



**British-Irish Parliamentary Assembly**

**Tionól Parlaiminteach na Breataine agus na hÉireann**

**Report**

**from**

**Committee D (Environment and Social)**

**on**

**Climate Change and Renewable Energy**

**Doc No. 162**

## Introduction

1. Committee D of the British-Irish Parliamentary Assembly (Environment and Social) began its inquiry into climate change and renewable energy in November 2008. The Committee took evidence in Edinburgh, London and Dublin.
2. Renewables and climate change are topics of increasing importance across its member countries. The Committee is aware of many different projects, both in the public and commercial sectors, which aim to increase the use of renewable energy sources in order to reduce the impact of climate change. In this inquiry the Committee confined itself to subjects which were of interest across jurisdictions. The Committee set out to add value to the current debate by asking:
  - What is the place of the public sector in the renewables debate?
  - What cooperation is currently taking place across the Islands in order to improve the use of renewable energy?
  - What good practice should be shared and what are the barriers to developing renewable energy in the future?
3. The Committee spoke to academics, politicians and business representatives in order to learn about the renewable energy sector.<sup>1</sup> Given the increasing interest in renewables, politicians in all our jurisdictions are beginning to engage with those aiming to increase the use of renewable energy in all our jurisdictions. The Committee is keen to maintain a watching brief on the renewables debate and plans to consider returning to this subject in the near future.
4. As finite energy sources across the Islands—particularly off the coast of Scotland and in Wales (for example oil and gas)—are depleted it is right that we seek out alternative power sources. We acknowledge the controversy which exists over whether nuclear power can be considered a renewable source of energy. We have chosen expressly to exclude a consideration of nuclear power in order to allow the Committee to speak with a unanimous voice. However, we also acknowledge that a balanced energy portfolio (however that is defined) is essential in order to meet the increasing energy needs of BIPA member countries.
5. The Committee believes renewable energy, particularly that readily available within our jurisdictions such as wind, wave and geothermal energy, could provide a significant proportion of our energy needs across the Islands in the future. Not only will these sources of energy provide an environmentally friendly alternative to oil, coal and gas, they will also provide the member countries of the British-Irish Parliamentary Assembly with a local source of energy at a time when security of supply can no longer be taken for granted.
6. As we seek renewable solutions to our energy needs we have an opportunity to be market leaders in the renewables sector. The Committee believe that the renewable energy sector can provide jobs and create opportunities for employment and investment across the Islands; these are to be welcomed and encouraged at a time of economic uncertainty.

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<sup>1</sup> A list of our witnesses can be found at the end of this report.

7. Our findings are divided into three interrelated sections:
  1. Responsible government;
  2. Responsible business; and
  3. Responsible citizens.

## Responsible government

8. There are several tiers of government interested in the renewable energy sector. We have not considered the subject in the European Union (EU) context as it was outwith our terms of reference and the time available for this inquiry. However, we are of the firm belief that the EU has a key role to play in encouraging the development of renewable energy and in connecting the work (and energy sources) of its member states.
9. It is unlikely that any jurisdiction would realistically aim to provide for all its energy needs from domestic sources of energy. It would be much better for each country to work with its neighbours in order to source energy from the most efficient and clean sources of power. **A balanced energy portfolio is essential to ensure that our energy needs are not met by just one country or region. In order to be as self-reliant a region as possible we need to make the most of the renewable energy available locally. A collective and regional approach is essential as each jurisdiction cannot solve this problem on its own.**
10. The British<sup>2</sup> and Irish Grids (including those operating in Northern Ireland and Scotland) are interlinked and work together to provide for our energy needs. The Committee was pleased to learn of the significant cooperation which is already underway but urges those responsible for the operation of the grid and their regulators to develop even greater inter-working, perhaps even aiming to create a pan-British-Irish grid in the future. The Committee would also like to encourage our member governments to work together with our near neighbours who have expertise in renewable energy, for example Norway. We have several European interconnectors already, including between the UK and Ireland and between the UK and France. We believe that the number of interconnectors between ourselves and our continental neighbours could be increased for our mutual benefit.
11. **The Committee were pleased to learn that the Northern Ireland, Scotland, Isle of Man and Ireland governments are working together on a feasibility study for an off-shore electricity grid to transmit electricity from renewable energy sources—a Celtic Grid known as the “Isles Project”. We welcome this initiative.**
12. The Committee is aware of concerns that the present grid access charges regime in the UK may act as a disincentive to investment in renewables as higher grid access charges are generally applied in remoter locations, where the potential for renewable generation is greatest. This may make some schemes economically unviable. **The Committee urges the Department of Energy and Climate Change and Ofgem to review grid access charges to ensure that no disincentives are applied.**

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<sup>2</sup> National Grid plc is discussed in paragraphs 29 and 30.

13. The Committee learned about the proposal to create a European super-grid in the future. There is much to commend this model to the members of BIPA. The super-grid would aim to make the most of the variety of renewable sources of energy available from the EU and its neighbours. The aim of the super-grid would be to link the geothermal energy available in Iceland with hydro-power from Scandinavia, wind and wave power from the BIPA countries and solar power from the countries of the Mediterranean.
14. The idea of a super-grid is to be welcomed and encouraged. However, it will take quite some time for it to be developed because of the political and organisational complexities such a project entail. Significant barriers will need to be removed, in particular those of interconnection with our neighbours and differences in regulation. The Committee calls for the member countries of BIPA to work with the European Commission to encourage the development of a pan-European super-grid. This grid will need to be championed across the EU. **The Committee suggests that joint working with the Nordic Council might be an appropriate step in the process of developing a pan-European super-grid.**
15. At a national level governments must take the lead in encouraging and enabling renewable energy generation. The Committee was pleased to learn from written evidence how much cooperation is already underway across our jurisdictions. Some of this work is still at the informal level but there is little doubt that we will develop even closer links in the renewable energy sector in the future.
16. The role of the devolved administrations in Scotland, Wales and Northern Ireland is also vital as some aspects of energy generation, for example promotion or renewable energy and planning, are devolved. The British-Irish Council's Environment Sectoral Group appears to be well placed to provide the lead and to join up the work of our member governments—including the devolved administrations—with that of Whitehall (in particular the work of the Department of Energy and Climate Change (DECC)) on renewables.
17. The Committee met civil servants from DECC and from the British-Irish Council (BIC). We were surprised that there were few staff working on this subject and that they had other commitments as well as working for BIC. The Committee is concerned that the Environment Sectoral Group of the British-Irish Council may not be appropriately resourced for the essential work required on the issue of renewables. Indeed, it is uncertain that the Environment Sectoral Group will consider renewable energy as part of their remit.
18. We were told that it was early days for the BIC Environment Sectoral Group; however, written evidence we received from our governments suggested that there are high expectations for this project. The Committee is concerned that the expectations of our neighbours and partners are not shared by representatives from the BIC secretariat and the Department for Environment, Food and Rural Affairs (Defra, the UK Government department responsible for staffing this work). BIC will need to be a higher priority within the UK Government and Defra in order to further this and other essential projects.

19. The British-Irish Council set up a new Sectoral Group on Energy in 2009. The Committee looks forward to speaking to the members of that new Group in the future and hopes that it will choose to focus its time and resources on increasing the use of renewable energy across the Islands.
20. **The Committee expects much from the British-Irish Council as it has a crucial role in linking up work streams and sharing best practice as well as removing barriers to further inter-working between the member countries of the British-Irish Parliamentary Assembly. The Committee hopes to revisit this issue within the next 18 months and will maintain a watching brief on the Environment and Energy Sectoral Groups of the British-Irish Council.**
21. It is for governments to ensure that their policies will allow for timely connection, grid reinforcement and sharing of transmission capacity in order to provide long-term certainty for renewables projects. We look forward to hearing what our governments propose to further this agenda in the near future. The UK Renewable Energy Strategy (published on 15 July) is to be welcomed. Our national governments have a weighty responsibility to ensure that they meet the agreed targets for increasing the supply of energy from renewable sources by 2020.

	<b>Renewable target</b>
EU	20% of total energy consumption from renewable energy sources by 2020.
Ireland	16% of total energy consumption from renewable energy sources by 2020.
UK	15% of total energy consumption from renewable energy sources by 2020.

22. The Committee considered the role of the public sector in encouraging innovation in the renewable energy sector. Many of the good ideas for the development of new renewable technology should come from business (see below). However, there is also a role for our universities and colleges of technology. **The Committee recommends that the governments of our countries consider how they might boost innovation in the renewable energy sector. If nothing else, greater publicity is required for innovations which might improve significantly the use of renewable energy by both commercial and domestic consumers. Competitions and academic sponsorship should also be used by governments to encourage further innovation. The member countries of BIPA could and should lead the way on renewable technology; this will have both economic and environmental benefits.**
23. The public sector should not be immune from the drive to save money and energy by seeking out energy-efficient methods of working and by considering how best to source our power from suppliers. Our governments also have a role in ensuring that, as well as businesses and individuals, the public sector meets tough environmental targets. Public sector environmental targets should mirror the requirements for further energy efficiency within homes and businesses (see below). **The Committee recommends that each government department at all levels across the member countries of BIPA carries out an energy audit and sets tough targets on reducing energy requirements in line with their national**

## **renewable and energy efficiency targets, and building on the National Energy Efficiency Action Plans in place across the EU.**

24. Local government also has a role to play in increasing the availability and use of renewable energy. This is particularly important when it comes to planning the development of renewable energy plant and transmission. The Committee were told of delays of up to 20 years from when new plant was first considered to when the plant was operational—mainly because of planning delays. This is a thorny issue which requires some sensitivity; especially when areas of outstanding natural beauty are concerned and when local people are not in favour of the plans. **While local authorities across BIPA member countries must play their part in encouraging renewable energy production, the Committee acknowledges that the expansion of renewable energy must be sensitive to ecological and environmental considerations.**
25. The Committee was told that planning permission is a significant constraint in the development of new plant to harness renewable energy. Installations such as wind turbines, whether domestic or industrial, sometimes arouse local opposition and planning authorities can take some time to process applications. The Committee also heard of the difficulties in obtaining planning permission to transport electricity. Underground cables appear to be one method of reducing the local environmental impact; however the cost of the tunnelling and the extent of the work required to bury cabling would inevitably limit this approach. In most instances planning reform is therefore crucial for delivering renewables targets. The UK Government has already committed to implementing planning reform by April 2010.
26. Governments at all levels also have a role to play in informing and advising households on how to be more energy efficient and we believe more could be done to educate individuals and to encourage the reduction of energy use.

### **Responsible business**

27. It is in the best interest of businesses across Great Britain, Ireland and our neighbouring islands to seek to take the lead in reducing the overall use of energy (energy efficiency) and in increasing the use of energy from renewable sources. Not only is this good for the environment, it may also be a source of business and economic advantage in the future.
28. Business leaders should seek out opportunities to encourage the development of the renewables sector of our economies. It was therefore disappointing to learn of the recent decision by Vestas to close down its wind turbine manufacturing facilities on the Isle of Wight and in Southampton.
29. There is a role for big business and industry in promoting renewables, for example National Grid plc in the UK. National Grid plc provides the infrastructure for electricity transmission in England and Wales and it also facilitates the market for electricity generation. National Grid plc has identified several hurdles to the development of renewable energy generation. Its interest is connecting and transmitting electricity generated in Britain as well as managing relations with energy

partners in Ireland, Scotland, Northern Ireland, and further afield, for example in France and the Netherlands.

30. National Grid plc says that there are barriers to the development of energy from renewable sources and the development of the super-grid because of the differences in the regulation and management of energy between the UK and the UK's energy partners. It would appear that the UK in particular will need to make some tough choices on the development of the market, and in accepting costs now to allow for connection to renewable sources of energy both in the UK and abroad. To some extent Ireland—because of its geographical position—will depend on the UK and in particular the National Grid in order to connect with renewable sources of energy from Scandinavia and mainland Europe.
31. Small and medium sized businesses also have a role to play in the development of renewable energy and the use of energy efficient production methods. Many renewable energy ideas are first developed by entrepreneurs in this sector. Businesses are to be encouraged to make brave decisions on the development of new products and services. Government needs to help small businesses thrive in the current difficult economic circumstances.

### **Responsible citizens**

32. The Committee was told of the increasing use of electricity by consumers. Some energy providers were particularly keen to emphasise how much electricity is wasted each year because individuals fail to take simple steps to reduce their energy use. The Committee were given shocking statistics of the waste of energy caused by the use of the standby facility on some electrical products; for example Which? report that consumer electrics make up 16% of domestic electricity usage. They suggest that just one electrical unit, for example a freeview box, can use more than 20W per year when on standby. Using 2006 energy prices Which? estimated this would cost more than £15 per household per year. They also estimated that in 2006 consumers could save £40 per household just by turning off electrical and electronic equipment rather than using the standby facility.
33. Citizens can also take responsibility for reducing their energy use by ensuring that privately-owned buildings are insulated and that they have energy efficient products installed such as light bulbs and double glazing.
34. It is for individuals to consider their energy use and to reduce energy consumption where possible. Individuals and households can also choose to purchase energy from renewable-generated sources.
35. Small-scale energy generation is also to be welcomed. Some difficulties remain on whether energy generated by domestic plant can be sold to the grid. It is good practice to encourage the reduction in the national energy requirement and to support renewable energy generation even on a small scale. Households which produce their own electricity reduce the overall demand for energy from the grid.

## **Summary of conclusions and recommendations**

**A balanced energy portfolio is essential to ensure that our energy needs are not met by just one country or region. In order to be as self-reliant a region as possible we need to make the most of the renewable energy available locally. A collective and regional approach is essential as each jurisdiction cannot solve this problem on its own.**

**The Committee were pleased to learn that the Northern Ireland, Scotland, Isle of Man and Ireland governments are working together on a feasibility study for an off-shore electricity grid to transmit electricity from renewable energy sources—a Celtic Grid known as the “Isles Project”. We welcome this initiative.**

**The Committee urges the Department of Energy and Climate Change and Ofgem to review grid access charges to ensure that no disincentives are applied.**

**The Committee suggests that joint working with the Nordic Council might be an appropriate in the process of developing a pan-European super-grid.**

**The Committee expects much from the British-Irish Council as it has a crucial role in linking up work streams and sharing best practice as well as removing barriers to further inter-working between the member countries of the British-Irish Parliamentary Assembly. The Committee hopes to revisit this issue within the next 18 months and will maintain a watching brief on the Environment and Energy Sectoral Groups of the British-Irish Council.**

**The Committee recommends that the governments of our countries consider how they might boost innovation in the renewable energy sector. If nothing else, greater publicity is required for innovations which might improve significantly the use of renewable energy by both commercial and domestic consumers. Competitions and academic sponsorship should also be used by governments to encourage further innovation. The member countries of BIPA could and should lead the way on renewable technology; this will have both economic and environmental benefits.**

**The Committee recommends that each government department at all levels across the member countries of BIPA carries out an energy audit and sets tough targets on reducing energy requirements in line with their national renewable and energy efficiency targets, and building on the National Energy Efficiency Action Plans in place across the EU.**

**While local authorities across BIPA member countries must play their part in encouraging renewable energy production, the Committee acknowledges that the expansion of renewable energy must be sensitive to ecological and environmental considerations.**

## **Committee meetings**

### **Newcastle plenary: 20 October 2008**

Lord Dubs (Chair), Jonny Brady TD (Co-Chair), Senator Dan Boyle, Senator John Ellis, Jeff Ennis MP, Senator Geraldine Feeney, Lord Glentoran, Dr Dai Lloyd AM, David McClarty MLA, Barry McElduff MLA, Chris Ruane MP and Jim Wells MLA.

### **Edinburgh: 18–19 January 2009**

Lord Dubs (Chair), Jonny Brady TD (Co-Chair), Senator Dan Boyle, Willie Clarke MLA, Senator Geraldine Feeney, Dr Dai Lloyd AM, Chris Ruane MP and Iain Smith MSP.

### **London: 8–9 March 2009**

Lord Dubs (Chair), Jonny Brady TD (Co-Chair), Senator Dan Boyle, Willie Clarke MLA, Senator John Ellis, Jeff Ennis MP, Dr Dai Lloyd AM, Chris Ruane MP, Iain Smith MSP and Jim Wells MLA.

### **Donegal plenary: 30 March 2009**

Lord Dubs (Chair), Jonny Brady TD (Co-Chair), Senator Dan Boyle, Willie Clarke MLA, Mark Durkan MLA, Senator John Ellis, Jeff Ennis MP, Lord Glentoran, Dr Dai Lloyd AM, Joe McHugh TD, Lord Maginnis of Drumglass, Chris Ruane MP, Iain Smith MSP and Jim Wells MLA.

### **Dublin: 28–29 June 2009**

Lord Dubs (Chair), Jonny Brady TD (Co-Chair), Senator Dan Boyle, Willie Clarke MLA, Senator John Ellis, Jeff Ennis MP, Dr Dai Lloyd AM, Chris Ruane MP, Iain Smith MSP and Jim Wells MLA.

The Committee is indebted to the representatives listed below who gave up their time to meet with the Committee on their fact-finding visits.

### **Edinburgh**

Mr Jim Mather MSP, Minister for Enterprise, Energy and Tourism  
Mr Mark Ennis, Director of Communications and Strategy, Scottish and Southern Energy  
Mr Jamie Hume, Deputy Director (Renewables), Scottish Government  
Duncan Botting, ITI Energy  
Professor Jim McDonald, University of Strathclyde

### **London**

Mr Jan Lindholm, MP, Sweden (Green Party)  
Mr Ivar Kristiansen, MP, Norway (Conservative)  
Ms Eline Oftedal, senior advisor at the Norwegian Parliament  
Mr Jens Rasmussen, Nordic Council  
Chris Barton, Department of Energy and Climate Change  
Nordic Council  
Linda Kiff, Environment Regulation Policy Division, Defra  
Richard Hutchinson, Head of Devolution Strategy Branch, Ministry of Justice  
Judith Simpson, Head of Constitutional Settlement Division and Joint Head of the British-Irish Council Secretariat and UK Co-ordinator for the British-Irish Council

### **Dublin**

An Bord Gáis  
Mr Eamon Ryan TD, Minister for Communications, Energy and Natural Resources  
Katrina Polaski, Head of Renewables, Sustainable Energy Ireland  
Professor Fionn Murtagh, SFI  
Professor Brian Norton, President, Dublin Institute of Technology