



ENERGY UNION PACKAGE, AGRICULTURE AND IRISH FARMING

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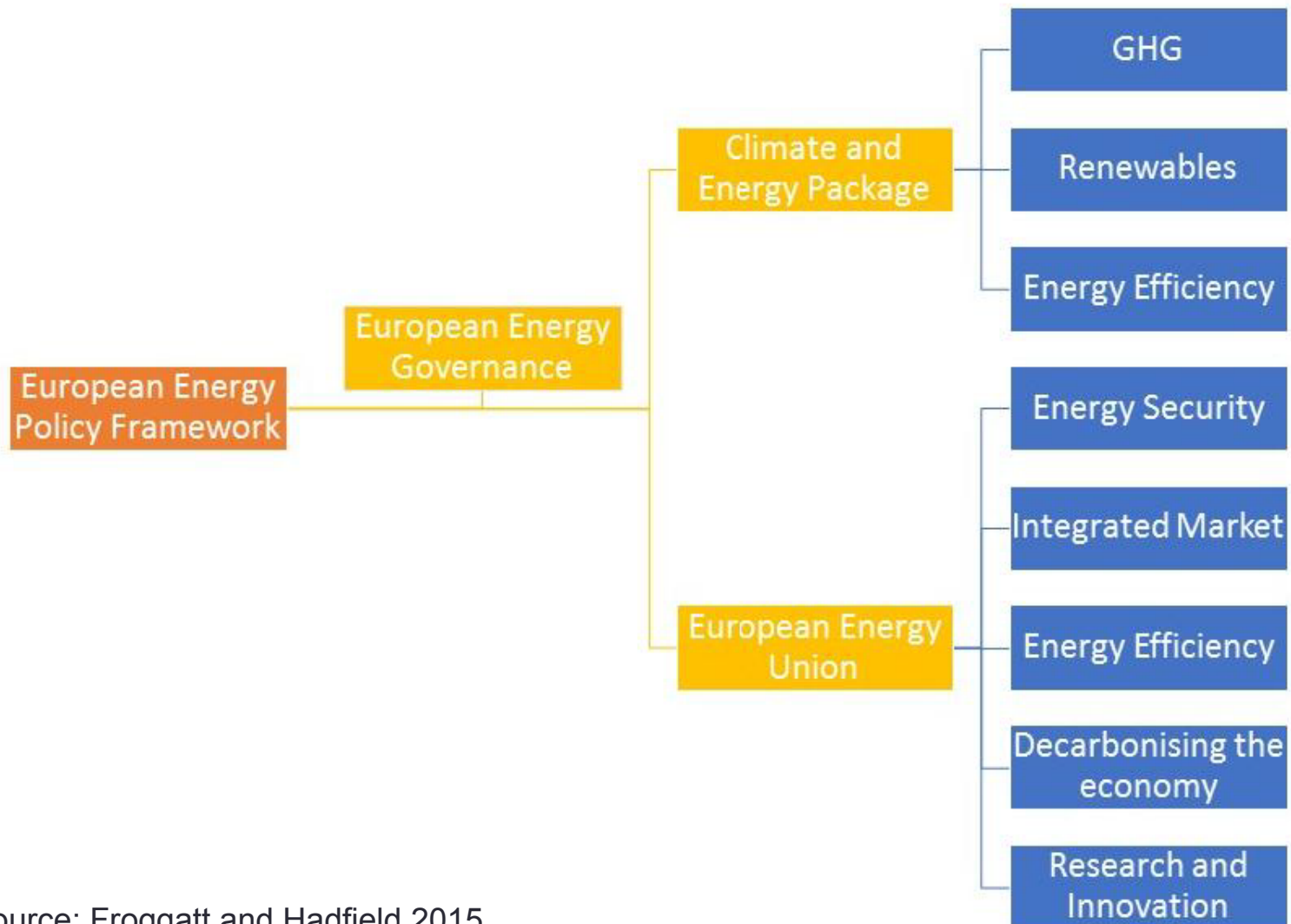
Presentation to the IrBEA 2016 Annual Conference

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The question

- Why bioenergy is **important**
 - Plays a critical role in meeting Ireland's RES and decarbonisation targets to 2020 and Energy Union objectives to 2030
 - Contributes to bio-economy, circular economy and rural development strategies
- Key for further development is **availability** of sustainably-produced biomass
- What **developments in EU policy** will influence future of Irish bioenergy? (presentation does not discuss Irish policy under development)
 - Renewables targets and governance
 - Accounting for emissions from the AFOLU sector
 - The sustainability debate
- Implications for **Irish agriculture**

2030 Climate and Energy Legislative Process



Source: Froggatt and Hadfield 2015

Are 2030 targets settled?

- **European Parliament**

- Binding 2030 climate and energy targets of at least 40 % reduction in CO2 emissions, at least 30 % for renewables and 40 % for energy efficiency, to be implemented by means of individual national targets
- Parliament has also called for extension of transport fuel targets after 2020

- **Review in light of COP21 Agreement ambitions**

- No real appetite for this

- **Incorporation of LULUCF into targets**

- Will this be additional or contribute to the 'at least 40%'?

The emerging energy governance system

- How to ensure Member States work ambitiously and collectively to reach the 2030 Energy Union targets?
- Question addressed by the **energy governance regime**
- Some clarification at the **Nov 2015 Energy Council**
- Essential component will be **National Energy and Climate Plans** ('National Plans') to be adopted by each MS, followed by Progress Reports on implementation
 - Intended to allow constructive dialogue between the Commission and the Member States; and
 - Monitoring and evaluation based *inter alia* on key indicators

AFOLU in 2030 climate targets

- Including agriculture, forestry and other land use (AFOLU) to take into account the **multiple objectives of this sector**
- **Three options** under consideration
 - Option 1 — **LULUCF pillar**: Maintain non-CO2 agriculture sector emissions in a potential future Effort Sharing Decision, and further develop a LULUCF sector policy approach separately;
 - Option 2 — **Land use sector pillar**: Merging the LULUCF and agriculture sector non-CO2 emissions into one new and independent pillar of the EU's climate policy;
 - Option 3 — **Effort Sharing**: Include the LULUCF sector in a potential future Effort Sharing Decision.

A new bioenergy sustainability policy

- Will cover **biofuels but also solid biomass and biogas** in heat and power
- Will ensure robust and verifiable **greenhouse gas emissions savings**,
- Will address **direct and indirect impacts**, including on carbon stocks, and including sustainable land management.
- Integrated either into RED II or a stand alone instrument but part of the renewable energy policy framework.

Key messages

- Although EU policy framework to 2020 in place, many **open questions** still for 2030 framework
 - Is there the political will to fix the broken ETS?
 - Member state GHG reduction targets waiting for ESD proposal
 - Policy framework for renewables not fully clear until National Plans due end-2019
 - Biomass availability will be influenced by treatment of AFOLU sector in 2030 climate policy framework
 - Biomass availability will also be influenced by new sustainability criteria, may determine eligibility for public support under state aids guidelines
 - **MS policy decisions** will be crucial in implementation

Implications for Irish agriculture

- CAP remains the key policy environment for Irish agriculture
- Bioenergy – ‘Room to grow’ with great potential
 - Yet profitability at farm level remains an issue
- The policy regime is critical
 - Markets on their own will not deliver the necessary incentives
 - Public policies should be ‘technology-neutral’