

Friends of the Earth

Briefing on Climate Action for Programme for Government negotiations

Introduction

It is essential that the new Government leads the transformation of society in a way that not only reduces polluting emissions and rids Ireland of reliance on dirty, expensive fossil fuels, but also takes action against poverty and inequality. A new Programme for Government must set Ireland on a clear path to meeting, in a just and equitable manner, our legally binding climate obligations.

As negotiations begin on Government formation, this briefing provides information for all TDs and political parties on Ireland's climate obligations, our progress towards these obligations, and policy measures that must be prioritised in a new Programme for Government to ensure that the transition to a climate neutral economy leaves no one behind.

Key Messages

- Fianna Fáil and Fine Gael voted for the Climate Action and Low Carbon Development (Amendment) Act 2021, and remain committed to its obligations - this must be clearly articulated in the Programme for Government.
- We welcome Fianna Fáil's commitment in its manifesto for "the European Commission proposal for a 90% reduction in EU emissions by 2040 and adopt 2035 and 2040 national carbon budgets in line with that" and support the inclusion of this commitment in the Programme for Government.
- The Climate Change Advisory Council noted in December as part of its proposed carbon budgets to 2040 that 'Ireland has not risen to meet its climate change challenges and is currently set to miss its agreed carbon budget to 2030...If we do not act the Council has said that there will be profound costs to the Irish economy and to the people of Ireland.'
- The Irish Fiscal Advisory Council recently warned, 'If [existing climate measures are] not implemented, then the State would be further from its climate objectives and would face much higher compliance costs, potentially as high as €20 billion. A transfer of as much as €20 billion would be a colossal waste of taxpayers' money – equivalent to virtually an entire year's capital budget.'
- The National Heat Policy Statement, originally due in 2024, remains unpublished, this is a crucial policy document to provide direction for the decarbonisation of Ireland's heat sector and should be progressed in early 2025.
- The Heat Bill will be a critical tool to address fossil fuel dependency and unlock the potential for clean, efficient heating across the country. Given Ireland's slow progress in deploying district heating the Heat Bill must be urgently progressed through the Dáil as a top priority for the new government in 2025.
- Housing for All committed to introducing minimum BERs in the private rental sector from 2025. These standards are essential for addressing inefficient housing, and a

re-commitment to implementing this policy is needed in the next Programme for Government alongside tenant protection and landlord advice.

- In its December “Energy in Ireland” 2024 report, the SEAI highlighted that ‘electricity demand from data centres has increased by 412% since 2015’.
- Professor Hannah Daly of UCC has highlighted that without decisive action, data centres will continue to divert renewable energy to serving demand growth rather than displacing fossil fuels, deepen reliance on fossil fuels, and exacerbate Ireland’s carbon budget overshoot and energy security threats.
- These findings underline the need for the new Government to introduce a legal moratorium on new data centre developments until a new robust legislative and regulatory framework is established that ensures they pose no threat to our binding limits on climate pollution or the security of our electricity supply. Recommendations on this framework are addressed in detail in this document and in Professor Daly’s research.
- The Climate Change Advisory Council stated this week as part of its proposed carbon budgets to 2040 that ‘As an absolute imperative, fossil fuels must be phased out as early as 2039’ and that ‘Government must prioritise investment and resources now to save people and businesses money by phasing out fossil fuels to avoid future fines and compliance costs, maintain competitiveness in a low-carbon world and enhance resilience to climate change’.
- Permitting any further fossil fuel infrastructure, in particular LNG, would run directly counter to these conclusions. We consider that any such additional fossil fuel infrastructure would be in use for decades to come and would fundamentally undermine both Fianna Fáil and Fine Gael manifesto commitments to rapidly advance renewable energy, in particular offshore wind.
- We are calling for the new Government to introduce a permanent legal ban on LNG import terminals of any kind as the importation of fracked gas or any LNG does not have any place in the transition to a fossil free future which the state is committed to. We also highlight in this briefing particular risks regarding the US owners of Shannon LNG, New Fortress Energy. We fully support that the Department is now looking beyond LNG and is undertaking further analysis on zero-carbon options as part of the ongoing Energy Security Review, in light of recent developments in these technologies, as well as gas phase out in the 2030s.
- The Government’s Energy Security package in November 2023 made clear that gas demand must reduce substantially over the coming decade and that any energy security response must be in accordance with climate law. It is essential that these commitments, as well as the associated 2021 Policy Statement, which introduced a temporary ban on LNG and fracked gas imports pending completion of all Government analysis, is respected by all relevant public bodies, in particular An Bord Pleanála.

These recommendations are addressed in more detail below.

1) National Climate Obligations

Fianna Fáil and Fine Gael voted for the Climate Action and Low Carbon Development (Amendment) Act 2021, and remain committed to its obligations - this must be clearly articulated in the Programme for Government.

The Climate Act established a legally binding framework for Ireland to transition to a climate neutral economy by 2050. Amongst other provisions, the Act:

- Sets out a national climate objective to pursue and achieve, **by no later than the end of the year 2050**, the transition to a climate resilient, biodiversity rich, environmentally sustainable and **climate neutral economy**.
- Requires the government to adopt a series of **five-year carbon budgets** starting in 2021, including sectoral emissions ceilings for each area of the economy.
- Provides that the first two carbon budgets, proposed by the Climate Change Advisory Council, lead to **a 51% reduction in greenhouse gas emissions in 2030**, compared to 2018.
- Requires that the Climate Action Plan is updated annually to include the actions required in each sector to comply with the carbon budgets and the sectoral emissions ceilings.
- Requires all relevant public bodies to perform their functions in a manner consistent with climate plans and objectives.

2030 Obligations - We are off track even under the 'most optimistic scenario'

- The EPA Projections Report¹, published in May, provides an assessment of Ireland's total projected greenhouse gas (GHG) emissions from 2023 to 2040, using the latest inventory data for 2022 as the starting point. In this report, **the EPA has indicated that Ireland is not on track to stay within its first two legally binding carbon budgets**. The first two carbon budgets (2021-2030) are "projected to be exceeded by a significant margin of between 17 and 27 per cent".
- The SEAI reported in December that 'it is also likely that Ireland's transport and electricity emissions will exceed their sectoral emission ceiling in the first carbon budget (2021-2025). Any emissions that exceed the first carbon budget are carried over into the second carbon budget, where they will need to be addressed by even more intensive policies and measures².'
- The Climate Change Advisory Council also noted in December as part of its proposed carbon budgets to 2040 that 'Ireland has not risen to meet its climate change challenges and is currently set to miss its agreed carbon budget to 2030...If we do not act the Council has said that there will be profound costs to the Irish economy and to the people of Ireland.' The Advisory Council also highlighted 'While the transition will bring significant political and social challenges, it presents us with an opportunity to achieve a more sustainable society, a cleaner environment with improved health and well-being for all of our citizens. A crucial step to help achieve this is for Government to prioritise investment and resources, now, by phasing out harmful fossil fuels as early as 2039 and saving people and businesses money.'

1

<https://www.epa.ie/publications/monitoring--assessment/climate-change/air-emissions/EPA-Provisional-GHG-Report-Jul24-v6.pdf>

² <https://www.seai.ie/sites/default/files/publications/energy-in-ireland-2024.pdf>

Climate Change in the Mind of Voters

While climate was 6th on the list of issues that swayed voters in the general election, down from 5th in 2020, this came ahead of crime, childcare and value for money in public spending. A striking finding in the Exit Poll was that **51% of voters thought the outgoing government “has not gone far enough to address climate change”**, compared to 20% who thought they had gone too far. 47% of Fianna Fáil voters and 44% of Fine Gael voters think the Government they led hasn't gone far enough. Only 14% of them think the Government went too far.

2) EU Climate and Energy Obligations

We welcome Fianna Fáil's commitment in its manifesto for “the European Commission proposal for a 90% reduction in EU emissions by 2040 and adopt 2035 and 2040 national carbon budgets in line with that” and support the inclusion of this in the Programme for Government. We consider that Ireland should advocate that the EU builds on this commitment and supports net zero emissions at EU level by 2040, as well as a strategy to orderly reduce and end fossil gas consumption across sectors in the EU by 2035, in order to align the EU with the Paris Agreement.

The EU Effort Sharing Regulation (ESR) establishes for each EU Member State a national target for the reduction of greenhouse gas emission by 2030 in the following sectors: domestic transport (excluding aviation), buildings, agriculture, small industry and waste. Ireland's ESR target is a reduction of 42% by 2030. Ireland complied with its ESR commitments for 2021-2023, with the use of flexibilities. **However, Ireland is not on track to reach its 42% target.** The EPA's most recent analysis found that even where policies and measures in the higher ambition (With Additional Measures) scenario are implemented, Ireland can at best achieve a reduction of 25% by 2030, still short of the 42% reduction target, and also lower than the 30% reduction projected in last year's estimates. In this eventuality, the Government would be required to purchase statistical transfers or credits from other Member States.

The Irish Fiscal Advisory Council recently warned, ‘If [existing climate measures are] not implemented, then the State would be further from its climate objectives and would face much higher **compliance costs, potentially as high as €20 billion. A transfer of as much as €20 billion would be a colossal waste of taxpayers' money** — equivalent to virtually an entire year's capital budget. Instead of transferring this money to neighbouring countries, the next government should take more effective action to avoid these costs, reduce energy costs and pollution, and improve people's health.’ If these measures are not urgently implemented, then Ireland would drift further from its climate objectives and the State would face costs potentially as high as €20 billion³.

In July, Ireland published its updated National Energy and Climate Plan (NECP), as required by EU governance regulation. This increased Ireland's overall 2030 renewable energy share target from 34.1% to 43.0%, as per the requirements of the third iteration of the EU's Renewable Energy Directive. Member States need to step up their national action towards 2030 in their NECPs and targets must be backed up by adequate additional measures and financing plans.

There are several new climate and energy obligations introduced as part of the EU's Fit for 55 package. The EU's 2023 Energy Efficiency Directive (EED) sets an EU-wide target for the reduction in final energy consumption of at least 11.7% in 2030. **Ireland is yet to transpose this Directive and transposition will be crucial in terms of progress not only in terms of reduced energy consumption**

3

<https://www.fiscalcouncil.ie/wp-content/uploads/2024/12/Fiscal-Assessment-Report-December-2024-1.pdf>

but also in terms of regulating data centre demand. Regarding the former, in February, the Government approved Ireland's Article 4 target under the EED, which requires Ireland to make cooperative efforts to limit 2030's total final energy consumption to 121.55 TWh - a reduction of 13% on current levels. Currently, SEAI projections show Ireland significantly off-track in achieving these targets, even if all actions in the Climate Action Plan are implemented on time. In the most ambitious scenarios, Ireland still overshoots its EED targets by 20% due to growth in energy demand overwhelming the energy efficiency gains from planned and implemented measures. Significant additional policies to reduce energy demand will be needed in order to achieve these targets.

As Government formation talks begin in earnest, three crucial policy priorities that must be red lines for all TDs and parties are 1) the guarantee of warm homes for all and 2) an immediate moratorium on the expansion of data centres 3) Rejection of fossil fuel infrastructure including LNG.

3) Warm Homes for All: Heat & Buildings

Background

Residential building emissions fell 7.1% in 2023, driven by high fuel prices, a mild winter, and energy efficiency improvements. However **over 90% of Ireland's heat demand is still met by fossil fuels, and oil remains the dominant fuel for residential heating**, accounting for 40.9% of residential energy demand. The CCAC annual review in 2024 noted that although this sector is on track to meet its first sectoral emissions ceiling, sustained efforts will be required to phase out fossil fuels, roll out low-carbon heating solutions, and continue to increase the number of buildings undergoing energy retrofits.

Friends of the Earth joined 14 civil society organisations in setting out [8 priorities](#) for addressing energy poverty and fossil fuel dependence in a new PfG.⁴ We welcome some progressive heat policy measures put forward by a number of parties, in particular the **Fianna Fáil manifesto commitment to establish a new Energy Advice Service** in every county to give independent and individual advice to households on improving their own energy efficiency. We also welcome **Fine Gael's commitment to reinstating the Warmth and Wellbeing Scheme**. The commitment by both Fianna Fáil and Fine Gael manifestos to establish **a dedicated retrofit scheme for rural homes reliant on solid fuels and oil** is also positive.

However, there still remains gaps in retrofitting and heat decarbonisation policy that puts Ireland at serious risk of not meeting its decarbonisation targets, and also means that certain cohorts remain excluded from retrofit schemes - namely tenants in the private rental sector, social housing tenants, and lower-income households. We set out the policy challenges and opportunities below that the new PfG should address to guarantee warmer homes, healthier communities, and a fossil free future for all.

Housing for All committed to introducing **minimum BERs in the private rental sector** from 2025. These standards are critical for addressing inefficient housing. A re-commitment to implementing this policy is needed in the next Programme for Government. To protect tenants, these new standards must include strict safeguards against evictions and rent hikes, with resources allocated to effectively enforce compliance. A new tailored retrofit strategy for the rental sector should communicate minimum BER requirements to landlords and ensure One Stop Shops are resourced to guide landlords on upgrading properties while keeping tenants in place. To further support low income tenants, the Warmer Homes Scheme should be expanded to include HAP tenants on the condition of a long-term lease being offered.

⁴ [Civil Society Warm Homes for All Manifesto](#) (2024)

A comprehensive plan for phasing out fossil fuels in heating is urgently required to align with Ireland's climate and energy commitments. This plan must include additional policies, incentives, and financial support to accelerate the deployment of renewable heating solutions, such as heat pumps and district heating. While the **National Heat Policy Statement**, originally due in 2024, remains unpublished, this is a crucial policy document to provide direction for the decarbonisation of Ireland's heat sector and should be progressed in early 2025.

The **Heat Bill**, which sets out the legislative framework to support the development and expansion of district heating systems, will be a critical tool to address fossil fuel dependency and unlock the potential for clean, efficient heating across the country. Given Ireland's slow progress in deploying district heating— with just 2 projects projected to deliver 0.075TWh by 2030, far below the CAP target of 2.7TWh —**the Heat Bill must be urgently progressed through the Dáil as a top priority for the new government in 2025**. This will ensure that local authorities, communities, and developers have the regulatory certainty and support structures needed to deliver district heating schemes at scale.

The revised **Energy Poverty Action Plan** must also be published in Q1 2025. This should incorporate the recommendations made by 20 civil society organisations in their joint submission.⁵

The Government will have to dedicate capacity and resources to delivering significant new EU obligations relation to the decarbonisation of heat and buildings:

- Article 25.6 of the Energy Efficiency Directive (EED) requires member states to develop local heating and cooling plans for municipalities with over 45,000 inhabitants. These plans must be complete well before 2030 and must include a detailed analysis of current heating and cooling demand, assess renewable and waste heat potential, and outline scenarios for decarbonising heating and cooling systems. Local authorities will be responsible for conducting inventories of heating and cooling infrastructure, identifying opportunities for integration of clean energy, and developing strategic roadmaps with clear targets for 2030, 2040, and 2050. Member States must provide support to local authorities, including financial resources, technical assistance, staffing, and access to energy data, while ensuring coordination with existing energy, planning and climate policies and relevant legislation and regulation.
- The revised Energy Performance in Buildings Directive (EPBD (EU) 2024/1275) introduces new policy instruments to advance the decarbonisation of the EU building stock, such as a zero-emission building (ZEB) standard, national building renovation plans (NBRPs), minimum energy performance standards (MEPS) for non-residential buildings and national trajectories for the progressive renovation of residential buildings.
- Under the EPBD, Ireland has an obligation to submit the first draft of its National Building Renovation Plan to the European Commission by December 2025. These plans must include a full overview of the national building stock; a roadmap to decarbonise the building sector with clear targets to 2030, 2040 and 2050 with measurable progress indicators; an overview of policies and measures to implement the roadmap; and an outline of investment needs and an estimate of the expected benefits. An early and ambitious public participation process is required in order to develop the NBRPs. Public engagement, particularly with vulnerable groups, civil society, and local authorities, is crucial to identify the needs and challenges of specific cohorts, identify opportunities, to ensure transparency in the plan's development and to maximise public buy-in.

⁵ [Joint Civil Society Submission to Energy Poverty Action Plan](#)

- Under the EU Social Climate Fund (SCF), Ireland is obliged to develop a Social Climate Plan by 30 June 2025 in order to access funding for measures to mitigate the social impacts of including buildings and road transport in the EU Emissions Trading System (ETS2), which is set to take effect in 2027. The SCP must include proposed measures and investments focused on reducing emissions and supporting vulnerable households and communities, particularly through targeted measures to address energy poverty, funding building renovations, and providing access to clean, affordable energy.

Heat & Buildings Recommendations

- The following policies and legislation must be urgently progressed as a top priority for the new government in early 2025:
 - The **Heat Bill** to accelerate district heating rollout
 - The **National Heat Policy Statement**, which was due in 2024, to provide direction and certainty for the decarbonisation of Ireland's heat sector
 - The revised **Energy Poverty Action Plan**
- A re-commitment to implementing **minimum BERs in the private rental sector** is needed in the next Programme for Government alongside tenant protection and landlord advice
- Party manifesto commitments to introduce an **Energy Advice Service** in every county; a dedicated **rural retrofit scheme**; and to reinstate the **Warmth and Wellbeing Scheme** must be included in the PfG.
- A commitment to **increasing funding for local authority retrofitting programmes** is needed to allow local authorities to create a multi-annual retrofit plan, to include solar PV, and to ensure the worst-performing housing is prioritised for retrofitting improvements.
- Additional capacity and resources must be allocated to delivering **significant new EU obligations** relating to the decarbonisation of heat and buildings, namely the development of **Local Heating and Cooling Plans, National Building Renovation Plan** and **Social Climate Plan**. It is vital to ensure the needs and voices of people most impacted by energy deprivation are prioritised at every step in the development of these new policies.

4) Data Centre Moratorium

Background

- The proportion of total metered electricity consumed by data centres rose from 5% in 2015 to 21% in 2023, according to CSO data⁶. In contrast, the European average is 2%. The country with the next highest demand is the Netherlands where 5% is consumed by data centres⁷
- Recent figures revealed that the growth in electricity demand from data centres in 2023 was more than all the new renewable energy connected to the grid last year. There are now so

⁶<https://www.cso.ie/en/releasesandpublications/ep/p-dcmec/datacentresmeteredelectricityconsumption2023/keyfindings/>

⁷https://interactdc.com/static/images/documents/JRC135926_01.pdf

many data centres in operation that they are using more electricity than all the urban homes in the country combined and twice as much as all rural households⁸. Data centres are on track to consume as much as 30% of all electricity by 2030.

- The new Government must comprehensively address the threats posed to climate and energy security due to rapidly rising data centre demand and increasing reliance on polluting gas. This should take the form of a moratorium until a comprehensive new policy framework is introduced (see below).
- The revised EED (and associated Regulation) also includes several provisions addressing the energy efficiency, transparency and sustainability of data centres. Data centres with significant energy consumption must comply with enhanced energy efficiency requirements. They must also report their energy consumption, emissions, and energy efficiency metrics to relevant authorities and progress associated audits and action plans. Data centres must also align with the EU's goal of increasing the share of renewable energy consumption and demand reduction contributing to EU 2030 Renewable Energy targets. The Directive also provides for the establishment of a database of large data centres, focusing on energy performance.

Latest evidence of data centre impacts

In November the SEAI highlighted the following risks:

- *'In the context of our legally binding national and international climate and energy obligations, the negative consequences versus the benefits of allowing new large electricity users, such as data centres, to establish in Ireland needs to be considered.'*
- *'If the scale and pace of renewable energy growth cannot exceed that of electricity demand, as was the case in 2023, then renewables are just abating further increases in emissions rather than delivering the absolute reductions in greenhouse gas emissions required.'*
- *'...increased electricity demand from data centres increases total final energy demand and will make it very challenging to meet both the EED and RED targets. The surge in usage of generative artificial intelligence will compound this issue. For these reasons, the negative consequences compared to the benefits of allowing large new electricity users to establish in Ireland between now and 2030 need to be considered.'*⁹
- In its December "Energy in Ireland" 2024 report¹⁰, the SEAI highlighted that 'electricity demand from data centres has increased by 412% since 2015' and noted 'Additional electricity demand must be outpaced by increased installed capacity for renewable generation, if we are to decarbonise Ireland's electricity system further, all else being equal. Electricity demand must be managed to ensure that Ireland stays within the confines of our carbon budgets, sectoral emission ceilings, and energy demand reduction targets.'

⁸

<https://www.cso.ie/en/releasesandpublications/ep/p-dcmec/datacentresmeteredelectricityconsumption2023/>

⁹ <https://www.seai.ie/sites/default/files/publications/National-Energy-Projections-Report-2024.pdf>

¹⁰ <https://www.seai.ie/sites/default/files/publications/energy-in-ireland-2024.pdf>

- Professor Hannah Daly of UCC produced research on behalf of Friends of the Earth in December regarding data centre demand in the context of carbon budgets.¹¹ It emphasizes risks both in terms of decarbonisation and energy security. Significant findings from the research include that electricity demand from data centres has grown at an annual rate of almost 23% since 2015, compared to less than half a percent % for other sectors. Between 2017 and 2023, all additional wind energy generation was absorbed by data centres. As a result, renewables are not delivering net reductions in fossil fuels use in power generation. It notes 'Without decisive action, data centres will **continue to divert renewable energy to serving demand growth rather than displacing fossil fuels, deepen reliance on fossil fuels, and exacerbate Ireland's carbon budget overshoot and energy security threats.**
- The research highlights that data centres are connecting to the natural gas network to get around constraints in the power network. This is prolonging Ireland's dependency on fossil fuels and will make legally binding carbon budgets unachievable. This underscores the need for policy interventions that ensure renewables displace fossil fuels rather than fuelling new demand. It also notes that CPPAs have only met 16% of new data centre demand growth since 2020. Data centre demand grew 6 times faster than new projects financed by CPPAs, and more than 15 times faster than electricity from all other sources – homes, vehicles, industry.
- Professor Daly puts forward a comprehensive policy framework including - enforce strict power grid connection policies, requiring alignment with carbon budgets; enhance transparency, by mandating real-time GHG emissions reporting for data centres; develop a national electrification strategy to accelerate the electrification of transport, industry and heating, ensuring that renewables primarily displace fossil fuels; create a plan for the use of surplus renewable energy production that best serves climate and societal goals, that is not limited to serving data centre needs.
- Previous research from UCC MaREI noted that huge growth in data centre electricity demand substantially increases the challenges of meeting legally binding Sectoral Emissions Ceilings. If data centre growth uses a significant proportion of increasing renewable electricity generation, this will also limit the potential for transport, buildings and industry sectors to meet their decarbonisation commitments.¹²
- The Climate Change Advisory Council has recommended that Gas Networks Ireland should be directed not to sign new contracts for connecting data centres powered mainly by on-site fossil fuels. However, current laws do not provide the authority to enforce this. GNI has reportedly stated it is contractually obliged to connect data centres, notwithstanding the obligation on GNI and other relevant public bodies to comply with the legal requirements of the 2021 Climate Act 2021, as recently raised by the Climate Change Advisory Council. The Council also recommends the establishment of a national reporting scheme to facilitate a publicly accessible reporting mechanism for the sustainability of data centres.

Data Centre Recommendations

These findings underline the need for the new Government to introduce a legal moratorium on new data centre developments until a new robust legislative and regulatory framework is

¹¹

https://www.friendsoftheearth.ie/assets/files/pdf/data_centres_and_the_carbon_budgets_-_prof_hannah_daly_dec_2024.pdf

¹² https://www.foe.ie/assets/files/pdf/ucc_marei_-_research_report_-_final.pdf

established that ensures they pose no threat to our binding limits on climate pollution or the security of our electricity supply.

The regulatory framework should include:

- Strict limits on electricity consumption used by existing centres, not only new connections.
- A prohibition on Gas Networks Ireland connecting any further connection data centres to the gas network given the risks of locking-in long-term use of fossil gas.
- A requirement for all data centres to invest in substantive renewables, storage and energy efficiency (including rooftop PV, heat pumps and batteries) all to the maximum extent possible on their own sites, in order to reduce their dependence on the national grid and fossil fuels, and to prevent undue reliance on external renewable projects.
- Measures to ensure data centres do not result in additional fossil fuel generation. These must also ensure existing data centres produce a decarbonisation plan to phase out fossil fuel usage, including fossil gas and diesel used on their sites.
- A requirement for the Government to produce transparent information each year on the number and type of current and new data centres, while also ending speculative data centre applications that inflate expected energy use and strain resources.
- A requirement that data centres annually disclose their current emissions and future projections.

5) Fossil Fuel Lock-In Risks and LNG

Background

The Climate Change Advisory Council stated this week as part of its proposed carbon budgets to 2040 that ‘As an absolute imperative, fossil fuels must be phased out as early as 2039’ and that ‘Government must prioritise investment and resources now to save people and businesses money by **phasing out fossil fuels to avoid future fines and compliance costs, maintain competitiveness in a low-carbon world and enhance resilience to climate change**’.

The Advisory Council also highlighted ‘While the transition will bring significant political and social challenges, it presents us with an **opportunity to achieve a more sustainable society, a cleaner environment with improved health and well-being for all of our citizens**. A crucial step to help achieve this is for the Government to prioritise investment and resources, now, **by phasing out harmful fossil fuels as early as 2039** and saving people and businesses money.’¹³

Permitting any further fossil fuel infrastructure, in particular LNG, would run directly counter to these conclusions. We consider that further fossil fuel infrastructure would risk locking-in polluting fossil fuel use. Moreover **we consider that such additional infrastructure that would be in use for decades to come would fundamentally and directly undermine both Fianna Fáil and Fine Gael manifesto commitments to rapidly advance renewable energy, in particular offshore wind**.

¹³ <https://www.climatecouncil.ie/news/press-release-carbon-budget-proposal.html>

Fianna Fáil and Fine Gael must not limit the focus of climate action in the energy sector to renewables development. For the reasons outlined above it is both strategic and necessary to introduce plans to specifically phase out fossil fuels and prevent infrastructure which would prolong fossil fuel use in direct contravention of national and international law.

We therefore recommend that the new Government:

- Introduce legislative amendments to ensure the next Climate Action Plan explicitly includes clear trajectories and timelines to a) ensure fossil fuel phase out in all sectors b) avoid the risk of fossil fuel lock-in and c) reduce dependence on fossil fuels, all consistent with the Carbon Budgets, the Sectoral Emissions Ceilings, and the gas demand reduction scenarios in the Energy Security Package of November 2023.
- Mandate the CRU to proactively plan for gas phase out in accordance with carbon budgets, including setting a timeline for decommissioning of the entire residential gas distribution network while ensuring gas customers are protected both in terms of their bills and in terms of heating alternatives.
- **Do not permit any new infrastructure that prolongs our dependence on fossil fuels and permanently ban any kind of LNG terminals in Ireland**

LNG

- **We want the Government to introduce a permanent legal ban on LNG import terminals of any kind as the importation of fracked gas or any LNG does not have any place in the transition to a fossil free future which the state is committed to.** The Government's Energy Security package in November 2023 made clear that gas demand must reduce substantially over the coming decade and that any energy security response must be in accordance with climate law. As noted above, **we consider that further fossil fuel infrastructure would prolong gas use, undermine electrification of heat and transport, and therefore run counter to the renewables transformation that Fianna Fáil and Fine Gael are both committed to.**
- We welcome that the Government has been clear that it does not support the importation of fracked gas, as set out in the Government's 2021 'Policy Statement on the Importation of Fracked Gas'. It is important to note that the main risk of fracked gas comes from the proposed Shannon LNG project as its US owners, New Fortress Energy, source a significant portion of their supply from disastrous and highly controversial fracked gas projects in the mainland US, including Pennsylvania. It is essential that Government is clear on the risks associated with New Fortress Energy, owners of Shannon LNG. In the past month several US media reports have emerged regarding financial problems at the company. On Sunday 15 December, the Sunday Business Post reported¹⁴ that New Fortress Energy "has been battling major financial difficulties, restructuring massive debts to avoid bankruptcy, while seeing its share price fall and credits ratings downgraded." It highlighted that "long term debt at the company has ballooned to over \$8 billion, more than triple its market cap...Rating agencies Moody's, S&P, and Fitch have all downgraded its credit rating over recent months, while the company's share price has also collapsed by 66 per cent since the beginning of the year. Shareholders have also been filing a growing list of class action suits

14

<https://www.businesspost.ie/news/shannon-lng-now-uncertain-due-to-multiple-risks-as-company-faces-financial-onslaught/>

due to project delays.” The financial failings of New Fortress Energy provide further grounds for the new Government to reject Shannon LNG, and LNG more widely. It would be at best unwise and at worst reckless on both climate and economic grounds for the project to be approved in light of the latest information.

- We also welcome that the Government does not support the commercial import of LNG as the development of infrastructure for the commercial import of LNG would be inconsistent with the decarbonisation trajectory established under the Climate Action and Low Carbon Development Act, as amended.¹⁵ We also welcome Fianna Fáil’s clear statements against a standard commercial LNG terminal. However, Friends of the Earth does not support the Department’s initial identification of a state-controlled floating LNG terminal as an option for a temporary emergency gas reserve. We do not believe that unclear and hypothetical risks to not only one but both of Ireland’s gas interconnectors to Scotland justify accepting the certain risk of climate breakdown involved in any increase in the supply of gas to Ireland.
- **We welcome that the Government has recognised that the timescale of LNG infrastructure is highly problematic and may serve to lock-in gas use in the 2030s - the very period when gas demand is planned to rapidly decline in accordance with our climate obligations. The Department has also set out that several of the initial assumptions in the Department’s original analysis regarding renewables development, interconnection and battery storage were overly conservative.**¹⁶ **We fully support that the Department is therefore now undertaking further analysis on zero-carbon options** including ‘*the anticipated timescale delivery of a gas reserve, the impact of interconnection and the potential for further interconnection, the rapid development and installation of batteries and other energy storage, and the new, more ambitious 2040 climate targets being proposed by the Commission*’, as well as ‘*the potential to rely on oil-fired generation at Moneypoint, increased distillate storage at or connected to existing gas generation, and regulatory moves to transition from gas*’.¹⁷
- We agree with the outgoing Minister’s view that ‘*The alternative approaches to energy security solutions could provide significant longer term economic, climate, and security benefits that a floating regasification and storage unit would not provide.*’¹⁸ We are confident that a comprehensive independent assessment of future gas supply and demand risks and future electricity security options will vindicate our opposition to LNG. The evidence suggests it is likely to conclude that in an energy trajectory that is properly aligned with our legally binding Carbon Budgets, a combination of demand reduction, energy efficiency, renewables growth, battery storage and interconnection would make any gas reserve an expensive, risky, redundant white elephant. This position has huge public support, from voters for all parties, according to polling by Ireland Thinks in October 2024.
- The Government’s Energy Security package in November 2023 made clear that gas demand must reduce substantially over the coming decade and that any energy security response must be in accordance with climate law. **It is essential that these commitments, as well as the associated 2021 Policy Statement, which introduced a temporary ban on LNG and fracked gas imports pending completion of all Government analysis, is respected by all relevant public bodies, in particular An Bord Pleanála.**

¹⁵ https://www.oireachtas.ie/en/debates/question/2024-11-05/130/#pg_130

¹⁶ https://www.oireachtas.ie/en/debates/question/2024-11-05/131/#pg_131

¹⁷ https://www.oireachtas.ie/en/debates/question/2024-11-05/130/#pg_130

¹⁸ https://www.oireachtas.ie/en/debates/question/2024-11-05/130/#pg_130

- We also welcome that An Bord Pleanála, supported by the Department, has now appealed the recent High Court decision which overturned the previous planning rejection of Shannon LNG. While its not possible to provide a detailed analysis of the case in this document, we would underline that any acceptance of the High Court's (misguided) assessment of LNG developments in this judgement would raise further unacceptable risks for Government, particularly as elements of the judgement risk undermining the standing and authority of Government decision-making on energy policy.