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Northern Ireland Assembly  
Committee for Agriculture, Environment and Rural Affairs  
Room 242, Parliament Buildings,  
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By email: [Committee.AgriEnvRural@niassembly.gov.uk](mailto:Committee.AgriEnvRural@niassembly.gov.uk)

**30/9/2021**

Dear Northern Ireland Assembly,

**RE: RES response to Call for Evidence and views on Climate Change (No.2) 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 40 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 (No. 2) Bill.

**Executive Summary**

We fully support the use of emission reduction targets as they inform decisions and actions of policy makers and industry alike, ultimately establishing a positive framework to deliver decarbonisation for Northern Ireland. We note that all other jurisdictions in the UK have embedded net zero into legislation and Northern Ireland must move swiftly to catch up. However, RES believes that the emissions reduction targets set out in this Bill are not ambitious enough. We believe that the targets are too low and are not consistent with CCC recommendations.

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.

We are not confident that the language in the Bill only allows for revisions to be made to emissions targets, years and baseline that would raise the ambition and not lower it. RES believes that DAERA should only be able to raise ambition, not to lower it. The targets in this Bill are already not ambitious enough, we should not allow a mechanism to lower them which also applies to the baseline noted in the Bill as well. The targets should provide a clear signal to the market of an intent to decarbonise, providing certainty for investors committing to long term projects. To allow the flexibility in legislation to potentially lower ambition is counterproductive. The targets should only ever be revised upwards, not downwards.

RES believes that all areas of the economy need to decarbonise in order to meet the UK net zero ambition, and to do this, there needs to be accountability and coordination across government departments for delivering net zero. This Bill does not do this in its current form and so we are not convinced that it will be effective in delivering the carbon emissions reductions necessary.

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.” Further to this there have been two committee inquiries into what governance structure is necessary to meet net zero which RES believes that the Executive should consider<sup>12</sup>.

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



<sup>1</sup> <https://www.parliament.uk/business/lords/media-centre/house-of-lords-media-notice/2021/june-2021/new-lords-committee-launches-call-for-evidence-on-ofgem-and-net-zero/>

<sup>2</sup> <https://committees.parliament.uk/work/1343/net-zero-governance/>

## RES Response

### 1. The Bill Objectives

The objectives of the Bill are to:

- *Set targets for the years 2050, 2040 and 2030 for the reduction of greenhouse gas (GHG) emissions;*
- *Provide for a system of carbon budgeting;*
- *Provide for reporting and statements against the targets and budgets;*
- *Provide for the ability to impose climate change reporting duties on public bodies;*
- *Provide for reports and advice from the UK Committee on Climate Change (CCC)*

a) What are your views on the overall Bill objectives?

b) 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 must move swiftly to catch up and reflect net zero into its objectives. We fully support the use of targets as they inform decisions and actions taken by all players who have a responsibility to deliver decarbonisation for Northern Ireland. We are therefore supportive of the move to put targets into legislation as soon as possible, providing a clear and certain signal to the market.

RES believes that the policy objectives will not deliver what is necessary in terms of carbon emission reductions. This Bill will only be as effective as the policies and regulations that sit beneath it. The reporting and statements against targets and budgets for example will only be useful if there are measures in place to address any shortfalls. This is true for the carbon budgets and reporting duties for public bodies. 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.

We would like to see accountability and responsible for meeting net zero across all departments in Northern Ireland. This Bill should commit to creating interim goals and targets across all departments that have a responsibility to decarbonise. Creating a central function within government that would oversee and coordinate how each department is meeting its individual targets would go some way to

ensuring the right governance framework is in place to meet net zero. 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.

RES does not agree with the emissions reduction targets set out in this Bill. We believe that the targets are too low and are not consistent with CCC recommendations. Furthermore, we do not believe that the current flexible wording being proposed around changing targets in the future is useful. Targets provide a clear steer to the market to invest in low carbon alternatives but the current wording in the Bill suggests that these targets could be lowered at any point and therefore are not useful in providing that certainty. We believe that the wording should be changed so that the only way that emissions reductions targets can be changed is to bring the dates forward, or to move the baseline threshold so as the targets are more challenging to meet. This would provide the signal needed for the market to respond in any meaningful way, and combat climate change.

## **2. Emissions Targets**

**Clauses 1-3 of the Bill set the following GHG emissions targets for NI, compared to baseline levels (either 1990 or 1995 emissions, depending on the particular gas)**

**Net emissions will be at least 82% lower by 2050**

**Net emissions will be at least 69% lower by 2040**

**Net emissions will be at least 48% lower by 2030**

**a) What are your views on these emissions targets?**

**b) Do you think these emissions targets are achievable?**

**c) Do you think that the timescales to deliver the emissions targets are achievable?**

As noted above, RES does not believe that these targets are as ambitious as they need to be. The alternative Bill proposed a net zero carbon emissions target across the economy by 2045, which we believe is reflective of the climate emergency we are in and of industry's ability to meet this challenge. We note that the 2050 target is based on the 'Balanced Pathway' within the Committee on Climate Change's (CCC) Sixth Carbon Budget and would draw attention to the outlined stretch target for Northern Ireland of 94% Greenhouse Gas (GHG) reductions by 2050. It is RES's view that this is the very least target that should be set.

RES is supportive of:

- 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.

RES is acutely aware of the importance of aligning policy and regulation with targets set and without the right policies in place, targets alone will not delivery what is necessary. 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.

Higher and ambitious targets send a locational signal to developers and investors, to invest in decarbonising technologies. Higher targets create confidence in the market and will therefore attract investment and renewable development. The targets should only ever be revised upwards, not downwards.

### **3. Power to Amend Targets**

Clauses 4 and 5 of the Bill give the Department for Agriculture, Environment and Rural Affairs (DAERA) the authority to change, through regulations, the emissions targets, years and baseline. A proposed change must be ratified by the Assembly. DAERA may only bring forward a proposed change if:

(1) It is satisfied that it is justified on the basis of significant developments in law/policy, scientific knowledge or technology relevant to Climate Change and the UK Committee on Climate Change (CCC) has advised that the change is the most ambitious that it could be (if relevant); OR (2) The CCC has recommended the change (or it is not substantially different from a CCC recommendation)

#### **Climate Change (No.2) Bill Clauses 4 and 5**

a) Do you think that this is appropriate?

b) What are your views on this?

We are not confident that the language in the Bill only allows for revisions to be made to emissions targets, years and baseline that would raise the ambition and not lower it. RES believes that DAERA should only be able to raise ambition, not to lower it. The targets in this Bill are already not ambitious enough, we should not allow a mechanism to lower them which also applies to the baseline noted in the Bill as well. The targets should provide a clear signal to the market of an intent to decarbonise, providing certainty for investors committing to long term projects. To allow the flexibility in legislation to potentially lower ambition is counterproductive. The targets should only ever be revised upwards, not downwards.

### **4. Carbon Budgets**

The Bill proposes that DAERA will prepare “Carbon Budgets” that will set the maximum GHG emissions level for NI for a period of time. The first Carbon Budget period is planned to cover 2023-27 and thereafter Budgets will be set on a 5-yearly basis. The Carbon Budgets will be established to help meet the overall emissions targets for 2030, 2040 and 2050. DAERA will be

responsible for submitting a report to the Assembly outlining the policies that will be taken forward by NI Government Departments to meet a Carbon Budget. This report must be submitted before the end of Year 1 of the Carbon Budget period.

- a) What are your views on this? Tell us what you think about Carbon Budgets
- b) Do you think the proposed Carbon Budgets are an effective way of delivering on the emissions targets?
- c) Clause 15 of the Bill allows DAERA to adjust a Carbon Budget by carrying a proportion of the emissions level forwards or backwards to a different Carbon Budget period (up to a maximum of 1% of the later Budget) after consulting other Government Departments and the CCC. Do you think that this is appropriate?

Carbon budgets are necessary to ensure we are decarbonisation at an appropriate pace and prevent us from ‘spending’ beyond our environmental limits. Appropriate carbon budgets can be set which ensure that we follow an urgent action pathway.

Climate budgets are a vital part of climate legislation and if set appropriately can be a useful tool to measure success. We would like to see the bill go further and require carbon budgets by sector to ensure all aspects of our economy are being decarbonised at the appropriate pace. This should be a coordinated effort managed by a central function.

Clause 15 is a concern because RES does not want to see back loading. This level of flexibility is dangerous and does not send a clear signal for investors looking to invest fund into long term projects.

## **5. Progress Reporting**

The Bill requires DAERA to submit reports to the Assembly as follows: An interim progress report must be laid before the end of Year 3 of each Carbon Budget. A Final Statement must be laid within 24 months of the end of a Carbon Budget period outlining whether the Carbon Budget was, or was not, met. If not met, a report must be laid within 3 months outlining proposals to compensate for the excess emissions. A Compliance Statement must be laid within 24 months of the end of each respective year for 2030, 2040 and 2050, with an assessment as to whether the relevant emissions target was achieved.

- a) Do you think that this is an effective way to monitor progress?
- b) Please tell us your views on the proposals for progress reporting as outlined in the Bill:  
Please tell us your views

RES believe that progress reports are helpful and provide a useful measure for government as to whether policies are working or not. It is important to have regular interim targets and reporting across all departments and to outline measures to achieve the target including carbon budgets. RES also believes that individual actions that are committed to should be captured, much like the ROI Climate Action Plan.

## **6. Independent Oversight**

Part 4 of the Bill outlines the responsibilities of the CCC in terms of reporting to DAERA on the effectiveness of Carbon Budgets and attainment of the emissions targets. The CCC will report to DAERA within 6 months of publication of a Carbon Budget Final Statement and the Compliance Statement for years 2030 and 2040, with its consideration on whether the emissions levels have been achieved and any recommendations. DAERA will send the Assembly a copy of each CCC report within 6 months of it being received.

Climate Change (No.2) Bill Part 4

a) What are your views on this?

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 reports under this legislation works in concord with the CCC.

## **7. Responsibilities on Government Departments and Public Bodies**

The Bill places primary responsibility on DAERA for setting Carbon Budgets, reporting on progress and consulting with the CCC. It also requires all local Government Departments to ensure that GHG emissions do not exceed the set Carbon Budget for any period and to provide DAERA with relevant information and data to support completion of progress reports.

a) Do you think that the responsibilities on Government Departments set out in the Bill are appropriate?

We do not agree and think this section of the Bill and believe that more clarity is needed on responsibilities across departments. Requiring local Government Departments is useful however, it is not clear if this will include all sectors of the economy to be responsible for delivering decarbonisation.

Meeting net zero, and indeed carbon emission reduction targets 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 government dept and 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 a central function within government.

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.

In the absence of individual departmental responsibilities and interim targets, RES is concerned that there will be insufficient monitoring and a risk of a lack of coordinated action.

## **8. Resource Implications**

DAERA estimates that the indicative net additional cost of the Bill between 2022 and 2050 could be over £4 billion (approx. £140 million per year). It is projected that the additional resource costs will be less than 1% of 2018 GDP each year through to 2050 and there will be a significant requirement for capital investment to put in place appropriate and effective low-carbon infrastructure and technologies.

### **a) What are your views on this?**

Additional resources will undoubtedly be required and the cost of this will be more than offset by wider benefits. Specifically, 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.

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.

## **9. Access to Specialist Advice**

The CCC is the sole source of expertise provided for in the Bill to give advice to DAERA in relation to Climate Change mitigation and DAERA must consult the CCC before initiating any proposed change to Carbon Budgets or emissions targets.

### **a) Do you think that this is appropriate?**

### **b) Are there other sources of expertise that may be needed to inform Climate Change policy and to report on progress in terms of meeting the emissions targets?**

**Tell us other sources of expert advice**

As mentioned above, we believe that we should be using the expertise of the CCC in the UK. We would welcome specialised advice from CCC to budgetary and monitoring reports.

## **10. Transboundary Considerations**



**a) What are your views on how the Bill addresses transboundary issues in relation to Climate Change? By transboundary we mean different countries and/or jurisdictions working together.**

**Tell us your views on Transboundary Issues**

**b) Do you think that there should be a transboundary approach to Climate Change?**

It is paramount that we view Climate Change as a transboundary issue. Policies should be as coordinated as possible. Carbon pricing is very clearly a transboundary issue. RES advocates for a strong carbon price signal through carbon pricing and applying a border charge to prevent the ‘offshoring’ of emissions.

### **11. Additional Information**

**a) Are there any other measures not included in the Bill that you think should be included and why? Tell us if anything is not included**

**b) Do you have any other comments you would like to make?**

**Tell us anything else you think we should know**

#### Role of the regulator

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.” Further to this there have been two committee inquiries into what governance structure is necessary to meet net zero which RES believes that the Executive should consider<sup>34</sup>.

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.

#### Greater coordination

RES believes that all areas of the economy need to decarbonise in order to meet the UK net zero ambition, and to do this, there needs to be accountability and coordination across government departments for delivering net zero. This Bill does not do this in its current form and so we do not think it will be effective in delivering the carbon emissions reductions necessary.

<sup>3</sup> <https://www.parliament.uk/business/lords/media-centre/house-of-lords-media-notice/2021/june-2021/new-lords-committee-launches-call-for-evidence-on-ofgem-and-net-zero/>

<sup>4</sup> <https://committees.parliament.uk/work/1343/net-zero-governance/>

This Bill should commit to creating interim goals and targets across all departments that have a responsibility to decarbonise. Creating a central function within government that would oversee and coordinate how each department is meeting its individual targets would go some way to ensuring the right governance framework is in place to meet net zero. 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.