



Decarbonising Ireland

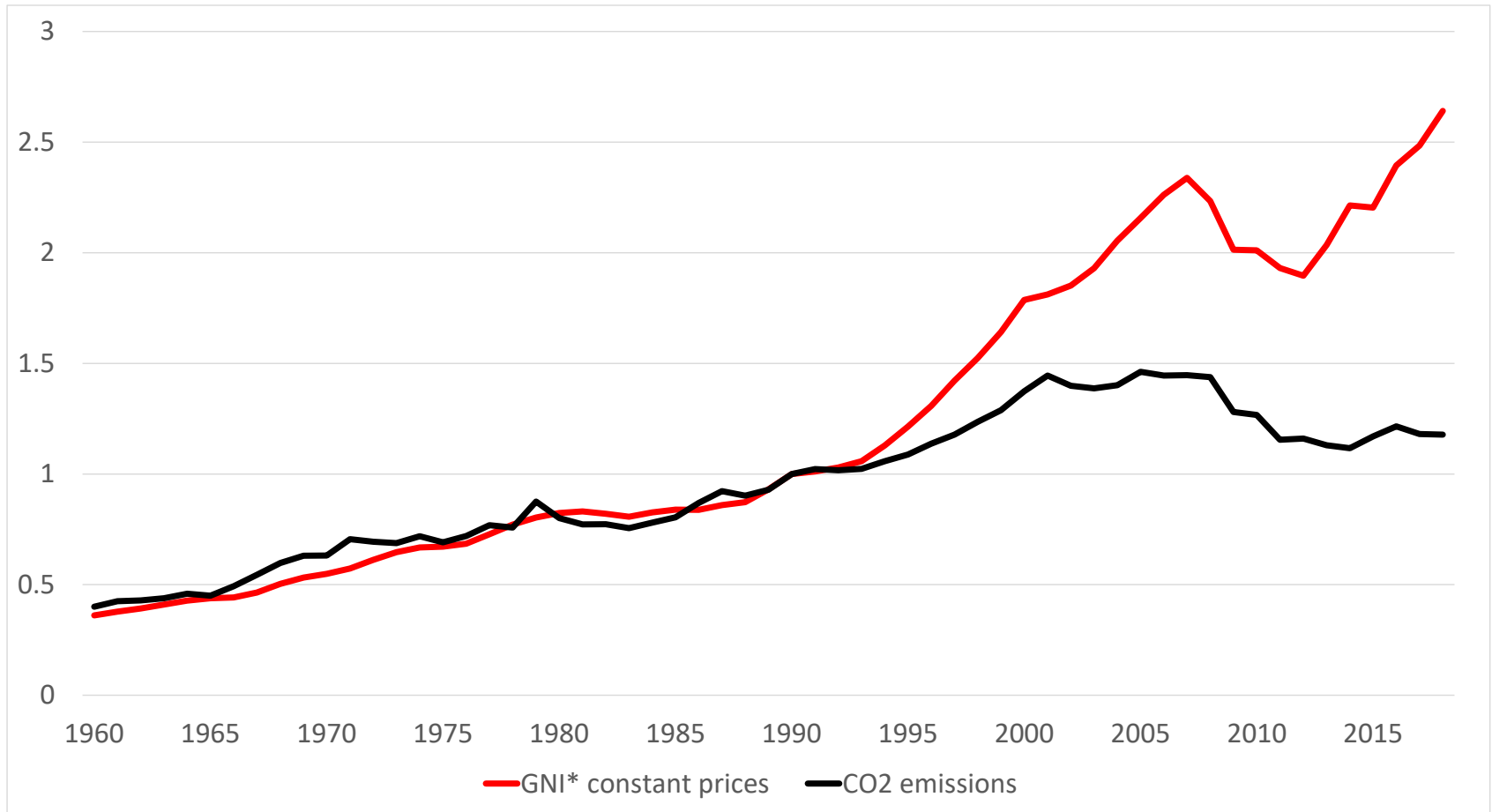
Environment Ireland
16th October 2020

Outline

1. The record
2. The challenge
3. The policies
 - Carbon Tax
 - Electricity
 - Transport
 - Heating

Carbon Dioxide and National Income

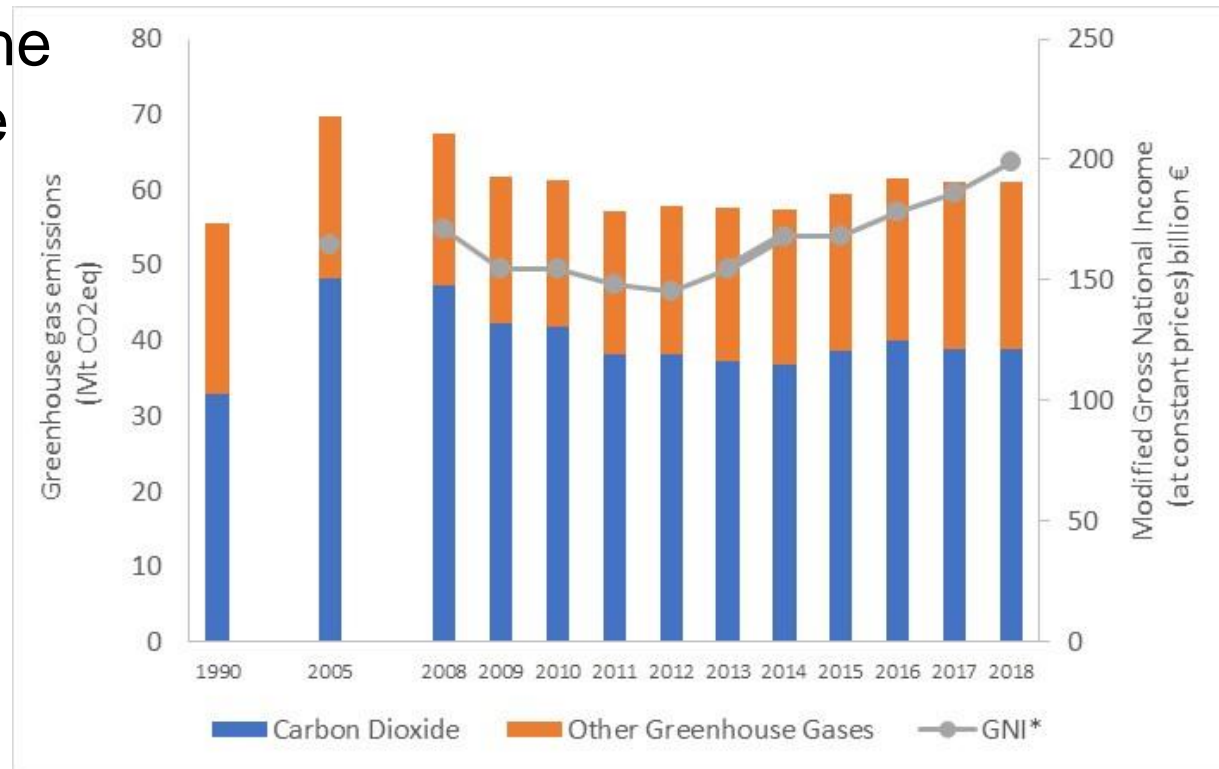
Index 1990=1.0



Emissions 2018

Total emissions of greenhouse gases were largely unchanged in 2018 still following growth in the economy

- A 10% reduction in the electricity sector, due to reduced operating hours at Moneypoint
- Significant increases in emissions in Residential, Agriculture and Transport sectors.



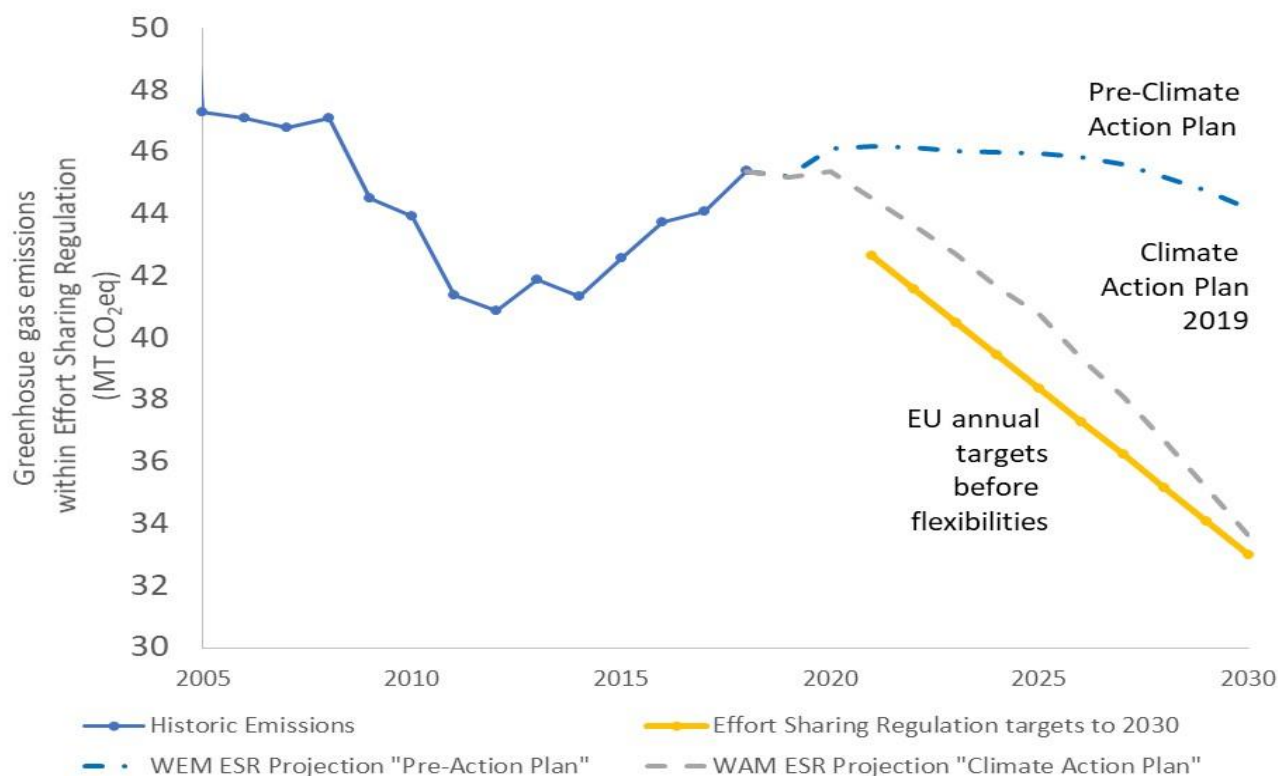
Progress Against 2020 Targets

- Target of 20% GHG reduction by 2020
- We will fail to meet targets
 - Despite significant emissions reduction in 2020 due to Covid-19
 - High risk that this is a temporary reduction
- Investment to stimulate recovery must be “green”

	ESD Target	Emissions	Distance to target
Cumulative (2013-2020) Mt CO₂eq	337.9	350.5 to 351.3	-12.6 to -13.4

The 2030 Target

The Climate Action Plan 2019 changes the trajectory on emissions.



Note: This is non-ETS emissions

Progress Against 2030 Targets

Climate Action Plan 2019

Cumulative emissions: targets, projections and effect of flexibilities

Projected limits	Target Mt CO ₂ eq	Projected emissions	Projected Distance to target
Cumulative (2021-2030)	378.3	396.2	-17.9
With land use flexibility (26.8)	405.1		+8.9
With land use and ETS Flexibility (18.8)	423.9		+27.7

The Challenge

Programme for Government (PFG)

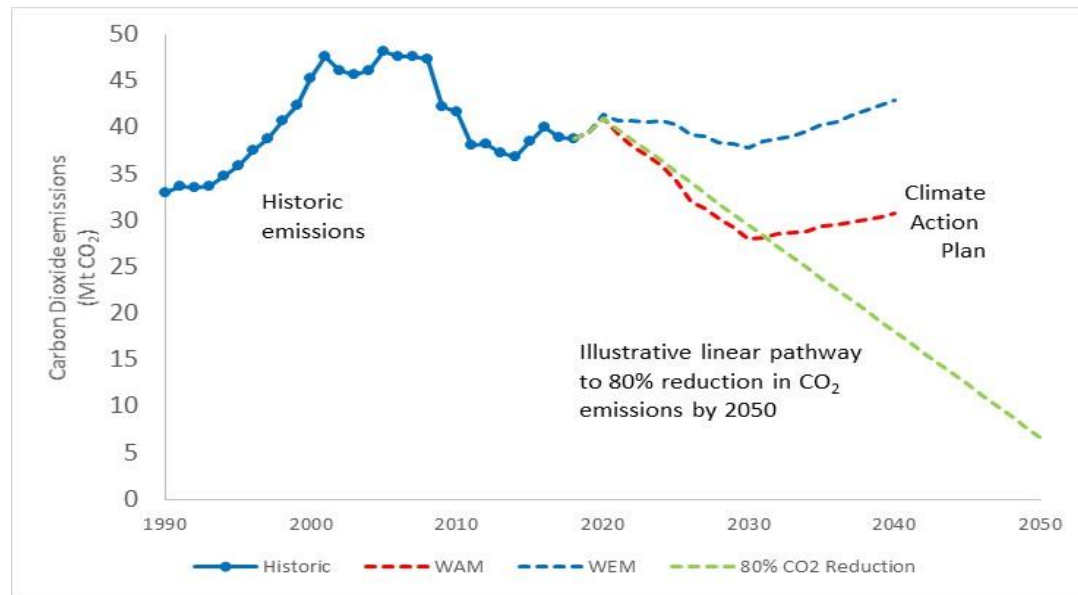
- The Council has not yet analysed the PFG
- A very significant step up in ambition
- It is not clear what new actions are envisaged but additional action will be essential

EU Climate Plan

- Net zero emissions by 2050
- Potential major shake-up of 2030 targets with increased ambition
- Major change in EU policy measures – potentially helpful
- If accepted, would change policy challenge for Ireland

2050 Goal

- Current National Policy Position is still -80% CO₂ by 2050
- Proposed objective in the PFG to reach net zero emissions by 2050 is supported by Council
- Need additional policy measures to the Climate Action Plan for post- 2030 world. Planned policies not enough



Policies and Measures

- The 2019 Climate Action Plan - a major leap forward
- First task is to implement measures to realise the plan
- Climate Change Advisory Council already cautioning that additional measures needed in case some do not work
- Increased ambition in PFG will require further measures
- Need to change behaviour in all sectors

Key Messages: Carbon Tax

- Doing the “right thing” must be profitable – that is why we need the tax
- The carbon tax should be **€35** per tonne in Budget 2021 rising to at least €100 per tonne by 2030.
- Lower fuel prices this year encourage higher emissions
- Some of the revenues raised should be used to avoid **regressive impacts on low-income households**

Key Messages: Electricity

- Accelerate closure of coal and peat-fired generation.
- Carbon price floor to support renewable energy and phase out fossil fuels
- New opportunities – offshore wind etc.
- Invest in necessary infrastructure (wires) to support goals on renewable electricity and role out of electrification of transport and heating – emphasis on non-urban areas
- Will need other changes – interconnection, hydrogen etc.

Key Messages: Transport

- Target for electric vehicles very demanding
 - Need to use taxation as well as subsidies
 - Prioritise those with high usage
 - Need action on other forms of transport
- Better planned development, as in National Planning Framework, facilitates public transport and active transport modes. Build the next million homes in the right place!
- Investing in public transport is vital e.g. Busconnects

Key Messages: Agriculture

- Agriculture can both reduce emissions and enhance farm income security
- Common Agricultural Policy should incentivise farmers to reduce emissions, including through reduced animal numbers
- The Council recommends that the role of farmers in managing carbon stocks be acknowledged e.g. farmers rewarded for capturing CO₂ in woodland
- Engage with the EU Farm to Fork Strategy initiative to realise opportunities
- Government should introduce measures to significantly reduce nitrogen use by 2030

Key Messages: Built Environment

- Major retrofitting of existing housing stock needed by 2030 (half a million homes). Very challenging
- Because resources are limited, target buildings where most benefits and emissions reductions can be achieved
 - Vulnerable households
 - Homes currently heated by coal, peat or oil
- High rates of retrofit cannot be achieved without unlocking low-cost finance for households and SMEs
- Aggregation; expand supply-side capacity; hydrogen

Conclusions

- The increased ambition to tackle climate change must be matched by implementation of new measures to drive decarbonisation
- EU proposals could be a game changer
- Integrating Just Transition into climate policy can add depth and assure public support for action