-agnostic aspect”. He added that when the UK adopted such an approach it resulted in “wind, wind and more wind” being supported.**

**He said solar energy was key to Ireland reaching its targets for renewable electricity as it could be rapidly deployed.**

**The auction structure should have indicated how the energy cake was going to be divided. “The aggravating thing is the solution is there but they are not grasping it.”**

### *Combined efforts*

A spokesman for the Department of Climate Action and Environment confirmed RESS would be structured to allow auctions for specific sources of energy.

“The scale of transformation needed to meet our low carbon transition targets cannot be overstated. If we are to reach those targets we must harness the combined efforts of the entire country,” Mr Naughten said.

“Industry, of course, has a key role to play in bringing to market technology options that deliver, at scale, solutions to minimise and manage costs for households and businesses alike. But industry cannot do this alone. My department has listened to citizens, to communities and to other stakeholder groups.”

Stakeholders and members of the public are requested to submit their views to RESS@dcaae.gov.ie by November 3rd.

<https://www.irishtimes.com/news/environment/new-scheme-proposes-renewable-energy-sector-overhaul-1.3209477>



# 'The government's dithering on solar energy will cost the Irish taxpayer millions'

A new renewable energy support scheme is being developed to help Ireland avoid EU fines.

BY **PAUL O'DONOGHUE** REPORTER

SEPTEMBER 10TH 2017 4 MIN READ

THE GOVERNMENT'S UNWILLINGNESS to provide a direct subsidy for the solar energy industry will end up costing taxpayers hundreds of millions of euro, according to the industry's main lobby.

**The CEO of the Irish Solar Energy Association (ISEA), Michael McCarthy, said that Ireland is likely to incur big fines from the EU because it will not hit renewable energy targets.**

**"We are very anxious and frustrated. We will have to pay the piper if the government keeps dithering on climate change and leaves taxpayers exposed to massive financial sanctions," he said.**

**The target of McCarthy's ire is a consultation document that was published by the government during the week.**

Ireland, along with other EU member states, has been set a legally binding target to generate a set percentage of its energy needs from renewable power by the end of the decade.

The national targets vary from 49% for Sweden, to only 10% for Malta. Ireland's target was set at 16%. It is estimated that 9.1% of Ireland's energy demands were met by renewables in 2015 and that it is on track to miss its agreed goal.

If Ireland does not reach its target, [it could be fined between €100 million and €150 million for each percentage point it falls short.](#)

## New support scheme

To help Ireland reach its 2020 goal, the government plan to launch a new renewable energy support scheme that will provide financial support to renewable electricity projects in Ireland.

The solar industry has been lobbying for months for a subsidy to be provided to the sector that would make it cheaper to build large solar farms. [As previously explored by \*Fora\*](#), the Republic of Ireland has no large solar farms of note currently operating.

However, the guidelines for the consultation said that the government will likely go with a ‘technology neutral’ approach for the scheme.

This means that rather than specific subsidies being extended to different types of renewable energy – that is, one support scheme for wind, another for solar – there would be one support scheme for the whole renewable energy industry.



Accordingly, different types of renewable energy developers would compete for government subsidies. The ISEA says that as wind energy is currently the cheapest form of renewable power, it will likely win the bulk of the subsidies.

The department said that it favours this approach because: “The economic evidence suggests that a number of technologies have overlapping costs and could compete against each other.”

### ‘Dithering’

**However, the ISEA claims this strategy will prove a bad bet for the taxpayer. McCarthy said that solar farms can be developed much faster than wind farms, something which is important as the country struggles to avoid EU fines.**

**“Wind on its own can’t meet it (the EU 2020 deadlines). Once you go through planning and An Bord Pleanála, it can take as long as six years to get it done for onshore wind,” he said.**

**He said that solar can be developed “much faster” – in about 12 months when planning permission is secured.**



**McCarthy said he wants the government to let companies compete to find the cheapest subsidy possible for solar developers.**

**“We could run an auction and then that outcome would be subject to EU Commission approval,” he said.**

**Dozens of developers have applied for planning permission to build major solar farms around the country, however McCarthy said that they may be unwilling to press ahead with building in the absence of a specific solar subsidy.**

**“Between planning and grid connections the solar industry has the capacity to roll out, the missing piece of the jigsaw is in Merrion Street,” he said.**

**McCarthy denied that the solar industry is looking for a handout from the state, adding that he wanted to ensure that Ireland avoids EU fines.**

**“If you have a technology-neutral approach only wind can emerge, and then you miss your 2020 targets, and possibly 2030. If this dithering continues, we will miss them,” he said.**

<https://fora.ie/ireland-eu-energy-fines-solar-3588365-Sep2017/>