

Consultation: CRM Parameters for T-4 2022/23 Capacity Auction (SEM-18-028)- Fianna Fáil Submission

Summary

- Fianna Fáil recognizes the considerable role that the Single Electricity Market has played in increasing the security and competitiveness of electricity supply across the island of Ireland. Moving forward, we must continue to build on the success of the Single Electricity Market by ensuring that the supply and exchange of electricity in the SEM is secure, sustainable and competitive, particularly in light of the United Kingdom’s decision to leave the European Union.
- Energy production accounted for 60% of Ireland’s carbon emissions in 2014, meaning that efforts to reduce our carbon emissions must begin with a radical overhaul of our energy system. This has been made entirely possible by the growth in renewable energy technologies, which are increasingly becoming cost competitive with traditional energy sources.
- Increasing the share of our energy that we source from renewable sources is not only beneficial for the environment; it prevents our air from being ruined by smog and smoke and can create revenue for local communities. It is also worth noting that the availability of renewable energy is a key requirement for many firms seeking to locate to Ireland. For example, most, if not all, data centres now wish to source 100% of their energy needs from renewable sources.
- While this has been aided by increased private investment and innovation, government policy has played, and continues to play, a pivotal role in facilitating renewable energy development.
- For this reason, Fianna Fáil believes that the renewable energy support scheme must be urgently prioritized. Without state support, renewable energy development simply cannot compete with traditional forms of energy, particularly in its nascent stages.

1. Securing a brighter energy future

To date, the Single Electricity Market has brought considerable advantages to Ireland, and is integral to maintaining security of supply on the island of Ireland. While the existence of the Single Electricity Market is on a statutory footing in both the Irish and UK jurisdiction, the future of the Integrated-Single Electricity Market (I-SEM) may be in jeopardy. This may become even more likely if EU funding is withdrawn.

This may have broader implications for the SEM, given that I-SEM is a crucial component of harmonizing trade in the relatively geographically isolated island of Ireland. It is Fianna Fáil's view that any deal with the United Kingdom must preserve existent arrangements in this regard, including a viable source of funding for continued upgrade of I-SEM infrastructure.

Fianna Fáil has also been supportive of efforts to make Europe's electricity market more sustainable and to increase the efficiency and sustainability of Europe's electricity generation system. Progress towards sustainability will, however, to a large extent depend on the UK's general environmental context, such as whether they will remain committed to achieving EU renewable energy targets. It is Fianna Fáil's view that the United Kingdom and Northern Ireland should continue to maximise renewable energy production, for SEM to operate in an optimal manner.

Finally, the continued operation of SEM is threatened by the possibility of regulatory difficulties, increased transactional costs, and the possibility of tariffs on energy from the UK. For this reason, Fianna Fáil believes that maintaining the status quo regarding energy policy between and within the United Kingdom is of pivotal importance to the SEM's continued success.

2. Community Involvement

As a party, we are firmly of the belief that communities should be at the heart of renewable energy development, whether that is through entirely community-driven schemes, micro-generation or community benefit schemes in larger scale developments.

Supporting micro-generation and community energy development is one of the most important and effective means of allowing our citizens to move from being passive energy consumers to active energy citizens. It has been estimated that rooftop solar could provide up to 1GW of energy in Ireland.

Historically, grid connections have been an issue for community driven projects in particular, something which Fianna Fáil would like to see change. Grid rules must be reimagined to facilitate these projects, something which we believe also extends to the design of SEM. This should also include reforms to make it easier for large scale consumers, such as hotels and airports, to generate their own electricity.