

# Clean energy for EU islands

### STATE-OF-PLAY INVENTORY OF LEGISLATION AND REGULATION FOR CLEAN ENERGY ON EUROPEAN ISLANDS

## Factsheet: Ireland

Ireland is the second-largest island of the British Isles, located in the Atlantic Ocean. The Republic of Ireland covers 70,273 km<sup>2</sup>, or about 83% of the island. Off the coast of Ireland there are 83 offshore islands, 23 of which are inhabited. The largest of the inhabited Irish Isles, Achill Island, has an area of 148 km<sup>2</sup>. Many of the islands are much smaller, with an area below 30 km<sup>2</sup>. Ireland has a total offshore island population of 8,756 inhabitants, which corresponds to 0.2% of its population.

In many cases, Irish islands do not have their own local authorities but depend on the county level on the mainland. Community development cooperatives play an important role in the administration and day-to-day life on the islands.

#### **Clean energy national targets**

The Integrated National Energy and Climate Plan for the Republic of Ireland aims to achieve a share of renewable electricity of 70% by 2030, a share of renewable heating and of 24% by 2030 and a share of renewable energy in the transport sector of 13.4% by 2030.

#### Supported RES technologies

Ireland offers several incentives for the deployment of renewable technologies in electricity generation, heating and cooling sector and transport. Support for larger RES projects (both solar and wind power) is allocated through auctions. Additionally, a solar PV scheme provides subsidies for the purchase and installation for roof-mounted PV. The heating and cooling sector is addressed through a grant scheme for heat pumps, an operational tariff for biomass/biogas installations and grants for the energy upgrading of dwellings. In the transport sector, grants are provided for the purchase of private and commercial EVs and the installation of public and private chargers. Ireland has a biofuel obligation scheme and offers tax relief and tax exemption for electric vehicles.

Support schemes:

- A Solar PV scheme offers grants for the purchase and installation of roof-mounted PV. Battery storage is also eligible for support.
- The RESS 1 auction offers support to medium and large wind and solar power projects and has a specific Community Preference Category to support communities.
- The Pig & Poultry Investment Scheme offers grant aid to pig and poultry farmers for specific investments in renewable generation and energy efficiency measures.
- The Young Farmers' Capital Investment Scheme offers grant aid to young farmers for renewable generation and energy efficiency measures.
- The tax regulation mechanism 'Accelerated Capital Allowance' is a tax-relief scheme that promotes renewable generation, measures on energy efficiency and electric mobility to enterprises located in the Republic of Ireland through accelerated depreciation.
- The tax regulation mechanism 'VAT Refund for farmers' refunds the VAT for farmers that purchase wind turbines or PV plants.
- The support scheme 'Renewable Heat' provides grants for the purchase and installation of heat pumps.

- The subsidy 'Better Energy Homes' provides grants for the energy upgrading of dwellings.
- The subsidy 'Electric Vehicle Grant Scheme' provides grant for the purchase of private and commercial EVs.
- Under the tax regulation mechanism 'Vehicle Registration Tax', electric vehicles are exempt from the vehicle registration tax.
- Ireland has a biofuel quota scheme under which fuel suppliers are required to include a certain percentage of biofuels in their annual fuel sales.
- The 'Electric Vehicle Home Charger Grant' & 'Electric Vehicle Public Charger Grant' offer grants for the installation of electric chargers.

#### **Electricity grid**

The grid connection procedure is defined by the 'Enduring Connection Policy' (ECP). Additional grid connection/ development works are classified as contestable i.e., that can be carried out by the project developer and or non-contestable i.e., that are carried out by the TSO/DSO. Grid access is non-discriminatory. Ireland has one distribution system operator and one transmission system operator. The country has a smart meter penetration rate of 3.7%. The electricity supplier switching rates for household customers in 2018 was 14.2%.

#### **RES projects authorization process**

A range of permits must be obtained for renewable energy projects including from the local planning authorities, the national regulator, the distribution and/or transmission grid operator and the national valuation office.

#### Supported energy efficiency measures

Several of the schemes under 'supported RES technologies', such as the Pig & Poultry Investment Scheme and the Better Energy Homes, offer grants to energy efficiency measures as well. Apart from that, the Energy Efficiency Obligation Scheme requires every energy supplier to achieve a certain energy efficiency target by carrying out energy efficiency projects in the domestic or non-domestic sectors. The Excellence in Energy Efficiency Design grant scheme offers subsidies to public and private organisations for the design and implementation of energy efficient projects. Finally, the Better Energy Communities is a comprehensive scheme that finances energy efficiency projects to Irish Communities.

#### Supporting policies

Ireland has an official training and certification programme called Renewable Energy Installers. The National Standards Authority of Ireland also offers certification for energy efficiency measures, while additional accreditation for energy auditors is required in order to qualify for the Excellence in Energy Efficiency Design (EXEED) grant scheme. The Public Sector Energy Programme provides support to public sector entities regarding energy savings. Ireland also issues annual calls for RD&D projects on clean energy transition.

#### Self-consumption and community energy

A community preference category was taken up in the country's first RES auction, the Renewable Energy Support Scheme. Currently, there is no specific legal framework with regard to prosumers, but the distribution system operator is planning to introduce a microgeneration support scheme for prosumers.

#### Island specific policy

There are no island specific support systems in Ireland. The Renewable Electricity Support Scheme (RESS) is the main government support to help deliver on Ireland's 70% renewable electricity target by 2030. The scheme has a number of community features designed to ensure community participation. Of particular interest to island communities are the provisions of the Community Benefit Fund and the Community-led category. The former provides for all RESS projects, including offshore projects, to share project revenues with local communities for sustainable purposes and the latter provides a route to market for community-led projects. Also, the SEAI 'Community Grant' supports energy efficiency community projects through capital funding, partnerships, and technical support. Offshore islands score more favourably in the selection process, due to their more challenging installation requirements.

#### Sources

- Number of islands: Department of rural and community development, Government of Ireland (Link)
- Island population: CNA17: Population by Off Shore Island, Sex and Year (Link)
- National Population: Eurostat 2020 (<u>Link</u>)