



Northern Ireland Assembly
Committee for Agriculture, Environment and Rural Affairs
Room 242, Parliament Buildings,
Ballymiscaw, Stormont,
Belfast, BT4 3XX

16/7/2021

Dear Northern Ireland Assembly

RE: RES response to Call for Evidence and views on Climate Change Bill

RES is the world's largest independent renewable energy company with operations across Europe, the Americas and Asia-Pacific. At the forefront of the renewables industry for 39 years, RES is responsible for more than 20GW of renewable energy capacity and energy storage projects worldwide. RES is active in a range of renewable energy technologies including onshore wind, offshore, solar and energy storage.

Since developing our first onshore wind farm in Northern Ireland in the early 1990s, RES has subsequently developed and/or constructed 22 onshore wind farms. This equates over a quarter of Northern Ireland's onshore wind capacity. RES currently operates over 175MW of wind capacity across Northern Ireland, is constructing two projects with an installed capacity of 70MW, has secured planning permission for a further 103MW and has approximately 80MW in the planning system. In addition, RES has a very strong onshore wind pipeline in Northern Ireland.

RES wants to play an active part in Northern Ireland's energy future, ensuring our projects contribute to decarbonising the energy system at least cost to the consumer, in line with our vision to be a leader in the transition to a future where everyone has access to affordable zero carbon energy. We welcome this opportunity to respond to the Draft Climate Change Bill.

Executive Summary

All other jurisdictions in the UK have embedded Net Zero into legislation and Northern Ireland has to move swiftly to catch up. We fully support the use of targets as they inform decisions and actions from all players who have a responsibility to deliver decarbonisation for Northern Ireland.

RES supports:

- A more ambitious target of 80% renewable electricity target by 2030;
- A Net Zero carbon power system by 2035;
- A Net Zero carbon economy by 2045 as outlined in this Bill.

We are supportive of the Climate Action Plan obligation as outlined in this Bill, however, believe that it should be delivered within 12 months of passing this Bill, not 3 years. We note that the draft Bill says that a Climate Action Plan must be produced “within 3 years of the date” that this Bill passes into legislation. This timeline is far too late, particularly as we have declared a Climate Emergency and need to have a coordinated approach to meeting targets in Northern Ireland.

While we do not have a view on whether or not one department should lead on this work, we believe that there should be accountability to delivery on the objective of this Bill across all departments. The Executive is ultimately responsible for meeting these targets, and the proposal to create an Office for Climate Change could be the delivery tool, with the expertise help from the Committee for Climate Change on the action plans, to ensure a coordinated approach is taken.

While the current regulatory approach helped us to achieve our target of 40% RES-E by 2020 it is not fit to facilitate the rate of change that we require now. To make this shift in approach it will be necessary to incorporate “facilitating the delivery of a Net Zero energy system” into the Utility Regulator’s mandate. RES supports similar changes expected later this year to the energy regulator in GB. Indeed, the UK Government acknowledged this anticipated change in the UK Government’s Energy White paper which says that “the Strategy and Policy Statement will require the Secretary of State and Ofgem to carry out their regulatory functions in a manner which is consistent with securing the government’s policy outcomes, including delivering a net zero energy system while ensuring secure supplies at lowest cost for consumers.”⁸ Further to this the recent Call for Evidence in GB on Net Zero Governance illustrates that the current governance structure is not fit for purpose and needs to change.

If you have any questions on any of the comments that RES has made in this response, please do not hesitate to get in touch.

Yours faithfully,

Kate Dooley
Policy & Regulatory Affairs Manager

D +44 1923 299 394 | M 07766467817
kate.dooley@res-group.com | www.res-group.com



1. The policy objectives of the Bill are to:

- Enable the mitigation of the impact of climate change in Northern Ireland;
- Establish a legally binding net-zero carbon target for Northern Ireland;
- Provide for the establishment and powers of a Northern Ireland Climate Commissioner and Northern Ireland Climate Office;
- Guarantee existing environmental and climate protections

What are your views on the overall policy objectives? Tell us what elements of the Bill you think will be effective or won't be effective.

Do you think that the Bill will meet these objectives?

All other jurisdictions in the UK have embedded Net Zero into legislation and Northern Ireland has to move swiftly to catch up. We fully support the use of targets as they inform decisions and actions from all players who have a responsibility to deliver decarbonisation for Northern Ireland. Therefore, we are supportive of the move to set targets as soon as possible into legislation, providing a clear signal to the market.

RES believes that that policy objectives are good and should be implemented as soon as possible. We provide comments on the provision of a Northern Ireland Climate Commissioner and Northern Ireland Climate Officer later in the response. The effectiveness of this post will impact on how successful the policy objectives are.

This Bill will only be as effective as the policies and regulations that sit beneath it. The Climate Office needs to have real powers to challenge policies that are not considering Net Zero. It also must ensure that there are policies in place that will positively incentivise the transition to Net Zero. While targets are important, ensuring that there are policies in place to meet them is arguably more so.

For instance, 2019 was the first time in over 15 years no large-scale onshore wind farms became operational in Northern Ireland and this continued into 2020. To decarbonise the energy sector, we need to ensure that Northern Ireland continues to represent a positive investment environment for renewable energy, through providing policy certainty and a long-term vision for renewables. Currently this isn't the case as there are limited locational signals to support sustained development and investment in renewable energy. Restrictive planning across local authority areas through Local Development Plans and a lack of investment in grid infrastructure at both the distribution and transmission levels in Northern Ireland are further compounded by new market mechanisms in the Republic of Ireland (RESS) and GB (CfD). Northern Ireland is now the only part of the UK and Ireland where the only route to market for renewable energy is subsidy-free, either pure merchant or with a Corporate Power Purchase Agreement (CPPA). Ensuring that positive signals are being sent to developers, in addition to this Bill, will deliver on targets.

2. Declaration of Climate Emergency

What are your views on this?

Yes, we agree that there should be a declaration of Climate Emergency which may well be used to symbolise the urgency of the situation. However, this will not be effective in delivering a Net Zero economy, unless supported by the right policies and regulatory framework. In its response to Covid, the Executive has shown that it can deliver legislative and policy changes at pace not previously seen. The declaration of a Climate Emergency must be followed by swift and decisive action.

3. Net Zero Target

What are your views on the target set out in the Bill to achieve a Net Zero carbon, climate resilient and environmentally sustainable economy by the year 2045?

Do you think it is achievable?

Do you think that the timescale to deliver the Net Zero emissions target is achievable?

Do you think it should be revised if circumstance change?

RES supports:

- A more ambitious target of 80% renewable electricity target by 2030;
- A Net Zero carbon power system by 2035;
- A Net Zero carbon economy by 2045 as has been stated in the draft Climate Change Bill.

RES is acutely aware of the importance of aligning policy and regulation with targets. To decarbonise the energy sector, we need to ensure that Northern Ireland continues to represent a positive investment environment for renewable energy, through policy certainty and a long-term vision for renewables. Currently this isn't the case as there are limited locational signals to support sustained development and investment in renewable energy.

Ensuring that the locational signals across planning, route to market and the grid are aligned with these targets is paramount to making this happen. The targets, while ambitious, are achievable by unlocking shovel ready projects this decade and supporting those newer technologies that will enable further renewable growth and the decarbonisation of other sectors.

RES believes that embedding a Net Zero obligation in the Utility Regulator's decision making will enable the transition and ensure that regulatory decisions are being made with Net Zero as a priority. This will be an important step to ensuring that the right regulatory framework exists to meet these targets.

Higher and ambitious targets send a locational signal to developers and investors, to invest in decarbonising technologies. Higher targets create more confidence in the market and will therefore attract investment and renewable development.

The targets should only ever be revised upwards, not downwards. We have declared a climate emergency and so act accordingly.

4. Climate Action Plans

Clause 3 of the Bill requires the government to produce Climate Action Plans on a 5-yearly basis to achieve the Net Zero Target. The Climate Action Plans will:

- **Have annual targets for net greenhouse gas emissions, water quality, soil quality and biodiversity**
- **Outline measures to achieve the target including carbon budgets and nitrogen budgets**

What are your views on this?

We note that the draft Bill says that a Climate Action Plan must be produced “within 3 years of the date” that this Bill passes into legislation. This timeline is far too late. On the one hand we are declaring a Climate Emergency and on the other, we are allowing a further three years on top of whenever this Bill is passed before there is a coordinated approach to meeting Net Zero taking place. It could potentially be 2025 before we see a Climate Action plan which is far too late in RES’s view.

RES strongly suggests that 3 years is reduced to 12 months to deliver a Climate Action Plan. We believe that some sectors have already started the planning in these areas, such as the Energy Strategy that is due to be published later this year.

We support that this Climate Action Plan should be updated every 5 years with revisions and new targets. We would also like to see a light touch update on the actions annually to ensure visibility and transparency of actions. Perhaps this is a function for the new office of new Northern Ireland Climate office.

It is important to have annual targets, and to outline measures to achieve the target including carbon budgets and nitrogen budgets. RES also believe that individual actions should be captured, much like the ROI Climate Action Plan.

5. Office of a Climate Commissioner

Clauses 5 and 6 of the Bill provide for the establishment of an independent Office of a Climate Commissioner in Northern Ireland that will:

- **Lay annual reports on progress made against the Climate Action Plans**
- **Make annual legislative reports on the effectiveness and appropriateness of the Bill**
- **Make recommendations about how the aims of the Bill are being achieved**
- **Have the power to request access to persons and documentation as required to discharge their duties**

The vision to have a joined-up approach across the Executive functions must become a reality so appropriate planning, infrastructure, budgetary and environment policies support the delivery of Net Zero target without any unintended consequences. This could be achieved by requiring due regard to Net Zero, and the Energy Strategy, in any impact assessment of policy decisions made by

the Executive and its departments. We see the establishment of an independent Office of a Climate Commissioner as apart of the solution to ensuring a joined-up approach across the Executive.

RES welcomes annual reports on progress made against the Climate Action plans as noted above. This will ensure focus on the action plan is maintained and highlight any difficult areas that will need extra support to deliver.

There is considerable expertise in the Committee on Climate Change (CCC) and a consistent UK wide approach is the most sensible approach. The CCC world-renowned expertise is a significant asset to NI as we set our climate targets and progress over the coming years. We believe it will provide certainty to business and those looking to invest that a credible body of expertise will be scrutinizing NI's plan and progress. It is therefore important that any NI Climate Commissioner works in concord with the CCC.

We note that the Assembly will be nominating candidates for the role of Climate commissioner, and we urge that this governance route should not hinder, or delay the process.

6. Sectoral Plans

The Bill sets out that within the Climate Action Plans there will be specific policies and proposals in the following sectors to achieve the overall emissions target:

- **energy production and supply (including for residential, public and district;**
- **heating and cooling purposes;**
- **transport (including shipping and aviation);**
- **infrastructure (including infrastructure for electric vehicular transport);**
- **business and industrial processes;**
- **residential and public (in relation to buildings in these sectors);**
- **waste management;**
- **land use and land-use change, including forestry; and**
- **agriculture**

Do you agree with the proposal to have specific sectoral policies associated with the Climate Action Policies

What impact will they have to Net Zero

How do you think the above sectors might be affected by the proposals

Yes, we agree with the proposal to have specific sectoral policies associated with the Climate Action plan. Meeting Net Zero will not be achieved by the energy sector on its own and we know that most areas of the economy will have to adapt or revolutionise the way it operates in order to be fit for our Net Zero future. Having a clear pathway for each sector, along with the other policy interventions previously outlined, will create the conditions necessary for further investment in energy generation and associated infrastructure. It is, however, important that how these policies

have oversight to ensure that they do not lead to confusing signals, which is a role we see for the Commissioner.

Having specific and coordinated policies on infrastructure, transport, energy and land use will for example, be hugely important to meeting Net Zero. As a developer of renewable generation, onshore wind, storage and solar projects in Northern Ireland, we consistently see that there is a need for coordination between these sectors and an alignment in vision. The EV role out in Northern Ireland will be easier to achieve if all sectors involved in that programme have aligned policies. Similarly, in building grid infrastructure which is needed for reinforcements to the Grid.

The renewable electricity sector will be required to at least double its capacity by 2030. The Renewable NI estimates that setting an 80% by 2030 renewable electricity target will stimulate over £1bn of private investment which is both achievable and desirable.

7. Resource implications

What do you think the resource implications of the Bill will be for

- **Department of Ag, enviro, rural affairs**
- **Northern Ireland Exec**
- **Specific sectors o the NI economy**

RES has noted that there seems to be a skills shortage with regards to planning officers in the Environment agency. Timescales for projects and applications have been delayed because of understaffing/under-skilled in these departments. We urge government to consider this as a short-term priority that needs to be addressed if we are to meet targets outlined in this Bill.

8. Access to Specialist Advice

The Bill proposes that the UK Climate Change Committee (UK CCC) will provide advice to the Commissioner when they report annually against the Climate Action Plans.

Do you think this is appropriate? Are there other sources of expertise that may be needed to inform progress to achieve the Net Zero target?

As mentioned above, we believe that the Climate Commissioner and Climate office could peruse the expertise of the CCC in the UK. We would welcome specialised advice from CCC as the Climate office reports annually against the Climate Action Plan.

9. Responsibility of Public Bodies

The Bill places obligations on a wide range of organisations to help achieve the emissions targets and it will influence policy across a number of public Departments. This includes introduction of a scheme to track carbon usage that will be overseen by the Department of Agriculture, Environment and Rural Affairs.

What are your views on the roles and responsibilities placed on public bodies as set out in the Bill?

Do you think there should be a lead responsible government department for delivering the aims of the Bill

If you think there should be a lead Department please tell us which one and why?

What do you think of the implementation of a carbon usage tracking scheme?

While the current regulatory approach helped us to achieve our target of 40% RES-E by 2020 it is not fit to facilitate the rate of change that we require now. To make this shift in approach it will be necessary to incorporate “facilitating the delivery of a Net Zero energy system” into the Utility Regulator’s mandate. RES supports similar changes expected later this year to the energy regulator in GB. Indeed, the UK Government acknowledged this anticipated change in the UK Government’s Energy White paper which says that “the Strategy and Policy Statement will require the Secretary of State and Ofgem to carry out their regulatory functions in a manner which is consistent with securing the government’s policy outcomes, including delivering a net zero energy system while ensuring secure supplies at lowest cost for consumers.”⁸ Further to this the recent Call for Evidence in GB on Net Zero Governance illustrates that the current governance structure is not fit for purpose and needs to change.

In other markets, namely, the GB market, RES is concerned that the regulator’s consideration of consumer impact is too short term. There will be a benefit to the consumer when we reach Net Zero, which should also be considered in decision making. RES believes that the regulator should adjust its view of consumer cost and benefit to be longer term.

We support the initiative in the Bill to implement a carbon usage tracking scheme though appreciate that this scheme is only as effective as the methodology it uses. We think this could be a useful tool to measure. We would strongly urge the Climate office to outline what would happen if this tool showed negative results.

Indeed, we recently supported that the intensity of actions taken by the system operator in Northern Ireland should be accounted for and monitored. For example, the system service products that are used, and indeed, those actions it takes in energy balancing. We believe this will be a useful metric to demonstrate and monitor as we move towards a low carbon grid and will ultimately incentivise the prioritisation of low carbon technologies when operating the system. This is something that we have also supported when responding to Shaping Our Electricity Futures consultation earlier this year.

While RES does not have a view on whether one department or multiple lead, we strongly believe that each department should have accountability to deliver the goals of this Bill. It will be the responsibility of every governmental department to delivery the policies in this Bill, and to ultimately reach the Net Zero target.

10. Transboundary Considerations

What are your views on how the Bill addresses transboundary issues in relation to Climate Change

The Bill includes consideration of transboundary issues in relation to Climate Change in various sections and it also notes that it will seek external advice from the likes of the CCC. RES believes that enabling a stronger price signal through carbon pricing would provide the right incentives in terms of transboundary issues. For example, applying a border charge to prevent the ‘offshoring’ of emissions.

11. Rural Impact Assessment

Do you think it is important to assess the impact on rural communities in the proposals provided for in the Bill?

What do you think is the best way to consider the potential rural impacts?

No Comment.

12. Additional information

No Comment.