Sinn Féin

SINN FÉIN VISION FOR RENEWABLE ENERGY

Sinn Féin

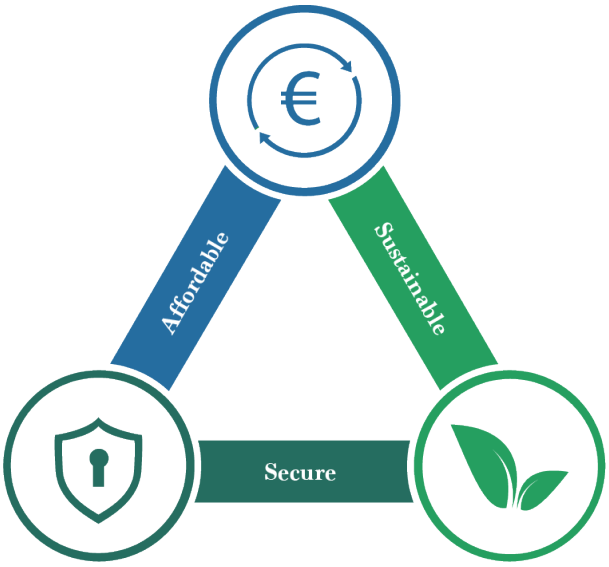
www.sinnfein.ie

Overview

Decarbonising our electricity system is central to the transition to more sustainable, affordable and secure energy system. Shifting to renewable electricity is crucial for decarbonising the electricity system itself as well as facilitating the decarbonisation of other sectors such as heating and transport.

In our 2018 Powering Ireland document, Sinn Féin set out an ambitious and pragmatic plan that would have seen the proportion of renewables provide 80% of electricity demand by 2030. This target was only accepted by the government in 2021. Delayed ambition, a chronic lack of implementation, inadequate planning and resourcing has already put meeting this target in jeopardy.

Sinn Féin would prioritise accelerating the transition to renewable energy, in a manner which maximises energy security and affordability for individuals and communities. Poor policy choices and a failure to invest by successive Governments has put energy affordability and security in a precarious position. The failure to realise the potential of our own wind and solar resources and consequent failure to reduce our dependence on imported fossil fuels at pace also left us excessively exposed to the negative impacts of energy crises arising from global events that are out of our hands.



Sinn Féin believe that the decarbonisation of the energy system must be harnessed in a manner which delivers long-term social and economic benefits for Irish society, ensuring that our natural resources are translated into national wealth. Decarbonising our energy system will require significant public and private investment. We believe that this investment can and must be leveraged in a manner which delivers real long-term social and economic benefits for families and communities across this island. Sharing the benefits of the energy revolution and delivering more affordable energy is at the heart of delivering a just transition.

Transitioning to a More Affordable, Clean Electricity System

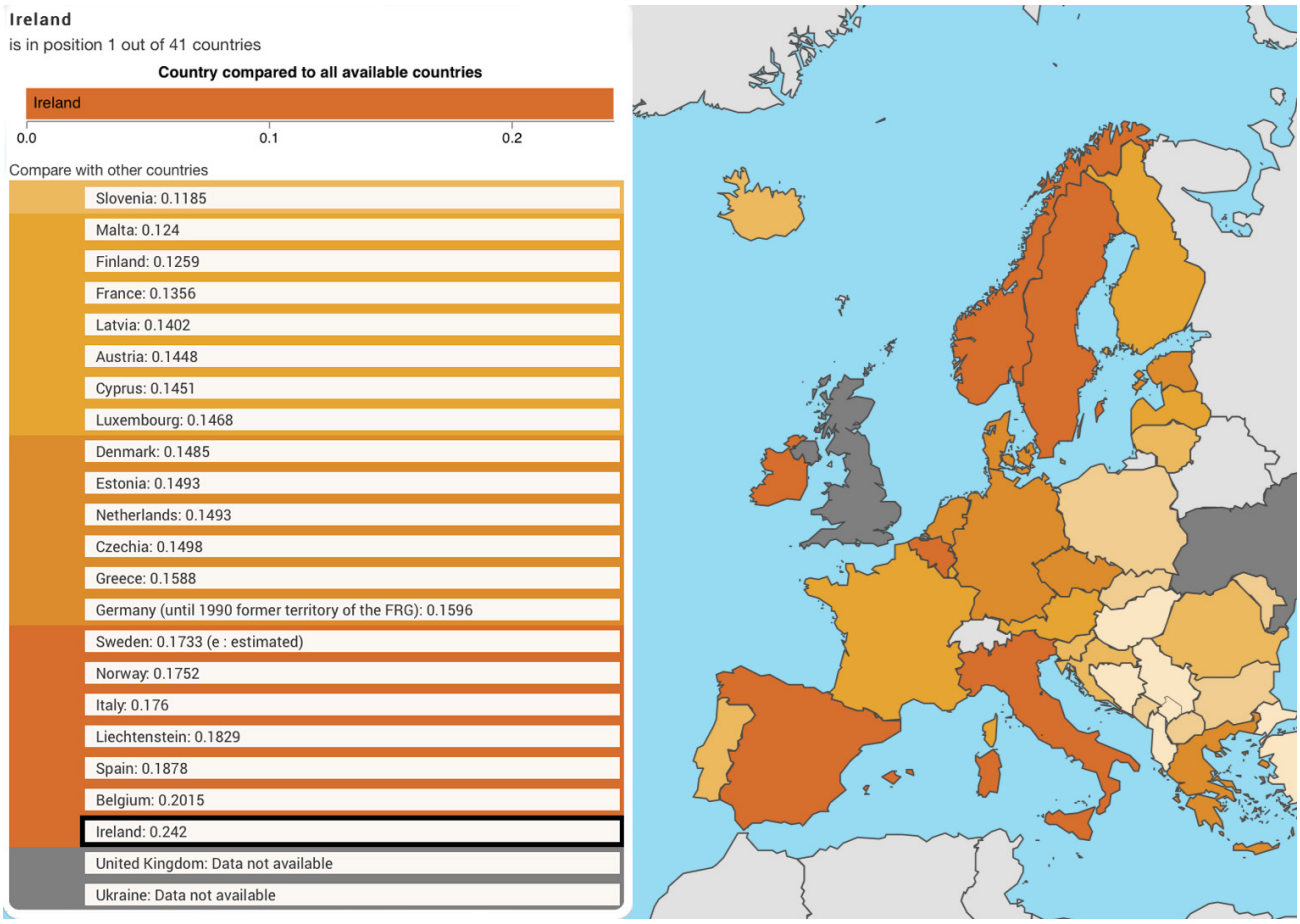
Delivering clean and affordable electricity is central to the environmental, economic and social development of the state. Renewable electricity sources are now often cheaper than fossil fuels. A global study examining the benchmark levelized cost of electricity by energy source across different states revealed that onshore wind and solar PV was between 38-50% cheaper than gas and coal in 2022.[1]

The current energy crisis is testament to the dangers of relying heavily on fossil fuels, given the volatility of prices as well as their significant contribution to climate change. With renewables becoming cheaper on average than fossil fuels, their costs can also be more stable with the right pricing and renewable electricity support mechanisms in place. For instance, the new RESS model that operates here pays generators a guaranteed price for renewable electricity, helping to protect against fluctuations in wholesale market prices. If a project receives a better price in the market than the price it was contracted, it must return the excess, thereby protecting against exponential price rises for consumers.

However, the benefits of the renewable energy transition have not yet been fully captured here. In terms of renewable energy prices, in the RESS auctions to date, the state has paid out the highest prices for renewable electricity in Europe. With other European states such as Spain capturing prices of €35-50/MWh for wind and solar, in the latest auction here the average price was €94.[2] Guaranteeing low prices is essential to a transition that is just – people need to be materially benefiting from the transition to renewables. We have called for a cross-Government high level taskforce to be established to bring forward recommendations on how to lower the price of producing renewable energy here, to bring us into line with European norms. Additionally, most of our renewable energy generation is funded through the previous support model, which guaranteed generators a minimum price, while allowing prices captured in the market in excess of the base price to be retained.

1 Bloomberg (30th June 2022) <https://about.bnef.com/blog/cost-of-new-renewables-temporarily-rises-as-inflation-starts-to-bite/>.

2 Euractiv, 'High electricity prices, renewables and windfall profits' (2nd February 2022).



In terms of electricity costs more widely, prices in Ireland are among the most expensive in the European Economic Area (EEA) as a result of structural failures by successive governments. Ireland has the most expensive electricity prices for households in all of the EEA excluding taxes and levies and the fourth highest when government charges are included.[3]

The high non-tax component of electricity prices in Ireland has partly limited the investment in renewable energy at levels necessary to capture the full benefits of the transition. For instance, a report carried out by the Council of European Energy Regulators (CEER) in 2021 identified that Ireland provided some of the lowest levels of renewable energy support per unit of gross electricity produced in Europe.[4] The failure to invest by successive governments has meant that unlike Denmark, the state has failed to transform our immense natural resources into national wealth.

By reforming the funding of renewable electricity supports, the wider electricity market and charges, Sinn Féin would ensure that there is sufficient investment to fund the renewables transition at the scale, pace and diversity necessary, while protecting household bills now.

Funding the Transition Fairly

Sinn Féin believe that a fair funding model should be at the heart of the transition to a affordable, secure and democratic decarbonised electricity system. The current funding model is structured in a manner which puts a disproportionate burden on lower income households as well as stifling the pace, scale and diversity of the renewable energy transition.

3 Eurostat, 'Electricity prices for household consumers - bi-annual data (from 2007 onwards)' (21st October 2022).
4 Council of European Energy Regulators, Status Review of Renewable Support Schemes in Europe for 2018 and 2019 (June 2021).

Renewable electricity in the state is currently funded through the PSO levy, a subsidy charged on consumer bills to support renewable generation. Prior to the current energy crisis, the PSO accounted for around 4.3% of electricity costs.[5] The low level of renewable supports has, in part, been necessitated by the extent of excessively high electricity prices in the state – a result of significant policy failures by successive governments.

Sinn Féin advocate a wholesale reform of the current funding model, including a revision of existing support mechanisms as well as the introduction of new funding models.

Expanding the Role of General Taxation

Sinn Féin would expand the role of general taxation to fund a more ambitious, democratic and diverse renewable energy system. We would allow for general taxation to supplement the funding that comes from the PSO levy to finance a more ambitious renewables programme. Expanding the role of exchequer funded renewable energy supports is central to our aims of investing in renewable generation at a scale, pace and diversity necessary to maximise longer-term socio-economic benefits and national wealth without excessively impacting on consumer in the short term. Using financial levers beyond charges on electricity bills is especially important in this state, where price of electricity without taxes and levies is the highest in the EU.[6]

Several of our European counterparts have already moved to fund renewable energy through the exchequer. France did so in 2015, recognising that charges on electricity bills would not be sufficient to finance a transition of the scale intended, without putting an undue burden on households and businesses.

By expanding the role of general taxation, the state could invest significantly more in renewable generation without requiring a commensurate increase in PSO levy charges. This would allow for greater investment in renewable technologies that are less cost competitive at present, such as floating wind and green hydrogen, but where action is needed now to capture the market. Similarly, this could allow for us to invest more heavily in different ownership models such as community owned renewable generation, which while less cost competitive in the short term, demonstrates significant wider long-term economic and social value. For instance, if we were to use exchequer funding to finance the additional costs of ensuring that 10% of new generation is community-owned by 2030, this could see €50-€60m come from general taxation instead of consumer bills.

Reforming the PSO Levy

As the PSO component of energy bills is expected to grow with the expansion of renewables, so too does the need for a fairer funding model. Like many of the government's mechanisms for funding the transition, the PSO is currently structured in a regressive manner. The PSO levy is charged to all electricity final customers in the state, though not equally. The burden of meeting the costs is not evenly or equitably distributed across or within different user groups.

The way that the PSO levy is currently designed and calculated unequally distributes the cost burden across residential, small commercial and medium/large commercial users. The cost of the PSO levy is divided across each of the three consumer categories. The current method

5 CRU, 'Domestic Electricity and Gas Bills in Ireland' (2020).
6 Eurostat, 'Electricity prices for household consumers - bi-annual data (from 2007 onwards)' (21st October 2022).

for determining the proportion of the levy to be paid by each category places unevenly distributes the cost burden. Rather than being based on how much each category of consumer contributes to overall demand, the PSO levy is apportioned based on each category's contribution to 'peak demand'. The use of peak demand instead of total demand apportions an outsized share of the PSO on households. For instance, in 2021 domestic users accounted for 42% of peak demand[7] compared to only around 31% of total demand.[8]

The use of peak demand contribution instead of total demand is deeply regressive. The renewable electricity generation target is based on the proportion of total electricity demand; not peak demand.[9] This means that increases in total demand out to 2030 is what necessitates increased levels of PSO subsidy, and that increase is driven largely by data centres and other large energy users.[10] Yet the burden of funding the levy is borne disproportionately by households. This is inequity must change.

With households accounting for a disproportionate share of PSO levy costs, it is lower income households that shoulder a particularly unfair portion of the burden. The PSO is currently charged at a flat rate for every household regardless of income or electricity usage, making it both socially regressive and environmentally indiscriminate. The ESRI found that the cost of the PSO levy relative to income is 12 times larger for the lowest income households than for higher income households and effectively redistributes the burden from rich to poor.[11]

Sinn Féin believe that the distribution and design of the PSO levy must be reformed to a more socially progressive and environmentally effective model. The ESRI identified that per-unit charges such as 'Incremental Block Pricing' are less regressive than flat rates for households.[12] Adopting per-unit charges could provide the dual advantage of reducing the undue cost burden on the lowest income households and shifting it to high energy users.

We would complement reforms to the overall structure of the PSO levy with further protections for vulnerable and lower income households. In Austria for instance, there are exemptions from payment of levies to support renewable energy based on household income and household size. These measures would be in addition to our wider social protection package for energy.

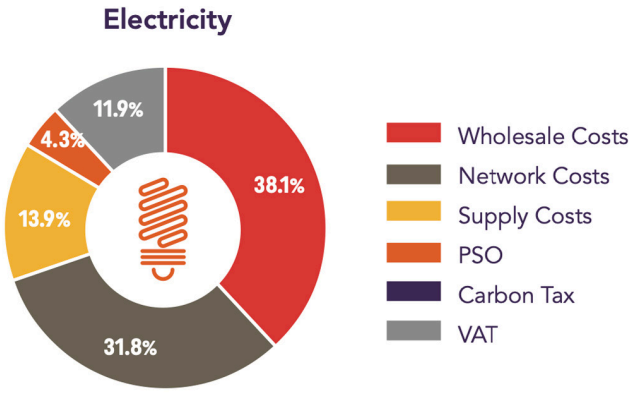
Sinn Féin Priorities:

- **Increase the scale, pace and diversity of the renewable energy generation, ensuring that this is funded in a fair manner.**
- **Expand the role of general taxation in funding renewable electricity generation.**
- **Reform the structure and distribution of the PSO levy to ensure a more equitable and progressive model.**

7 CRU, 'Public Service Obligation Levy 2021/22' (3rd August 2021).
8 Eirgrid, '2022 - 2031 All-Island Generation Capacity Statement Data Workbook' (6th October 2022).
9 ESRI, 'Who Pays for Renewables? Increasing Renewable Subsidisation due to Increased Datacentre Demand in Ireland' (June 2019).
10 The cost of the PSO levy may reduce in contexts of sustained high wholesale electricity prices.
11 ESRI, The Distributional Impact of the Irish Public Service Obligation Levy on Electricity Consumption' (6th February 2014).
12 ESRI, The Distributional Impact of the Irish Public Service Obligation Levy on Electricity Consumption' (6th February 2014).

Reforming the Wider Electricity Market & Charges

The current energy crisis has highlighted that wholesale reform of the wider energy market and charges is imperative to guarantee affordable electricity. Decades of illogical policy decisions and chronic mismanagement of our energy system has put energy affordability in a precarious position.



Source: CRU, 'Domestic Electricity and Gas Bills in Ireland' (2020).

As we have outlined, the tax and levy components of electricity in Ireland are important but small elements of electricity costs. While the composition of electricity charges will shift as we transition to renewables, a large portion will continue to come from wholesale and network charges. Structural reform is needed to fix the flaws in our energy system that have decimated affordability for Irish households and small businesses. We have a plan to do this.

Reforming the Wholesale Market

Reforming the wholesale energy market is crucial for improving the affordability of electricity. At present, the wholesale market operates with producers making bidding prices that reflect the cost of production but then getting paid the marginal price – the most expensive plant that is needed to serve demand – which is typically gas. That means non-gas electricity producers including certain renewable generators receive windfall revenues and profits, inflating electricity prices and bills. Renewable generators that were subsidised under the previous renewable electricity support mechanism (REFIT) are among those that have enjoyed these excess revenues, while having also been propped up by public monies in times of lower wholesale prices.

We want to see this link between gas and electricity prices on the wholesale market be broken. Sinn Féin has been calling for reform since November 2021, with a cap on the wholesale price for non-gas produced electricity. The government on the other hand had opposed these reforms over the last 12 months, with households paying the price.

Redistributing and Restructuring Network Charges

Another key pillar of our plan to transition to a cleaner affordable energy system involves restructuring and redistributing network charges. Network charges refer to the costs of developing, operating, and maintaining the transmission and distribution system from users connected to electricity networks. Before the current energy crisis, network charges accounted for around a third of electricity costs.[13] As such, the design and distribution of network charges has a sizeable impact on electricity bills. As with the PSO levy, the current structure and distribution of network charges is both socially and environmentally regressive.

As a direct result of government policy, the distribution of network charges has been deeply unfair and fundamentally regressive. In 2010, a decision was taken by the then Minister for Energy (who is also the current Minister responsible for energy policy) to direct the CRU to redistribute network charges in a way which reduced costs for large energy users by hiking the charges paid by households – to the tune of an additional €50 million per year.[14] De-

13 CRU, 'Domestic Electricity and Gas Bills in Ireland' (2020).
14 Dáil Éireann Debate, Priority Questions: PQ No 3 [24369/09] (18th June 2009)

spite the obvious flaws, this arrangement has remained in place for over 10 years, surviving the tenure of five governments.

Sinn Féin would have put an end to this subvention immediately. In the absence of direct action by the Minister to direct the removal of an abhorrent policy he initiated, the CRU have now stepped in to unwind it. This is over a decade too late. Since its introduction, it has been estimated that this subvention has added an additional €600 million to household bills – around €480 per household.[15] Over the lifetime of this subvention, the energy demands of data centres and other large-energy users has rocketed while energy poverty has surged to record highs.

Network charges are also designed and structured in a manner which is environmentally and socially regressive. As well as variable costs linked to energy usage and capacity, network charges in the state are also partly composed of fixed standing charges. Standing charges are applied to electricity costumers irrespective of usage. While there are costs to maintain and improve the network that must be recovered, it is not necessary for these costs to be met through fixed standing charges.

Standing charges have rocketed since the beginning of the energy crisis, with increases of between €63 - €326 reported, depending on the supplier.[16] This means that for hard-pressed households who are reducing their electricity consumption to make ends meet, the difference is not adequately reflected in their bills. Likewise, despite government rhetoric pushing for reduced consumption and energy efficiency, those who install solar panels for self-consumption or reduce electricity usage for environmental reasons are inadequately rewarded for doing so.

In September 2022, the Commission for the Regulation of Utilities told the Oireachtas Joint Committee on Environment and Climate Action that they lack the legislative remit to regulate standing charges.[17] This means energy companies have free reign to increase standing charges by as much as they want, without having to justify it to the regulator or prove a corresponding increase in their fixed costs. This is a significant gap. We therefore advocate the introduction of legislation to give the CRU the power to regulate standing charges on energy bills to ensure that network charges are structured more progressively and in a manner which distributes the cost burden fairly.

Sinn Féin Priorities:

- **Reform the wholesale market to break the link between gas and electricity prices.**
- **Redistribute network charges fairly across households, small businesses and large energy users.**
- **Introduce legislation to give the CRU power to regulate standing charges, to ensure that network charges are structured more progressively and in a manner which distributes the cost burden fairly.**

15 CRU, 'Electricity Network Tariffs 2022/23 – National Energy Security Framework Response Proposals' (28th September 2022).

16 Independeant.ie, 'Cost of living crisis: Standing charge hikes of up to €300 on electricity bills – regardless of your energy usage' (19th September 2022).

17 Joint Committee on Environment and Climate Action, 'Engagement with the Commission for Regulation of Utilities' (20th September 2022).

Accelerating the Transition & Protecting Our Energy Security

The transition to a renewable energy system is central not only to meeting our climate targets, but to safeguarding our energy security in the short and long term. The vast resources vested in our island can transform Ireland from a net importer of pollutive energy to an exporter of clean energy. In the more immediate term, our indigenous renewable potential could be used to improve the security of energy supply on the island, by decreasing our reliance on finite energy imports and the insecurity that comes with it. With a sea area approximately seven times the size of our landmass, the state has a long-term potential of 70GW of ocean energy opportunity. With innovations in green hydrogen and battery storage, we have an increasing ability to translate our vast intermittent resources into clean, dispatchable energy.

Despite the huge importance and potential, successive governments have failed to develop our renewables at the pace and scale required. Flaws in the planning system have repeatedly led to renewable energy projects being significantly delayed or cancelled. Due to government inaction, we remain without a hydrogen strategy, a renewable resource that could be central to our energy security. The state is also one of only two in the EU that failed to apply for REPowerEU funding to support the rollout of biomethane production, for which around €2 billion in supports could have been granted. This adds to a growing list of missed opportunities for the state to transform our indigenous renewable resources into a secure and affordable clean energy supply.

The Government's failure to develop our renewable resources has left us excessively dependant on fossil fuels with negative consequences for our energy security. A key indicator of energy security is import dependency. According to the latest comprehensive report by SEAI, the State was rated as 67% import dependant, which, in all likelihood, will have since increased. This makes us one of the most energy import dependant states in the EU despite having access to some of the most vast, indigenous, clean energy resources in the continent.[18]

Coupled with the Government's failure to develop our renewable resources, the facilitation of an exponential and ill-regulated rise in data centres has left us with a mismatch in energy demand and energy generation. The electricity transmission system has been pushed to its limit. There have already been 8 amber alerts issued this year, almost as many as there had been in the previous 5 years.[19] The recent growth in 'islanded' data centres also risks transferring the security of supply risk from electricity to gas supply and runs counter to our emissions reduction objectives.[20]

The scale of the mismanagement is astounding.

The Government's failure to sufficiently ramp up renewable energy supply has also had di-

18 SEAI, Energy Security in Ireland:2020 Report' (September 2020)
19 Irish Examiner, 'Eirgrid sounded alarm on supply issues eight times already in 2022' (28th August 2022)
20 government-statement-on-the-role-of-data-centres-in-irelands-enterprise-strategy.pdf

sastrous effects for our climate goals. To meet the shortfall in electricity generation caused by their own systematic mismanagement, the government decided earlier this year to redirect funding allocated for retrofitting to buy gas and diesel generators. Additionally, the lack of clean energy has led to the share of coal in the electricity mix having doubled in 2021.

Sinn Féin will prioritise accelerating the transition to improve our energy security, with an emphasis on reforming and resourcing our environmental planning system. Together with our plans to expand renewable generation and harness the long term benefits, Sinn Féin will ensure that our renewable resources are better realised for the benefit of our climate and citizens.

Getting Planning Right

The government's climate action plan targets and in particular their renewable energy targets are significantly delayed because of a lack of adequate planning and resourcing.

The government delayed publishing and passing the Maritime Area Planning Act. They have yet to publish the General Scheme of the Marine Protected Areas Bill. Both of these pieces of legislation and their successful implementation are crucial to ensuring that we can expand our offshore wind energy generation while protecting marine biodiversity.

Alongside this, the government has delayed establishing a dedicated environmental and planning court and has failed to provide our planning authorities with adequate resources or staffing. These failures in particular have led to lengthy and unnecessary delays in planning decisions.

The consequence is a planning system that is slow, adversarial and racked with uncertainty for communities, applicants and the wider environment. While it is essential that significant infrastructure projects be adequately scrutinised, it is feasible and indeed, imperative for these processes to be expediated.

We would reform the resourcing and processes involved in our planning system to accelerate the transition to renewables while advancing the integrity and robustness of the planning process and recognising the value of public participation.

Sinn Féin believes we can, and we must get planning right if we are to meet our renewable energy targets and achieve energy security.

Increase the Resourcing of Environmental Planning Bodies

The under resourcing of key state bodies, such as An Bord Pleanála, Eirgrid and the CRU, and of environmental statutory consultees is a significant contributory factor causing delays in the planning process. It is reported that planning decisions for renewable energy projects take over a year on average, around three times longer than the statutory timeframe. Sinn Féin would properly resource the state bodies and stakeholders involved in the environmental planning process to ensure that they can carry out their responsibilities in a timely manner.

In our 2023 Alternative Budget, we allocated significant additional funding to better resource

key bodies and organisations. We allocated an additional €1.25 million to significantly increase staffing in the marine and climate unit, the body responsible for processing offshore wind applications. This funding would allow for staffing levels to treble. We also allocated €2.1 million in funding to the Irish Environmental Network, a consortium of various environmental NGOs, many of which are important consultees in the planning process. By doubling the existing funding provided, this will ensure that these bodies are better resourced to fully and efficiently engage in the planning process. This could in turn, improve the amenability of the planning system and lessen the grounds for recourse to legal action.

Establishing a Planning and Environmental Court

Sinn Féin would establish a planning and environmental court to expedite the processing of any legal challenges concerning renewable energy projects. The current timeframe for the conclusion of legal challenges against renewable energy projects is a considerable barrier for getting projects initiated and completed in a timely manner. Stakeholders have outlined that judicial reviews against renewable energy projects can take from 18 – 24 months, adding considerable delays to the planning process.

In our 2023 Alternative Budget, we allocated €1.6 million for the establishment of a planning and environmental court. Establishing a dedicated court to consider challenges to renewable energy projects is crucial for streamlining and expediating the process while maintaining the robustness of the legal review.

Sinn Féin Priorities:

- **Properly resource key state bodies and stakeholders involved in environmental planning processes.**
- **Establish a Planning and Environmental Court to streamline and expedite renewable energy projects.**

State-Driven Investment & Delivery

We believe that the state should lead in delivering the investment necessary to accelerate the transition to renewable energy and to capture its full benefits. To date, inadequate planning and underinvestment in critical infrastructure and innovation has hampered the delivery and diversity of our renewable resources. Sinn Féin believe that the state must take a more proactive approach, ensuring that targeted funding streams are in place to support the delivery of projects that are key to our climate targets, energy security and long-term economic prosperity.

Investing in Our Ports

Investing in our ports is crucial to delivering our renewable energy targets as well as ensuring that the benefits of the energy transition are better retained in the state. In particular,

ports have a crucial role to play in the development of offshore wind farms, from facilitating the transport of materials and linking local supply chains to hosting the operation and maintenance of offshore projects.

However, at present just one port in Ireland – Belfast – is capable of hosting the construction of offshore wind farms. If we don't invest in and ready more of our ports now, we will lose the jobs and supply chain business from these multi-billion-euro projects to other states. Crucially, without adequate port facilities, the delivery of our offshore wind targets is at risk.

To kickstart the necessary investment in our ports for offshore wind development, we proposed €8 million in supports in our 2023 Alternative Budget.

Investing in Innovation

Investment in renewable energy innovation is needed to support and further the transition to renewables and harness the wider benefits that come with it. Funding for research and development can help improve the accessibility, performance and integration of new and existing renewable technologies. For technologies at pre-commercial scale, R&D funding could be vital to improving commercial viability and the potential scale of deployment.

We believe the state should be leading on this front. In our 2023 Alternative Budget, we therefore allocated €20m to establish a new fund for innovative renewable energy projects. This would provide a distinct, sustainable funding stream to support research and development into emerging renewable technologies such as green hydrogen, floating offshore wind and battery storage among others.

Sinn Féin Priorities:

- **Invest in our ports to deliver our climate goals and to ensure that the socio-economic benefits of the renewable energy industry are retained in the state.**
- **Increase state investment into renewable technology innovation.**

Transforming our Renewable Resources into National Wealth for All

Sinn Féin is committed to ensuring that the transition to a low-carbon economy expands public, community and democratic ownership of our natural resources and of the economy more widely, starting with our energy system. Many of the economic, social and environmental crises we face can be traced to the ownership of natural resources and wealth, from the rigging of the housing system by investment funds to the concentration of finite energy reserves in the hands of a few autocratic states. Without adequate ownership of our natural resources, we have limited control over how and for what purpose our national assets are used – whether for profit maximisation or for the common good.

This is exemplified by the present energy crisis. The failure of successive governments to sufficiently invest in clean, indigenous energy has left us dependant on imported fossil fuels and excessively exposed to the negative impacts of global market shocks. Likewise, excessive reliance on the private sector fails to ensure that the benefits of decarbonisation will be adequately translated into national wealth and long-term benefits for Irish society. Our experience of energy market liberalisation is testament to this.

Sinn Féin would expand public, local, community and domestic ownership of renewable energy, meeting our climate targets while delivering wider social and economic benefits for workers and communities. These ownership models better retain, recirculate, and reinvest the wealth generated within the state and local communities rather than siphon off profits abroad or to corporate shareholders.

Liberalisation as Extracting National Wealth

The failures of energy liberalisation are now widely accepted. These failures are exemplified by the decline in the social value, affordability, and security of our energy resources following the privatisation of our energy system. ESB, our principal state-owned energy company, was instrumental in building our energy system while maintaining energy affordability. Moreover, the extent of ESB's market share ensured that the profits from energy generation in the state were heavily invested into public services for the population.

Throughout the liberalisation programme, ESB went from owning and operating 96% of the installed generation capacity in 2001 to 51% - a 43% reduction.[21] ESB now holds a mere 33% share of generation in the all-island market.[22] The systematic sell-off of our national assets was presented as an EU requirement and means of delivering more affordable electricity, neither of which were remotely true.

The pace and scale of this state's privatisation agenda was unmatched by our European

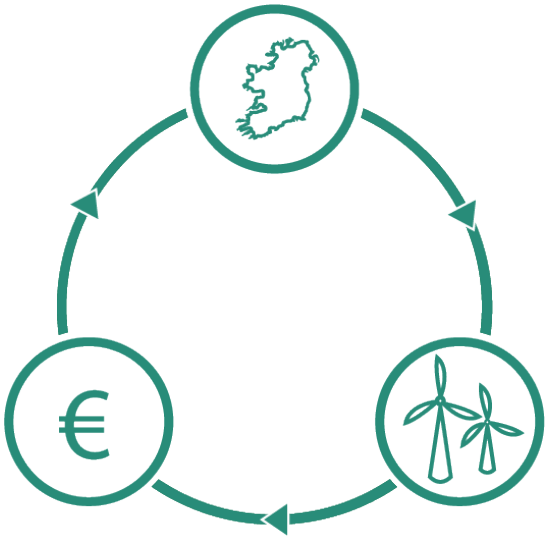
21 Rathke, The Effects of Electricity Market Liberalisation in the European Union (2015).
22 ESB, 2021 ESB Annual Report and Financial Statements (2022).

neighbours. The market share of France's state-owned EDF reduced by a mere 6% to 83% while Sweden increased the market share of its largest generator by over 20%.[23] In the same timeframe, we went from having among the lowest electricity prices in Europe to the highest.[24] Between 2000 and 2020, household electricity prices excluding taxes and levies increased by 274%.[25] Additionally, the market share transfer from the state to the private sector has meant that more profits from energy generation have flown into corporate dividends instead of public services and critical infrastructure.

Sinn Féin recognise that ESB and our wider state bodies are central to our economic, social and environmental goals. In 2011, our Finance spokesperson Pearse Doherty brought forward a motion rejecting the privatisation of ESB, recognising its importance to the future security, prosperity of the economy and society, and environmental protection of the island.[26] Unfortunately, this was not accepted – at a great public cost. While we cannot turn back time, the transition presents an opportunity to now fundamentally rewire our energy system into a more prosperous and democratic one that serves the common good.

Expanding Public Ownership of Renewables

Expanding public ownership of renewable electricity is central to Sinn Féin's plan for the transition to an affordable, secure and democratic decarbonised electricity system and to retain the wealth from our natural resources. Whereas the profits of large private energy generators are siphoned off into dividends for shareholders, the proceeds from our public bodies help fund public services and crucial infrastructure development. Increasing the share of state owned renewables would therefore generate a greater, sustainable funding stream for the state's future development.



Sinn Féin has long since advocated for greater state ownership and construction of key renewable energy infrastructure to reach our 80% renewable electricity target by 2030. Several of our state bodies are engaged in renewable generation, including ESB, Bord na Móna and Coillte. We want to see their role in renewables supported and extended. To support these bodies, we would revise existing financial and governance mechanisms with a view to maximising their role in a decarbonised energy system. Under our plan, we would revise existing governance mechanisms to direct and support these state bodies to deliver more ambitious renewable energy targets. We will ensure that ambitious levels of financial support exist for our state bodies to scale up renewable generation. This includes revising the existing dividend policy to allow for greater levels of reinvestment into renewable energy, needed to

23 Rathke, The Effects of Electricity Market Liberalisation in the European Union (2015).
24 Eurostat, 'Electricity prices for household consumers - bi-annual data (from 2007 onwards)' (21st October 2022); Rathke, The Effects of Electricity Market Liberalisation in the European Union (2015).
25 Household electricity prices were recorded at €0.0795/kWh in 2000 and €0.2179/kWh in 2020.
26 Dáil Éireann Debate, 'ESB and Disposal of State Assets: Motion' (20th September 2011).

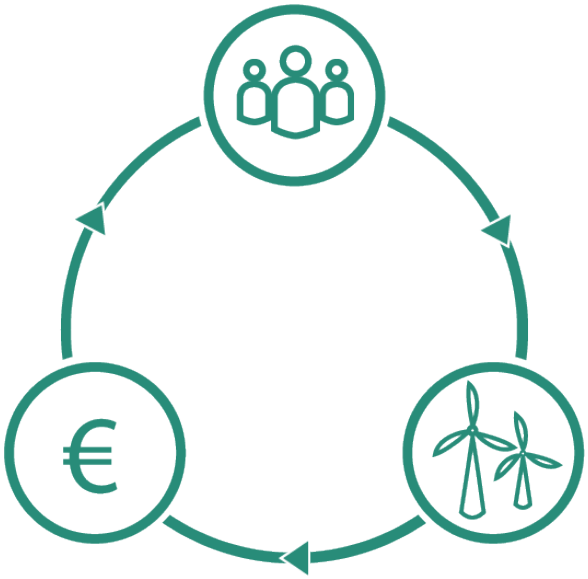
capture the market in this decade, and ensuring that borrowing limits allow for ambitious investment.

Sinn Fein Priorities

- **Revise existing governance mechanisms to direct and support commercial semi-states to increase renewable energy targets.**
- **Revise the existing dividend policy to allow for greater levels of reinvestment into renewable energy in this decade.**

Expanding Local & Community Ownership of Renewables

Community ownership of renewable energy is central to Sinn Féin's plan to translate the transition into natural wealth. Community owned renewable energy projects provide significant environmental and socio-economic benefits for local populations. The wealth generated from community projects is more likely to be retained, recirculated and reinvested within the community, helping to stimulate local economies and social development. Community owned renewables are also associated with greater levels of local support for renewable energy projects, which is essential for accelerating the transition to a sustainable and secure energy system.



The importance of community energy in the transition has been recognised at EU level. Recent changes in EU state aid rules have relaxed the competitive bidding requirements for 100% community owned projects, allowing for a major scaling up of the proportion of community owned projects within the Irish energy market. We would therefore target at least 10% of our new renewable energy generation to be community owned by 2030.

To initiate the scale up, in our 2023 Alternative Budget we allocated an additional €2 million in capital funding to support of community owned renewable energy projects, trebling the funding provided in 2022.[27] This funding would be used to directly support community owned projects through financial supports, capacity building and technical expertise sharing.

Sinn Féin would scale up the proportion of community owned renewables while protecting the affordability of electricity. Community owned renewables have tended to come in at

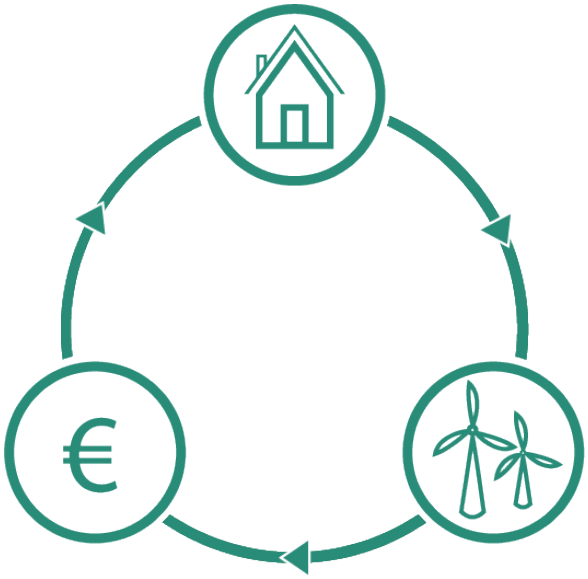
27 Based on the March 2022 Supplementary Estimates.

higher average costs auctions as individual communities operate at smaller scales. In RESS-1, community projects averaged at €30/MWh higher than the average across all projects, although the gap reduced considerably to €18.5/MWh in RESS-2.[28] For Sinn Féin, the wider economic and social value of community owned projects significantly outweighs the more visible upfront costs. Additionally, our reforms to the renewable energy funding model would allow for the additional cost of community renewables to be funded by the state without a commensurate increase in the PSO levy, thereby shielding energy bills in the short term.

Sinn Féin Priorities:

- **Increase funding to support community owned projects, including an additional €2m in 2023.**
- **Increase the target of community owned renewable energy projects to at least 10% of new capacity by 2030.**
- **Offset additional costs of community owned projects through Exchequer funding.**

Expanding Domestic Ownership of Renewables



Sinn Féin will also prioritise harnessing the transition to renewables to generate long-term benefits for workers and families directly. The drive towards renewables offers individual households to own and benefit from their own energy generation, while bolstering the energy security of the state. The installation of Solar PV in particular is a potentially widely accessible energy source for households to generate electricity for self-consumption, helping to reduce household bills significantly. According to the SEAI, a 3kW solar PV would generate enough electricity to cover over 40% of the typical annual electricity demand of an Irish home.[29] Household electricity generation also strengthen our energy security, by reducing the amount of electricity required from the grid for household consumption while exporting excess electricity to the grid.

28 In RESS-1, community projects averaged at €104.15/ MWh, compared to the overall average of €74.08/MWh. The gap has narrowed considerably in the most recent RESS auction, with community projects averaging at €116.41/MWh compared to overall average of €97.87/MWh; Eirgrid, 'Renewable Electricity Support Scheme 1: RESS 1 Final Auction Results' (10th September 2020).

29 SEAI, 'Frequently Asked Questions on Solar Photovoltaics.'

Our priority is ensuring that the roll-out of household renewable energy is scaled up, sped up and distributed equitably. For instance, in our Alternative budget, we would have increased the budget for solar PV by an additional €10.5m, a 75% increase from 2022.[30] This could see upwards of 7,000 households provided with solar PV in 2023. Crucially, we would completely restructure the funding of solar PVs so that state supports are proportionately allocated on the basis of need. This would mean that those least able to afford solar panels and most at risk of energy poverty are given the greatest levels of support. The solar PV scheme as currently structured, like most of the government's 'climate' policies, is deeply inequitable. The scheme offers the same rate of grant to all households irrespective of household income, which both hands public monies to the wealthiest households who don't need it, while withholding sufficient supports from those who do.

We would take a much fairer and tailored approach to the funding of solar PVs, by providing tiered supports ranging from 100% to 10% of the cost depending on household income. This would make solar PV an option for thousands more households who cannot currently afford it, helping to bring down energy bills, energy poverty and emissions.

Sinn Féin Priorities:

- **Increase investment in the solar PV scheme, to ensure more households can benefit from domestic renewable energy generation.**
- **Reform the solar PV scheme to a more progressive one, to ensure that income is not a barrier to benefitting directly from the transition.**

30 SEAI, 'Frequently Asked Questions on Solar Photovoltaics.'

Sinn Féin

www.sinnfein.ie

SINN FÉIN VISION FOR RENEWABLE ENERGY

Sinn Féin

Darren O'Rourke TD
Sinn Féin spokesperson
on Climate Action and Transport
darren.orourke@oireachtas.ie

SENATOR
Lynn Boylan
Sinn Féin spokesperson on
Climate Justice
lynn.boylan@oireachtas.ie