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IrBEA Conference

Renewable Support Schemes for Heat and Electricity

Frank Groome

Decarbonisation Policy and Co-ordination



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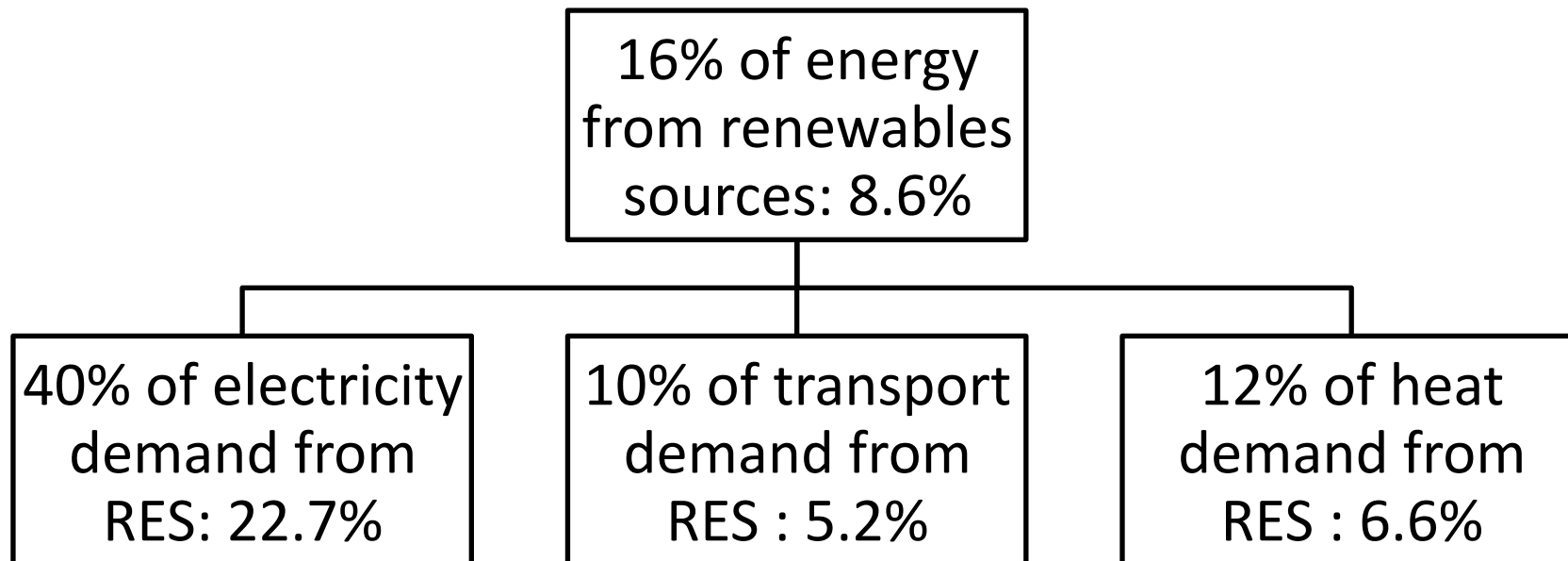
Presentation Overview

- Progress towards 2020
- Energy White Paper
- Draft Bioenergy Plan
- The Renewable Heat Incentive (RHI)
- Renewable Electricity Support Scheme (RESS)



Progress to Date

Progress against 2020 renewables target: End of 2014



A Renewed Ambition to 2030

- Reduce GHG emissions by 40% by 2030 (43% ETS, 30% non-ETS)
- A target of at least 27% for RES and EE by 2030

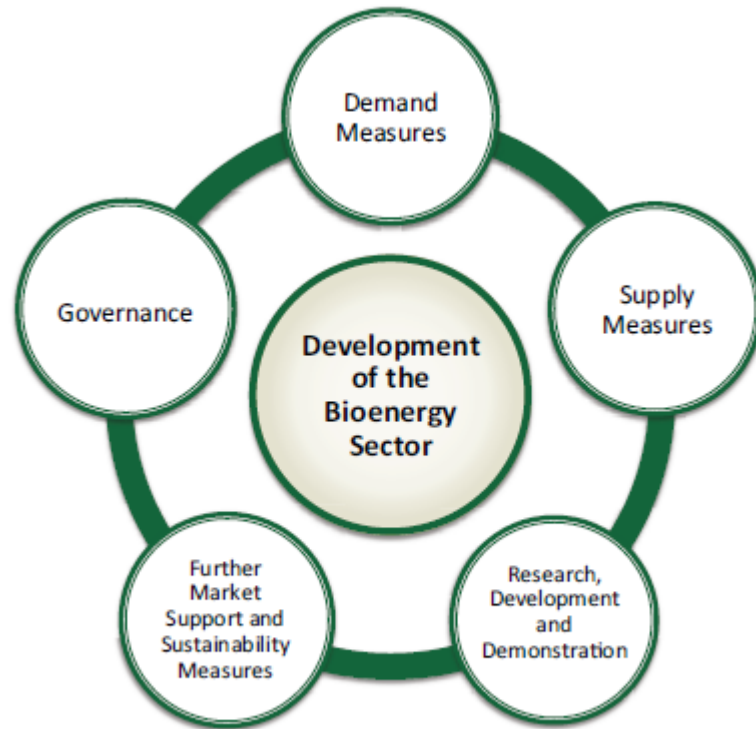
Energy White Paper 2030

Important role for bioenergy in this low carbon future. This will involve:

- identifying the most advantageous economic benefits for using bioenergy = when it is used for heating;
- supporting the wide scale deployment of renewable heat in the business, public and ultimately residential sectors;
- increasing the Biofuels Obligation in Transport.



Draft Bioenergy Plan



Steering Group and Four Working Groups established:

WG 1 – Demand

WG 2 – Transport

WG 3 – Supply

WG 4 – Research and Development



Why a Renewable Heat Incentive?

- Analysis by SEAI suggests that in the absence of further measures:
 - Potential shortfall of 2 to 4 percentage points in RES-H (represents 1 to 2 percentage points in terms of the overall target)
- Analysis found that the option with the least modelled cost is an appropriately focused RHI.
- Renewable Heat Incentive targeted at the larger non-ETS industrial and commercial renewable heating installations.
- RHI must provide:
 - Stability and long term security for investors
 - Value for money for consumers
 - Significant positive impact on non-ETS sector emissions
- Proposal is subject to State Aid clearance from the European Commission and further Government approval



RHI Development Process

- First public consultation closed in September 2015 (75 submission received)
- What are the submission saying?

Technologies	Financing	Environment and Sustainability	Eligibility criteria	Administration	Wider Benefits
<ul style="list-style-type: none"> •Technologies listed reasonable (with some sub categories) 	<ul style="list-style-type: none"> •Structure of RHI tariff important •Payment should be weighted towards first 5 years. •Degression over 15 years •Tariff needs to capture RHI admin and compliance costs where possible •Project financing should be available or one-off up front payment for capital •On payment: A Tiering approach (based on output) vs Banding (based on boiler size) 	<ul style="list-style-type: none"> •Particle emissions •Importation concerns •Fuel Quality Standards •Quality control of boilers and fuel store important •Biomass origin (EU rules) •Emission mitigation measures may be needed •It is recommended that any technology accepted under RHI will protect and enhance air quality. •Compliance with Medium Combustion Plant should be a part of RHI acceptance (1-50 MW in size) 	<ul style="list-style-type: none"> •Energy Efficiency standards (emphasis should be on reducing demand) •What constitutes a 'new' installation? •Heat uses? RES heat should be metered and regulated so that heat is not being generated at times of no demand. •Technology specific elements •Metering and Auditing •Only operators who apply Best Available Technology (BAT) to control and minimise emissions of air pollutants should be eligible for RHI 	<ul style="list-style-type: none"> •Application and administration process should be as simple and clear as possible. 	<ul style="list-style-type: none"> •Job creation •Emission reduction •Annual investment in Economy



Next stage of RHI Process

- Issuing tender for economic analysis shortly (industry engagement crucial);
- ‘Grandfathering’ decision to be announced in coming weeks (2014). Constructive engagement with the European Commission;
- Second consultation may be merged with third in the interest of expediency. This will impact on timeline;
- Continuing work on State Aid process.



Renewable Electricity Support Scheme (RESS)

- First public consultation closed in September 2015
- 800 submission received - working through submissions

Next Steps and key considerations

- Feed-in tariffs are progressively replaced by competitive bidding processes; and market premium payments (EU State Aid rules)
- Identify incremental RES increase to 2030 and reference against RES diversification policy (white paper).
- Economic analysis to be undertake on a range of technologies
- Consideration to be given to merging next consultations



Conclusion

- Strong progress has been made towards our 2020 targets but significant challenges remain.
- Timeframe for RHI is tight....maintaining progress in process is essential.
- Will be available from 2016 onwards subject to Government approval and state aid clearance.
- RESS progress on-going (including engagement with EU Commission)





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