

ENERGY, RENEWABLES AND NATURAL RESOURCES

Ireland and the EU 2030 Climate Target Plan

October 2020

In 2019, the EU endorsed a new target of achieving net **zero greenhouse gas emissions** by 2050. However, it is predicted that current policies will only reduce emissions by 60% (as against 1990 levels) by 2050.

To begin to address the challenge ahead, the European Commission published the 2019 [Communication on the European Green Deal](#) (“EGD”), a growth strategy to reset the Commission’s commitment to tackling climate change. It outlined an all-sector approach to reducing emissions and decoupling economic growth from resource use.

The Commission committed to presenting an impact assessed plan to increase the existing target for 2030 of reducing emissions by 40% to **at least 50%**, and towards 55% (as against 1990 levels).

Based on this impact assessment, the Commission published a [Communication on Stepping up 2030 Europe’s Climate Ambition](#) (the “**Climate Target Plan**”) in September 2020. This has received widespread attention: it proposes to increase the 2030 target to **at least 55%** emissions reduction by 2030.

How will this impact renewables and energy efficiency targets?

We will not know this with certainty until relevant EU legislation is reviewed. The impact assessment considered a range of policy scenarios aimed at achieving emissions reductions of circa 55% by 2030 and indicated what they implied for various targets and sectors. Based on this the Climate Target Plan states:

- renewable energy would meet 38%

to 40% of gross final consumption in 2030, and

- energy consumption would further reduce in 2030, achieving savings of 36-37% (final energy consumption – total energy consumed by end users) and 39-41% (primary energy consumption – total energy used to meet final energy needs).

What are key policy and legislative tools for achieving this?

A proposed Regulation referred to as the [EU Climate Law](#) has recently undergone its first reading in the European Parliament. It seeks to establish a “*framework for the irreversible and gradual reduction of greenhouse gas emissions and enhancement of removals by natural or other sinks in the Union*”. It would bind the EU institutions and Member States to take necessary actions to achieve carbon neutrality by 2050 and would require the Commission to monitor progress and take appropriate enforcement action where targets are not being met. It also amends the [Governance Regulation](#) to factor the new carbon neutral target into Member States’ current climate policy planning and reporting obligations.

During its scrutiny of the proposed law, the Parliament in October 2020 [voted to up the 2030 target to 60%](#), and urged the Commission to explore **options for setting 2040 targets** and **negative post-**

2050 targets. The Parliament also sought a greater role in setting the indicative trajectory for achieving the target (against which EU and national progress can be measured and corrective adjustments made), a Union carbon budget, and a more explicit focus on emissions in the maritime and aviation transport sectors.

It will be interesting to see the enacted form of this key proposal. The robustness of its monitoring and enforcement mechanisms may be as determinative of future progress as the emissions reduction target it ultimately sets.

What else is planned?

Implementation of the EGD will require a more widespread revamp of existing legal measures. As planned under the EGD (and provided in the draft EU Climate Law) the Commission will assess by June 2021 how EU legislation needs to be revised. This will likely mean amendments to a range of instruments including the:

- [EU ETS Directive 2003/87/EC](#), which provides for caps on emissions of certain installations (mainly in power and industry) and sets an EU-wide emissions reduction target,
- [Effort Sharing Regulation \(EU\) 2018/842](#), which establishes emissions reduction targets for the EU and for Member States for sectors not included in the EU ETS (such as transport, buildings, agriculture, waste),

- [Land Use Regulation \(EU\) 2018/841](#), which requires equivalence as between emissions from land use and removal of emissions,
- [Renewables Directive \(EU\) 2018/2001](#), which sets the EU target for the percentage of energy demand to be met by renewable power,
- Energy Efficiency Directives [2012/27/EU](#) and [\(EU\) 2018/2002](#), which set the EU targets (and requires Member States to set indicative contributions) for reducing energy consumption through increasing energy saving and efficiency,
- [Energy Taxation Directive 2003/96/EC](#), which provides for restructuring of the Community framework for the taxation of energy products and electricity, and
- Trans-European Network-[Energy](#) and [Transport](#) Regulations, which have as their objectives the development and interoperability of trans-European networks.

The direction of travel is outlined in a series of strategies and plans referenced in the EGD Communication and Climate Target Plan which include the [Energy Integration Strategy](#), the [Methane Strategy](#), the [Offshore Renewable Energy Strategy](#), the [Hydrogen Strategy](#), the [Renovation Wave](#), the [Industrial Strategy](#), the [Circular Economy Action Plan](#), and the [EU Strategy on Adaptation to Climate Change](#).

The immense scale of ambition of these proposals should not get lost in the detail. According to the [Climate Target Plan](#), investment in the energy system, including transport, needs to increase over the period 2021-2030 by an additional €350 billion on average each year (compared to 2011-2020) in order to achieve 55% reductions by 2030.

The investment pillar of the EGD is the [EGD Investment Plan](#) which aims to mobilise at least €1 trillion. Other cornerstone EU policies – notably the [Sustainable Finance Package](#) and the [Capital Markets Union](#) – are developing frameworks to facilitate re-direction of private investment towards sustainable and decarbonised materials, processes, products, services, and infrastructure, and to facilitate the use of market-based financing, securitisation and other funding alternatives to meet the financing requirements of those working to implement the EGD's goals. (Our briefings related to these topics are [here](#), [here](#) and [here](#).)

Developments in Ireland

We noted in our July 2020 [briefing](#) the extraordinary level of policy ambition in Ireland's new [Programme for Government](#) and the 2019 [Climate Action Plan](#). In short, targets in the Programme for

Government include an average 7% annual reduction in greenhouse gas emissions over the years 2021-2030, which equates to a reduction of 51% over the decade. There is a target of meeting 70% of electricity demand by renewables by 2030. (It is also worth noting that Ireland recently published its [national climate and energy plan](#) in accordance with the EU Governance Regulation and, in September 2020, the European Commission published its [assessment of NECPs](#).)

The Programme for Government committed to publishing a Bill to amend the [Climate Action and Low Carbon Development Act 2015](#) (the "2015 Act") to give legislative underpinning to Ireland's 2050 zero net emissions target and the core objectives of the Climate Action Plan.

The Bill - the [Climate Action and Low Carbon Development \(Amendment\) Bill 2020](#) - has now been published. The key provision obliges the State to "pursue the transition to a climate resilient and climate neutral economy by the end of 2050". "Climate neutral economy" means "a sustainable economy, where greenhouse gas emissions are balanced or exceeded by the removal of greenhouse gases". This obligation is called the "national 2050 climate objective", and it replaces the 2015 Act's "national transition objective".

The Bill proposes a detailed framework for climate governance aimed at achieving the national 2050 climate objective as follows:

- annual revisions to the [Climate Action Plan](#), to take account of the carbon budget programme and to set out a roadmap of actions;
- long term climate action strategies, which focus on sector specific emission reductions and removals, and which link in with the EU framework under Article 15 of the Governance Regulation;
- national adaptation frameworks, which focus on reducing vulnerability of the State to negative effects of climate change and availing of any positive effects;
- sectoral adaptation plans, to specify the adaptation policy measures that each Minister, having regard to the approved national adaptation framework, proposes to enable adaptation to the effects of climate change in the field concerned; and
- carbon budgets. A "carbon budget" will be the total amount of greenhouse gas emissions permitted during the budget period. It will be proposed by the Climate Change Advisory Council ("CCAC"), finalised by the Minister for the Environment, Climate and Communications, and approved by the Government. The first budget period

would commence from the start of 2021 for a period of five years. The "decarbonisation target range" will be the "target range of greenhouse gas emissions that are permitted in different sectors of the economy within the limits specified in the carbon budget".

There is an expanded list of matters to which the Minister and Government must have regard in making and approving these strategies and plans. They include international and EU climate commitments, Government policies, climate justice, emissions data, science and technology, recommendations of the CCAC, and more.

Further amendments deal with membership of the CCAC and require the CCAC to establish an Adaptation Committee. The CCAC's function of advising and making recommendations to Ministers and the Government is expanded in line with the new governance framework. The CCAC's obligation to report on progress each year also is framed in more detail.

A new section on Climate Reporting requires Ministers to attend and report on progress before a joint committee of the Oireachtas following which the committee may make recommendations to which the relevant Minister must respond.

There are new obligations for local authorities. They must make five year local authority climate action plans which specify mitigation and adaptation measures. They must have regard to these when making a development plan within the meaning of the Planning and Development Act 2000.

What level of detail can we expect from these plans and strategies?

A key purpose of climate governance frameworks is to ensure effective opportunities for the public, investors, regulators etc. to participate in the preparation of long-term strategies and plans.

Internationally, there is a trend of challenging the fitness for purpose of climate and energy policies before the courts. In Ireland, the Supreme Court in July 2020 struck down the current [National Mitigation Plan](#) for lack of the specificity required to provide transparency as to Government policy and to comply with the legislation pursuant to which it was made (namely the 2015 Act). (See the judgment in [Friends of the Irish Environment CLG v The Government of Ireland, Ireland and the Attorney General](#).) The Court considered that the purpose of requiring the Plan to be specific was to allow any interested member of the public to know

enough about how the Government intended to meet the 2015 Act’s national transition objective so as to inform their decision as to whether the policy would be effective and appropriate.

This judgment will help to add momentum to the increasing sophistication of climate policy in Ireland. Development of energy and climate policy over the next decades will, by necessity, be iterative and collaborative (as is implicitly recognised

by the Bill), but will also require adequate detail to enable all stakeholders to coordinate and progress the best solutions for implementation of such policy.

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