



## Response to Consultation by the Department of Agriculture, Environment & Rural Affairs, Northern Ireland

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### Climate Change Bill for Northern Ireland

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Electricity Association of Ireland

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#### A decarbonised future powered by electricity

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The Electricity Association of Ireland (EAI) is the representative body for the electricity industry and gas retail sector operating within the Single Electricity Market (SEM) on the Island of Ireland.

Our membership comprises utilities that represent 90% of generation and retail business activities and 100% of distribution within the market. Our members range in size from single plant operators and independent suppliers to international power utilities. Our members have a significant presence in NI, ROI and GB across the sector value chain. We represent the interest of the all-island market in all relevant jurisdictions, including the EU via our membership of the European electricity representative body [Eurelectric](#).

Electricity has a fundamental role in providing energy services in a decarbonised, sustainable future, in particular through the progressive electrification of transport and heating. We believe that this can be achieved, in the overall interest of society, through competitive markets that foster investment and innovation.

We promote this vision through constructive engagement with key policy, regulatory, technology and academic stakeholders both at domestic and EU levels.

Our ambition is to contribute to the realisation of a net-zero GHG emissions economy by 2050 or sooner, in order to limit the impact of rising temperatures. Electricity offers opportunities to decarbonise the NI economy in a cost-effective manner.

## Introduction

EAI welcomes the opportunity to respond to the public discussion document on policy options for Northern Ireland's Climate Change Bill. Like many jurisdictions, Northern Ireland is facing significant environmental challenges, such as decarbonising the economy, preserving biodiversity, and providing clean air and water to its citizens. Climate change mitigation is crucial to preserve and improve the natural and physical environment in Northern Ireland and increase the standard of living, not only for its current citizens, but also for the future generations of Northern Ireland.

Under the UK Climate Change Act, the UK has a 100% GHG emissions reduction target by 2050, based on 1990 levels. In 2018, Northern Ireland accounted for 4.3% of total UK emissions, while representing 2.9% of the UK population<sup>1</sup>. While it is to be welcomed that GHG emissions in Northern Ireland in 2018 were 20% lower than 1990 levels, it is notable that this level of reduction falls short of level of GHG emission reduction in the wider UK, which as a whole had reduced by 43% in 2018 based on 1990 levels. This Climate Change Bill and the upcoming Energy Strategy provide an opportunity for Northern Ireland to take a leadership position in the protection of the environment and the decarbonisation of society.

Northern Ireland has devolved powers over energy, planning, local government and housing, agriculture and land-use, and should use these powers to implement a comprehensive strategy covering the environment, biodiversity, climate action, the built environment, and citizen engagement. Any Climate Change Bill for Northern Ireland must take a cross-Governmental approach and include every sector.

There is now an urgent need to address the current policy gaps and outline a clear trajectory for environmental policy in the coming decade, with a stronger emphasis on climate action across the economy.

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<sup>1</sup> [https://www.daera-ni.gov.uk/sites/default/files/publications/daera/ni-environmental-statistics-report-2019\\_0.pdf](https://www.daera-ni.gov.uk/sites/default/files/publications/daera/ni-environmental-statistics-report-2019_0.pdf)

## **Q1: Which of the following high level options do you think is appropriate for Northern Ireland to take forward?**

- Option 1: Northern Ireland Climate Change Bill setting interim emission reduction targets and a long term target of net zero emissions in Northern Ireland by 2050 (long term target does not consider expert climate change advice)
- Option 2: Northern Ireland Climate Change Bill setting interim emission reduction targets and a long term target for Northern Ireland by 2050, the long term target is an equitable contribution to achieving UK-wide Net Zero by 2050 (long term target considers expert climate change advice)

The EAI believes that specific emissions reductions target for 2050, as well as interim decade targets, are a crucial part of any climate policy as they give investors and stakeholders clear signals regarding the decarbonisation pathway in Northern Ireland. These targets should underpin environmental and energy policy across various Departments and sectors of the economy in Northern Ireland and ensure that all policies are aligned with one another. Cross-departmental collaboration with effective governance structures will be required to bring about effective, economy-wide climate and environmental action. In this respect, the EAI also welcomes the establishment of a new Green Growth Inter-Ministerial Group.

EAI favours a target that sees an equitable NI contribution to the wider UK net zero target rather than setting a net zero target within the jurisdiction. We believe NI's Climate Change Bill should consider the expert advice from the Climate Change Committee (CCC) when setting interim and long term targets for emissions reductions. The EAI believes this is the appropriate high level option for Northern Ireland to take forward as the targets recommended by the CCC in their 'Balanced Pathway' scenario represent an equitable contribution by Northern Ireland to the UK-wide Net Zero by 2050 target. This expert advice considers the role of the agricultural sector in the economy of Northern Ireland and thus sets out various targets whereby a fair contribution to the UK Net Zero target and interim reductions in 2030 requires Northern Ireland to take actions to reduce their emissions from agriculture but some emissions in this sector will be offset by 'sinks' elsewhere in the UK.

The CCC have concluded that NI does not need to achieve Net Zero GHG emissions in 2050 in order for the UK to meet its climate targets overall but they have stated that NI could achieve Net Zero CO<sub>2</sub>

emissions by 2050. We believe that a clear 2050 emissions target would further encourage early investment in decarbonisation through the use of renewable technologies and electrification of hard-to-abate sectors such as heat and transport, which will be necessary for Northern Ireland to meet its climate targets.

In our response to the DfE's Energy Strategy Call for Evidence we stated our belief that Northern Ireland will need a series of carbon budgets to provide clarity for local policy making and that authorities in Northern Ireland should ask the CCC to recommend a series of carbon reduction targets out to 2050 for Northern Ireland with these targets taking account of Northern Ireland's unique characteristics compared to the rest of the UK. We stated then that this would include effort sharing with the UK on agriculture and that once the CCC makes its recommendation, Northern Ireland should proceed to legislate for the targets in the same way as Scotland and Wales has.

**Q2: Do you have any opinions on what would be the most important criteria to be considered when setting, or updating, long term and interim emission reduction targets?**

The EAI supports the use of evidence-based targets in setting, or updating, interim and long-term emissions reduction targets. To this end, the CCC is well placed to provide advice on NI's trajectory to a 2050 target along with intermediate targets and should be asked to do so ahead of setting the first NI carbon budgets.

The setting of carbon budgets for NI should consider the current state of decarbonation for each sector and the technology (current and future) that will help them abate. The targets should reflect the potential for energy efficiency measures in domestic and commercial buildings through a retrofit program which would have the added benefit of increasing local employment. The plan should acknowledge, like GB, the opportunities of moving to zero emission new buildings as soon as possible and to end high carbon fossil boiler installation as soon as possible. The phasing of emissions reduction should also take into account the ongoing electrification of transport, driven by vehicle manufacturers.

**Q3: Do you think flexibility should be built in to the Bill, to allow consideration of new emerging evidence and science on climate change (for example on long-lived and short-lived greenhouse gases) when setting emission reduction targets?**

The EAI believes it is important to maintain a certain level of flexibility to allow for technological improvements and forthcoming scientific evidence over the next 30 years. However, we would caution that if the Bill were to have unconditional flexibility it would undermine the value of it in giving investment certainty to stakeholders. In light of this concern, we would advocate that any flexibility in the Bill would only be to progress targets, i.e. by raising the ambition. This would ensure certainty to those investing in decarbonisation in Northern Ireland whilst also allowing the ambition to accelerate should the UK CCC recommend such an acceleration or should NI policymakers feel an acceleration is necessary. As stated above in our response to Question 2, we would strongly support Northern Ireland's Net Zero targets being establishing based on advice from the CCC.

**Q4: Do you agree that a Northern Ireland Climate Change Bill should include a duty for 5 yearly carbon budgets to set a statutory cap (interim emission reduction targets) on total greenhouse gases that can be emitted in Northern Ireland?**

The EAI supports the introduction of 5 yearly carbon budgets. Short term emission reduction targets such as those set in carbon budgets provide greater investment certainty and prevent actions being backloaded beyond 2030.

5 yearly carbon budgets would bring Northern Ireland in line with the rest of the UK. Also, in the Republic of Ireland, the Climate Change Amendment Bill will establish 5 yearly carbon budgets. The EAI welcomes a consistent approach across UK and Ireland. In addition, having a common underlying policy in both jurisdictions within the Single Electricity Market best supports low carbon investment in the sector. Investors in low-carbon technology will be familiar with carbon budgets thus

implementing them in Northern Ireland will provide continued confidence in Northern Ireland's approach to achieving their targets.

**Q5: Should provision for reporting on adaptation measures by 'major player' public bodies be included in a Northern Ireland Climate Change Bill?**

**Q6: Should provision for reporting on mitigation measures by 'major player' public bodies be included in a Northern Ireland Climate Change Bill?**

EAI believes the requirements of 'major player' public bodies to report on their adaptation and mitigation measures would set a good example to smaller public bodies and the private sector and would welcome an inclusion of such a provision in the Climate Change Bill.

**Q7: In addition to continuing to avail of the expertise of the UK Climate Change Committee, should we also include provision in the Bill, for an independent Northern Ireland advisory body on climate change?**

EAI welcomes the continued use of the UK Climate Change Committee expert advice to Northern Ireland with regards to both interim and long-term targets. The CCC is at the forefront of carbon budget and decarbonation advice and represents an invaluable resource for policy makers in Northern Ireland. We believe it is important that the methodology of Northern Ireland's targets align with wider UK targets to ensure investor certainty and to ensure the UK's Net Zero ambition is not undermined.

The UK CCC is a well-established entity which has provided specific expert advice for Northern Ireland and the other devolved regions of the UK taking into consideration the economic characteristics of each. Thus, the EAI believes it is well positioned to continue providing such advice on targets specific to Northern Ireland over the coming decades. Given this, the EAI does not see any advantage to creating a separate independent advisory body on climate change for Northern Ireland.



**Q8: Do you have any other comments in respect of the issues raised in this discussion document?**

**Q9: Are there any important issues you feel have not been adequately covered at this early discussion stage?**

The EAI believes the long term and interim targets which have been the focus of this discussion document should underpin environmental and energy policy across Departments and sectors of the economy in Northern Ireland and should ensure that all policies are aligned with one another. The Any Climate Change Bill for Northern Ireland must take a cross-Governmental approach and include every sector.

The electricity sector in Northern Ireland has been successful in achieving its 40% RES-E target by 2020. The EAI welcomed the news in September of 2020 that NI Infrastructure Minister has granted planning permission for the North South Interconnector. However, there is still more to be done in ensuring supportive planning and grid policies are in place.

The system operator in Northern Ireland, SONI, in its July 2020 report on *Tomorrow's Energy Scenarios* states that further investment in the grid will be crucial if Northern Ireland wants to attract investors in low carbon generation. The finalisation of the Strategic Energy Framework in 2021 provides an opportunity to identify the key investment needs for infrastructure to support a low carbon transition.

The EAI welcomes the statutory review of the Planning Act 2011 as investors require a coherent planning system in order to commit to projects in Northern Ireland. An unnecessarily lengthy planning process will hinder NI's efforts to attract the investors needed to decarbonise.

The EAI looks forward to the publication of DAERA's Green Growth strategy and Delivery Framework this Spring and in particular the inclusion of solutions to enhance network infrastructure. We also look forward to contributing to the DfE's Energy Strategy when it opens for consultation in March of this year. In our response to the Energy Strategy call for evidence last year the EAI recommended:

- Support for low-carbon generation through setting a new RES-E target of at least 70% by 2030 and providing a route to market for such technologies.
- Maintaining capacity adequacy in SEM and facilitating an efficient and secure all-island electricity system through the timely delivery of enabling infrastructure, primarily the North-South Interconnector.
- A strategy for low carbon dispatchable generation and other supporting solutions and infrastructure to incentivise system flexibility to facilitate increased levels of intermittent renewables on the system, while maintaining security of supply.
- Electrification and decarbonisation of the heating and transport sectors through a decarbonised power supply, energy efficiency measures and the use of low-carbon fuel alternatives.
- A strategy that ensures a just and equitable distribution of the costs and benefits of an energy transition in NI.

We also stated in our response to the call for evidence that Northern Ireland should seek to decarbonise at least cost and this can be supported through the following:

- Significant alignment with the wider UK on many decarbonisation initiatives including CCS, transport and heating.
- Appropriate alignment across the Island on the wholesale electricity market and integrated areas of the economic such as transport.
- Wider appropriate alignment on the Islands between the UK and Ireland (and the EU) recognising the synergies that can be achieved (e.g. electricity interconnection, gas decarbonisation).

As targets and ambitions increase, the engagement of individuals will be increasingly important if policies are to be successful. From an electricity industry perspective, we are acutely conscious of the ability of customers to engage in the decarbonisation transition – both having the knowledge to make the right investments and having the finances to invest at the appropriate time. Citizen engagement is necessary to understand and promote community acceptance of low-carbon technologies. Supportive policies for citizens and industry will be needed to ensure the electrification and decarbonisation of other sectors such as heating and transport. A cross-sectoral plan on engaging individuals and helping them finance investments that aid environmental protection and climate change mitigation would help achieve citizen engagement.

## Conclusion

The EAI welcomes the opportunity to respond to this public discussion document for Northern Ireland's Climate Change Bill. The EAI sees the Climate Change Bill for NI as a key piece of environmental governance which will set out a roadmap for the transition to a low-carbon economy through the decarbonisation of electricity and the decarbonisation of transport and heat.

The growing urgency for climate action requires that decarbonisation is central to all economic planning, regulation and environmental protection. Failure to adopt this approach to date has created a risk of high carbon fossil fuel lock in and future regret which will be costly to reverse. Therefore, climate action needs to be at the core of every aspect of an environment strategy. We believe a greater focus on emissions reduction, particularly in electricity, transport, heating, and agriculture is necessary to achieve effective and economy-wide decarbonisation, which in turn will enhance our natural environment.

The EAI agrees that the issues included in this document are pertinent and must be considered in a comprehensive Climate Change Bill. While the EAI recognises that the DAERA is not responsible for sectors of the economy such as power generation and transport, any Environment Strategy for Northern Ireland must take a 'whole of Government' approach and include every element of the public sector.

*The Electricity Association of Ireland, January 2021*

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