

# ENERGY EFFICIENCY TARGETS

John Dallas, Partner, A&L Goodbody looks at the current status of energy efficiency targets in the Public Sector and looks at what is next?



Ireland has set a target under the EU Energy Efficiency Directive (EED), of achieving 20% improvement in energy efficiency by 2020. Whilst this target is not binding at Member State level, it is widely recognised that improvements in energy efficiency contribute significantly to Ireland's efforts to comply with a suite of binding EU targets in the area of energy consumption, energy demand and greenhouse gas emissions.

Ireland has set a more ambitious target of 33% improvement in energy efficiency for the public sector by 2020 which recognises the principle under the EED (and more recently the requirement under Irish implementing legislation) that public bodies should fulfil an 'exemplary' role with regard to energy efficiency.

To help to achieve these targets, among other initiatives, the Department of Communications, Climate Action & Environment (the Department) has published a series of

National Energy Efficiency Action Plans (NEEAPs), the most recent of which was published in 2017. The 2017 NEEAP provides a helpful update as to progress to the end of 2016 on achieving these targets and a framework for the remaining period to 2020.

## THE CURRENT STATUS

Whilst the latest NEEAP recognises that significant progress has been made towards 2020 energy efficiency targets (at the end of 2016, just under 12% of the national target was achieved) it projects, that by 2020 Ireland will have achieved 16.23% of the 20% target. Regarding public sector performance, the NEEAP notes that based on most recent data available (to the end of 2015), public sector bodies had reported a 21% improvement in energy efficiency as compared to 2009.

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In short, there is recognition that significant progress has been made but that an intensification of efforts is required to achieve 2020 energy efficiency targets.

### WHAT'S NEXT AND WHAT IS THE ROLE OF THE PUBLIC SECTOR?

Recognising this requirement for intensification of efforts and the key role of the public sector in contributing to this, the Department published Ireland's first Public Sector Energy Efficiency Strategy (the Strategy) earlier this year. The Strategy seeks to position the public sector in a leadership role for the promotion and implementation of energy efficiency behaviours and development of energy efficiency technologies in Ireland.

The Strategy comments that a significant proportion of energy efficiency savings to date has been achieved through so called 'low cost' measures, e.g. behavioural change campaigns. It also concludes and that there is now a need for larger scale projects, such as deep renovation of buildings, highly efficient (Nearly Zero Energy Buildings) new buildings, lighting and boiler replacement and investment in transport assets in order to make further inroads to 2020 targets. This points to a need for significant additional financial investment in energy efficient projects in the short term.

Greater detail on how the objectives of the Strategy will be achieved will be included in the National Mitigation Plan (NMP), a draft of which was published in March 2017 as part of a public consultation. Whilst not yet finalised, the draft NMP sets out the actions required to bring about reducing carbon emissions, including by way of energy efficiency measures.

In terms of energy efficiency, the NMP sets out a range

of fiscal and technical supports as well as regulatory measures which are already in place to encourage and oblige stakeholders, including public sector bodies to contribute to energy efficiency measures. A number of additional mitigating measures, which will be of interest to public sector bodies, are under consideration including the much anticipated Renewable Heat Incentive scheme and smart metering.

The NMP reinforces the message that greater financial investment is required in larger scale infrastructure projects in order to accelerate progress towards 2020 targets.

### BEYOND 2020

The Clean Energy Package of European legislation proposes a number of changes to the EED including increasing the target for energy efficiency improvements to 2030 to 30%. These targets will not be binding on individual Member States but Member States will need to set out how they propose to assist in meeting those EU targets.

Irrespective of the legal basis of these targets, it seems clear that all stakeholders need to begin looking beyond 2020 energy efficiency targets and to prepare to intensify efforts and investment in order to deliver inevitably more ambitious objectives beyond 2020.

*A&L Goodbody's Energy & Natural Resources Group regularly advises in the area of energy efficiency, including recently advising on the establishment of a private energy efficiency fund and on a number of energy efficiency infrastructure upgrade and outsourcing projects.*

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