

Ireland's Inconvenient Truth

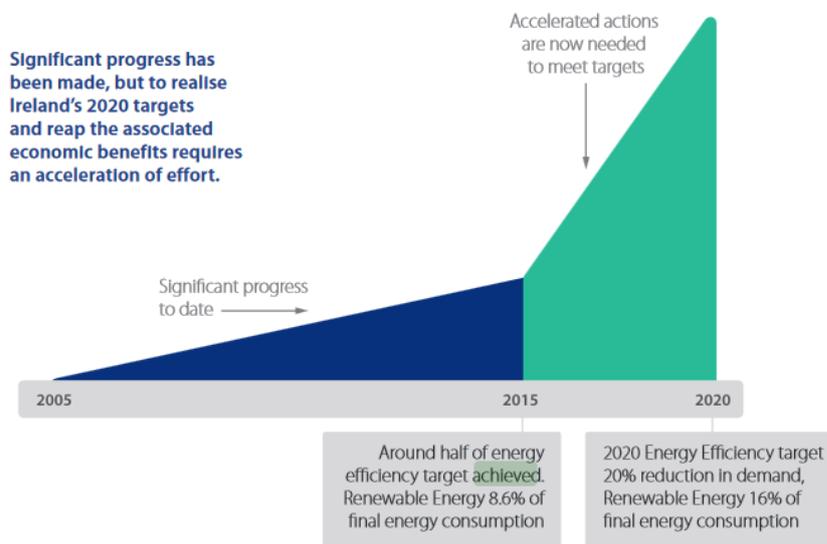
We face a triple cost for not achieving our energy targets by 2020

Ireland is not close to achieving its energy and emissions targets. We are currently one of four countries in Europe expected to miss the 2020 targets set out by the European Directive. The other countries set to fall short are Luxembourg, the Netherlands and the United Kingdom.

Ireland is approximately 7% short of the 16% target. These legally binding targets from the 2009 Renewable Energy Directive, were set with the goal of reducing the greenhouse effect, securing energy supply, maximising renewables and saving money.

According to the SEAI, the cost to Ireland will be between €100-€150 million for each percentage point the country is short of the target. The SEAI report on Ireland's Energy Targets: Progress, Ambition and Impacts depict the current progress towards achieving the targets, shown in the graph below, Figure 1.

Figure 1 – Illustrative depiction of level of effort to meet 2020 targets



Initiatives rewarding energy saving, such as “Better Energy Communities” have been put in place by the Irish government to help save money and help achieve targets. However, it hasn't created the national shift Ireland needs to satisfy the Kyoto Protocol and avoid penalties. The consequences of failing to reach targets are significant and not solely financial: there is also a social and environmental cost. However, the focus of this piece is on the financial cost.

In 2009, when energy targets were set, Ireland was in the midst of a recession. However, eight years later, Ireland's progress **and state support** has been slow in **energy management and the government has known about this for a long time**. Ireland has done relatively well in generating renewable electricity. This is electricity generated from renewable energy, such as wind and hydropower. Currently, about **30% of the electricity that Ireland produces** annually is **renewable**. This energy helps reduce Ireland's carbon footprint and contributes to achieving the energy targets.

In my view, the main reason for Ireland missing out on its targets is Government apathy. Why do I think so? Well, amongst other reasons, the targets have been in place for eight years, but

successive Governments have delayed implementing action. The Renewable Heat Incentive is an example. It was first mooted in 2014, but is now unlikely to be introduced before 2018.

On a more positive note, we are making progress. Engineer's Journal Ireland reports that renewable electricity now contributes to over a quarter of all electricity used in Ireland and saves the country three million tonnes of fossil fuel CO₂ emissions annually. Furthermore, Engineer's Journal Ireland, also reports that renewable energy contributes to meeting all three energy policy goals, namely: energy security, cost competitiveness and protection of the environment through the reduction of greenhouse-gas emissions.

Renewable energy and electricity are very important to the future of Ireland. Currently, the majority of our energy comes from fossil fuels, which have been reported as the primary driver of climate change by the United Nations. Ireland currently relies heavily on fossil fuels, in particular, oil for use in the transport, heat and construction sector. The majority of our CO₂ emissions come from transport, agriculture and construction that uses fossil fuels. In 2014, 85% of our energy was imported and of this, 97% were fossil fuels costing €5.7 billion to the economy, according to SEAI. Considering the cost of this energy, the savings that can be made from renewables and reducing energy use are significant.

Minister Denis Naughten wrote that Ireland is committed to reaching the 16% target, but this goal remains challenging. According to the Journal.ie, the Irish government currently plans for 40% of electricity, 12% of heat and 10% of transport to be supplied from renewable sources by 2020. While electricity from renewable energy has seen growth, renewable heat and transport have been affected. An example of energy loss in heat is coal; it converts only 35-40% of its energy into electricity, the rest goes up in smoke. A recent article from Engineer's Ireland mentions that about 60% of the energy from coal is wasted and goes on to pollute the environment.

Considering our current situation, the worst case scenario for Ireland is if no further progress is made towards reaching the target. The Irish Times estimates that in the longer-term, the country could incur fines of up to €5.5 billion by 2030. The Port Tunnel could be built six times for the cost of the potential 2030 fine. There could also be a potential ban on Ireland's green energy exports. This would lock Ireland out of the European energy trading market, which, in my view, is very serious.

My concern is that there doesn't seem to be a recognition in Ireland, either at Government, or societal level, that a move towards a renewable energy future, is inevitable. Denmark is an example of what can be achieved, if there is political acknowledgement of the advantage and necessity, to move to renewables. Following the oil crisis in the 1970's, Denmark decided, in 1980, to invest in the development of renewable technologies, and to prioritise green issues such as energy efficiency, renewables, waste and resource management. Since then it has led Europe in converting to a sustainable future and seems likely to continue to do so, having determined that they will now become independent of fossil fuels by 2050. It is difficult to see that level of political ambition, and commitment, currently in Ireland.

In summary, we are not achieving targets, due to the capital expenditure on fossil fuels and oil in particular. Policy makers and business owners all need to play a part in supporting the generation of more energy from renewables, through investing in sustainability programmes and better energy management systems, for example, renewable heat systems. Do I remain hopeful? Despite some of the figures, I do. As I recently heard Al Gore say "the will to act is itself a renewable resource" and I hope together we can harness the will to act and make a positive impact.

Sources:

SEAI Renewable Electricity 2016 report

http://www.seai.ie/Publications/Statistics_Publications/Renewable_Energy_in_Ireland/Renewable-Electricity-in-Ireland-2015.pdf

DIRECTIVE 2009/28/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32009L0028&from=en>

The [Journal.ie](http://www.thejournal.ie), 11 February 2017 <http://www.thejournal.ie/ireland-eu-2020-energy-fines-2-3231942-Feb2017/>

Engineers Journal, 4 October 2016, <http://www.engineersjournal.ie/2016/10/04/irelands-renewable-electricity-increased-to-25-in-2015-seai-2/>

Irish Times, September 12th 2016. <http://www.irishtimes.com/business/economy/ireland-could-face-5-5bn-climate-bill-by-2030-says-expert-1.2787535>

The Times, July 23, 2016. <https://www.thetimes.co.uk/article/missing-energy-targets-could-cost-1bn-dlnqltmbz>

Irish Times, September 17, 2015. <http://www.irishtimes.com/business/energy-and-resources/ireland-likely-to-miss-renewable-energy-targets-for-2020-1.2354282>

Engineers Journal, Green Plan, 27 November

2014 <http://www.engineersjournal.ie/2014/11/27/green-plan-ireland-smart-energy-100000-jobs/>