

Call for Expert Evidence 2023
Climate Action Planning and Public Sector Division
Department of the Environment, Climate and Communications
29 – 31 Adelaide Road,
Dublin 2, D02 X285

14th July 2023

RE: Call for Expert Evidence – Climate Action Plan 2024

To whom it concerns,

Cork Chamber represents 1,200 members together employing 100,000 people throughout Cork city, metropolitan area and county. Our vision is to be a world-leading Chamber of Commerce, delivering on a progressive economic, social and sustainability agenda at the heart of a vibrant business community. Our direction is guided by our formal pledge to uphold the United Nations Sustainable Development Goals five of which have been identified by the Chambers Ireland network.

Cork Chamber welcomes the opportunity to contribute to Ireland's next Climate Action Plan. As this plan is finalised, we urge the Department to take the bold leadership that has never been more urgent to address the planetary health crisis, to radically decrease greenhouse gas emissions (GHGs), mitigate the risks associated with climate change, put in place the tools and systems to increase climate resilience and climate justice and reverse biodiversity loss while delivering socio-economic benefits.

We would like to offer a series of observations, comments and recommendations in the preparation of this Climate Action Plan that we ask are fully considered. We extend our willingness to provide additional valuable insights from our members, as we firmly believe in collective action towards a sustainable future.

Sincerely,



Conor Healy

CEO

Cross-Cutting Issues

Emission trends

Recent figures from the EPA show that overall national emissions increased by 5.2% between 2020 and 2021, and by 1.5% over 2019 levels demonstrating a failure to decouple economic growth from greenhouse gas emissions¹. The overarching mission of the Climate Action Plan is to significantly reduce emissions annually. Given the failure to achieve this in 2021, a wholesale review of the level of effort and investment included in the plan with a ramping up in key areas that can deliver emissions reductions in the period to 2030 is required to have any chance of achieving the 2030 target.

Given we already know that we are unlikely to meet our 2030 target at this point (for example the EV target will most likely not be met), we should be looking at new measures now to bridge the gap in emissions cuts to 2030 and beyond rather than waiting until 2028 to realise what already appears inevitable from EPA projections and emissions reductions to date. Ireland's ability to continue to attract and retain investment and talent into the future will no doubt rely on our ability to meet these targets. We cannot rely on buying credits as in 2020.

Higher population growth

With recent figures from the CSO showing that Ireland's population is growing at a faster rate than projected in the National Planning Framework, all sectoral plans need to be revised to meet this challenge with increased efforts and investment across all sectors, but in particular across transport and housing if decarbonisation targets are to be met.

This trend has implications across the Climate Action Plan, National Planning Framework and National Development Plan in terms of the need to provide increased investment and measures for compact growth and housing, sustainable transport, industry and infrastructure and decarbonisation, in the context of a growing economy.

Recognising the reality of higher population growth early and revising the Climate Action measures accordingly, is essential to having a realistic chance of meeting the sectoral emission ceiling targets across all sectors.

EU Climate Neutral Smart Cities Designation

The designation of Cork and Dublin as EU mission cities for climate neutrality by 2030 opens up a myriad of opportunities to tap increased EU and private sector investment to accelerate the transition to Net Zero across all sectors in these cities. This should be exploited as a lever for both Cork and Dublin to draw down increased EU investment and lending to decarbonise housing, transport and industry and accelerate the transition to a zero-carbon future. An all of government approach should be taken to capitalising on this opportunity, bringing together stakeholders from both Dublin and Cork.

¹ <https://www.epa.ie/our-services/monitoring--assessment/climate-change/ghg/latest-emissions-data/>

Balanced regional growth

Balanced regional growth is central to delivering national decarbonisation, but early indications from progress on the National Planning Framework show that development continues to be overly concentrated in the greater Dublin area. This is concerning given investment priorities in the NDP are directly linked to the balanced regional growth envisaged in the NPF. The consequences of this trend is that investment might not be directed towards the areas where decarbonisation is most needed. Additionally, any unplanned expansion of the population would become more challenging and costly to decarbonise, leading to increased urban sprawl, congestion, and emissions.

Carbon tax ringfencing

Taxation can be a key measure to assist decarbonisation across sectors but providing a signal to industry and the public that these revenues will be used to drive the transition to net zero is essential. Exchequer returns from the carbon tax should be ringfenced and strategically invested in green infrastructure, public transport and to fund investment in green transition measures.

Brownfield development and acceleration of investment in public transport

Given the scale of transport emissions and the challenge in achieving a 75% reduction in emissions from the transport sector, acceleration of investment in mass transit – including bringing forward commencement of light rail in Cork – will be required to achieve the 2030 target. Full electrification and extension of suburban rail and buses should be the target by 2030 for Cork and other cities, rather than a mix of low emission and full electric vehicles.

In tandem with this, delivering affordable high-density high-quality housing on brownfield sites close to city centres will be key to achieving modal shift, with proximity obviating the need for the use of cars and encouraging the use of public transport and active travel. Without this change in housing patterns, it is hard to see how public transport systems and active travel can achieve the critical mass change in behaviour to reduce private car use.

With a growing population, a failure to deliver higher densities near and in city centres will make it impossible to deliver on transport emission cuts, even with large investments in public transport infrastructure and services. Linked to this is the current unviability of development of brownfield sites for high density development which Cork Chamber have published two reports on^{2 3}.

To deliver more compact and sustainable spatial patterns requires brownfield development to be viable. City centre brownfield sites, such as those at the docklands in Cork, should be designated for accelerated tax reliefs over a time-limited period to unlock high density development. A package of measures to ensure the viability of brownfield high density development in Ireland's cities is central to delivering the compact growth on which the achievement of our emissions targets depends.

² <https://www.corkchamber.ie/wp-content/uploads/2022/03/Viability-and-Affordability-of-Apartment-Building-in-Cork-City.pdf>

³ <https://www.corkchamber.ie/wp-content/uploads/2022/03/Apartment-Viability-Report-FINAL-13-July-2021.pdf>

Energy and Renewables

Speeding up delivery and deployment of renewables

Ireland has had much success in decarbonising electricity through the deployment of onshore wind, but to reach 2030 targets of supplying 5GW of offshore wind and to enable the decarbonisation of heat and transport will require accelerated delivery of renewables supply into our energy system. The two biggest enablers needed for decarbonisation right now are the planning system and the grid. An Bord Pleanála (ABP) and the National Parks and Wildlife Service (NPWS) need to be properly resourced to enable the decarbonisation of our society through electrification. Ireland needs to implement the plans already in place and unlock investment to deliver a 21st century electricity grid.

A dedicated team with timelines for the delivery of Phase 3 and the Future Framework needs to be resourced so that Designated Marine Area Plans (DMAPs) for Phase 3 can be developed in parallel with Phase 2. Ireland must harness the maritime expertise necessary to deliver its extraordinary offshore wind climate action targets and attract and retain FDI. Industry membership of these teams is a must to assist understanding and improve certainty of how such ambition can be achieved within a maritime environment.

“Go to zones” for renewable energy

REPowerEU calls for the establishment of “go to zones” to improve the planning system for renewable energy. It is essential that these recommendations are implemented to accelerate the growth of the market, provide certainty on planning and timescales and incentivise industries to locate near production to reduce transmission losses and costs for electricity and hydrogen.

Designation of Cork as a national and international renewable energy hub

Cork Harbour including Bantry are nationally important for delivering our climate and energy targets and should be designated as national ports/bays for development as an offshore wind energy hub with accompanying investment. The energy, port, grid access, education, and research infrastructure are already in place in Cork. Cork Harbour’s strategic location as a gateway to the EU and Ireland’s enormous maritime jurisdiction, and the complementary scale and location of Bantry Bay with its deep water, combine to make this Energy Hub a central plank towards delivering Ireland’s and the EU’s climate action targets.

Port Investment

Port infrastructure will be central to enabling the deployment and maintenance of offshore wind farms, and to reaping the benefits and spin off job creation from the development of our abundant offshore wind resources. Significant investment is needed now in our major ports to deliver on both our offshore renewables targets and to facilitate job creation. A failure to move quickly to upgrade our ports for this capacity could see us lose out on the major investment and job creation that will be generated by offshore renewables, to ports in neighbouring countries. Government needs to move quickly to ensure investment in our major ports to deliver both on our climate targets and the economic growth associated with renewables development.

Grid Investment and interconnection

Ireland needs to implement the grid investment plans already in place and unlock investment to deliver a 21st century electricity grid and to substantially upgrade our electricity grid, enhancing capacity, project viability and reduce dispatch down for both onshore and offshore. Ireland must also be prepared to connect its future electricity grid with Europe and the suitability of such connection with an Energy Hub on the South coast of Cork presents obvious synergies.

Enterprise

Supports for decarbonising businesses

Increased advisory supports and grants need to be introduced to transition businesses, particularly SMEs who do not have the resources or knowledge, to a Net Zero pathway. Given the critical part that industry will play in the Net Zero transition, a much more extensive range of advisory services in particular are required to support businesses in how to decarbonise, beyond what is in place currently.

Decarbonise high temperature heating in industry

The generation of high-temperature heat for industrial use represents 25% of Ireland's industrial energy demand⁴. Hydrogen is well suited to generating high temperatures and decarbonising these hard-to-abate sectors including the cement industry, aluminium and distilleries. Developing hydrogen clusters and valleys in locations like Cork where there is a huge offshore wind resource is key to matching supply and demand and achieving economies of scale to decarbonise industry. It should form a key plank of the climate action plan.

Moving away from high embodied carbon products

The carbon footprint from the embedded energy of raw materials used for construction are often neglected in the appraisal and approval of development plans. While efforts are being made to decrease the carbon footprint of cement production, it is a significant source of global CO₂ emissions equivalent to 8% of the global total in 2016. It would be prudent that all developments are mandatorily assessed to appraise the carbon footprint and embedded energy content, with mandatory compliance with environmental sustainability and green energy efficiency protocols a requirement for approval. The opportunity to reduce emissions using natural materials for example through use of hemp, and recycled materials, must be strategically pursued and supported through regulation and policy to ensure compliance and integration in large-scale developments.

The use of alternative and natural materials should form the basis of skills training in the construction sector. The use of these materials must be a strong focus in any publicly funded courses. Education and awareness will be instrumental in motivating change in practice. To stimulate the demand side, targeted tax incentives and a tax depreciation for sustainable office developments that

⁴ https://www.fch.europa.eu/sites/default/files/file_attach/Brochure%20FCH%20Ireland%20%28ID%209473093%29.pdf

use alternative low carbon materials. This tax incentive/depreciation can be scaled by the percentage usage in design and construction, would be a strong fiscal instrument.

Awareness raising and information on F-gases

There is a low level of awareness across industry on the role and impact of F-gases. A ramped-up information and engagement campaign across industrial sectors about the role and impact of F-gases and information on the more climate-friendly options, would assist in raising awareness and prompting action by companies, particularly SMEs to reduce the use of F-gases. A grant scheme to support the switch away from F-gases by businesses, particularly SMEs would enable the transition. There is a very low level of awareness of the impact of these gases across industries. Informing decisionmakers and managers of the opportunities in this area of action should be a key objective.

Incentives and supports to adapt and adopt F-Gas neutral production methods/ operations should be incorporated with a comprehensive assessment of scope 2 and scope 3 emissions of businesses with expert support.

Climate Change Risk Assessment for companies

Awareness is the central barrier to businesses assessing and reducing the vulnerability of their operations to climate change risks. Enterprise Agencies should be tasked with developing a climate risk assessment toolkit and service to enable companies to examine their vulnerabilities to climate change impacts and inform by introducing solutions to reduce or eliminate the risks to their operations.

Plant and machinery super deduction

A time limited 'super deduction' (up to 130% of capital expenditure incurred) should be introduced until December 2024 for the purchase of all plant and machinery and capital expenditure on buildings/ factories that receive a recognised accreditation for overall energy performance to incentivise investment in energy efficient equipment and machinery.

Built Environment

Retrofit incentivisation - split incentives

While the Climate Action Plan 2023 acknowledges the need for action on the split incentive issue for rental properties, there is an increasing need for focus on retrofit of existing commercial buildings. This is particularly the case for those occupied by SMEs which often suffer from split incentives, and with a move by large multinational companies to new office buildings that meet new sustainability requirements. A clear focus and incentives package is required to retrofit and decarbonise our existing commercial building stock.

The introduction of measures is crucial to incentivise both private individuals and the private business sector to invest in green properties. Some suggested measures in this regard include

additional 'green' tax reliefs in respect of Capital Gains Tax liabilities arising on the disposal of properties that have been retrofitted.

In addition to this the introduction of a reduced rate of stamp duty, or indeed an exemption from stamp duty, where a retrofit of a second-hand property has taken place within a specified time period after the initial purchase of the property.

SMEs

Support for SMEs moving to new low carbon technologies is crucial to enable the decarbonisation of the built environment. It is of paramount importance that focus is placed on communications around the available supports. Furthermore, the processes for application must be streamlined. One of the ways that would assist SMEs in making the move to low carbon technologies would be to a system of leasing equipment.

One of the key barriers to businesses moving to new low carbon technologies is the upfront capital investment. The city of Aberdeen has pioneered a new system of leasing new low carbon equipment and technology to businesses, obviating the need for a large capital investment upfront. A similar scheme could be introduced here to reduce the capital burden on businesses, particularly SMEs, and spreading repayments over a number of years while the business generates savings from the introduction of those new technologies to pay the leasing fees.

Homeowners

While there are supports available for homeowners to enable them to achieve higher energy standards in their homes, more needs to be done. A range of new measures are needed to incentivise this transition.

The help to buy scheme should be extended to include 'help to insulate' on second hand homes alongside a new country wide "retrofitting scheme" aimed at modernising Ireland's housing stock with attention to households on the brink of living in energy poverty to support a just transition.

A reduced rate of stamp duty, or indeed an exemption from stamp duty, where a retrofit of a second-hand property has taken place within a specified time period after the initial purchase of the property should be introduced.

Additional 'green' tax reliefs in respect of Capital Gains Tax liabilities arising on the disposal of properties that have been retrofitted should be considered and new measures to incentivise both private individuals and the private business sector to invest in green properties are needed.

District heating and data centres

The establishment of a District Heating Steering Group last year is welcome and will be needed to ramp up the deployment of district heating. The group should explore the major opportunity that exists to use excess heat from data centres to heat homes and businesses. At the planning stage considering the location of data centres near heat centres that can tap into that excess heat and expanding the heat network to facilitate transfer and use of excess heat would be a welcome step.

New developments of scale such as the Cork Docklands should be assessed for the opportunity to integrate district heating.

Oil boiler replacement

In order to incentivise oil boiler replacement adequate grants must be provided. Low interest loans with long repayment periods, and innovative leasing finance alongside grants should be introduced to enable homeowners to install low carbon heating systems to replace oil boilers.

Addressing fuel poverty

The current energy crisis continues to be felt across society and while the Climate Action Plan 2023 addressed energy poverty, more needs to be done. According to St Vincent de Paul the numbers unable to heat their homes more than doubled in 2022⁵. It is for this reason that more sustainable heating systems are required now more than ever before. The charity has called for a new scheme where Community Energy Advisors or a specialist Energy Consumer Agency would advocate for energy customers. This would be a mechanism to encourage retrofitting as studies show limited uptake of certain supports, particularly in deep retrofits, among lower income households due to requirement of upfront payments, ineligibility, lack of information or fear of disruption to everyday household activities.

Transport & Sustainable Mobility

Acceleration of Public Transport investments including Light Rail

Acceleration of light rail network development in Cork to bring forward delivery date to 2030 is clearly possible and should be actioned immediately. Final allocation of funding for acceleration of enabling works for electrification of suburban rail network by 2025/26 is also essential.

Acceleration of Suburban Rail investment

Accelerate investment in suburban rail electrification in the Cork region to meet the need for €300 million in rail electrification infrastructure works to be completed by the end of 2025 so that new electric trains arriving in Ireland can run on Cork's suburban lines. This includes twin tracking and construction of eight new stations to deliver faster, more frequent, more sustainable services. Suburban rail is the fastest way to deliver sustainable mass transit in Cork and there are no barriers to delivering on the programme of investment pre-2025. This order for Cork should be prioritised to enable acceleration of the sustainable suburban rail rollout.

⁵ <https://www.svp.ie/news/svp-report-shows-the-numbers-unable-to-heat-their-homes-more-than-doubled/#:~:text=The%20report%20covers%20issues%20of,to%20160%2C000%20people%20in%202021.>

Secure bike parking and attractiveness of active mobility

To improve the attractiveness of active mobility like cycling the provision of secured and covered bike shelters and parking in city and town centres should form a key part of cycling infrastructure. This is a key barrier to more of the population engaging in cycling.

Second-hand Electric Vehicles (EV)

Introduce measures to encourage a market for second hand electric vehicles by way of tax incentives. Consider reducing the VAT rate on EVs to reduce the cost of these vehicles and make them a competitive greener choice.

EV target to 2030 and new measures

The EV target to 2030 should be revised downwards as to meet it, as pointed out by SIMI⁶, almost every single vehicle sold between now and 2030 would have to be electric, and while much progress is being made on deployment of EVs, there is little doubt the 2030 EV target will not be met. To be realistic, additional decarbonisation measures need to be introduced to make up the shortfall of that EV target not being achieved by 2030.

Roadmap for Future Motor Taxation

Draft a roadmap on future taxation policy, detailing how Government intends to transition and replace revenue from VRT/excise/motor tax.

Agriculture

Biomethane Strategy

We look forward to the publication of the biomethane strategy being devised by the Department of Agriculture, Food and the Marine. Once published, it should offer the clarity and certainty needed for developers and farmers to invest. To encourage adoption rates of on-farm anaerobic digestion and biomethane production farmers need to be appropriately incentivised to make their land available to deliver renewable energy. The scale of the ambition with clear targets needs to be included along with potential models to follow to deliver this renewable gas at scale. We reference our report on Anaerobic Digestion⁷, which suggests the utilisation of the cooperative model to provide security of feedstock to plants.

⁶ <https://www.siliconrepublic.com/machines/government-2030-ev-target-impossible-simi>

⁷ https://www.corkchamber.ie/wp-content/uploads/2022/03/10793-Anaerobic-Digestion-report_final.pdf

Supporting the transition for Farmers

The agriculture industry accounts for the highest proportion of Ireland's greenhouse gas emissions, 38.4%⁸. Adapting to climate change and supporting farmers transition to more sustainable practices should be pursued through incentives and enhancing farm viability is an important part of ensuring a just transition as the sector seeks to reduce its emissions by 25% by 2030.

A number of Agri-Environment Schemes (AES) and European Innovation Partnership Schemes (EIPs) are aiding agricultural producers, researchers and experts to collaborate and develop more sustainable farming practices while increasing economic viability. Regenerative agriculture, which goes a step beyond sustainability and reducing emissions, takes a holistic approach focusing on strengthening the health of the ecological system as a whole. Regenerative agriculture has five main principles: improving soil health, increasing biodiversity, carbon sequestration, humane treatment of livestock and farmworkers, and improving the overall ecosystem. By focusing on soil health, biodiversity, and incorporating a polyculture in agricultural practices, fewer inputs including fertiliser are required.

Soil health is an integral part of a sustainable food system. Degraded soils reduce the capacity of ecosystems to support key functions including the production of food, feed, timber, nutrient cycling, carbon sequestration, pest control and water regulation.

A common barrier to transitioning to regenerative practices amongst farmers is the perceived financial costs and lower yields. While regenerative agriculture may produce lower yields, the reduced inputs required result in similar and sometimes higher profits. Informal networks should be utilised to overcome barriers around misconceptions, creating dialogue and instilling trust among producers.

Providing incentives and compensation for farmers is critical to increasing participation rates in AES⁹. Funding for agri-environment schemes should be expanded and extended to continue to support the industry in the transition.

⁸ <https://www.epa.ie/our-services/monitoring--assessment/climate-change/ghg/agriculture/>

⁹ <https://www.sciencedirect.com/science/article/pii/S030147972030178X?via%3Dihub>