

File: 098000-04-01

1 December 2006

Minister Noel Dempsey
c/o Energy Green Paper Submissions
Energy Planning Division
Department of Communications
Marine and Natural Resources
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Re: Reply to Energy Green Paper

Dear Minister

PM Group is Ireland's largest specialist technical consultancy and project management firm. Founded in 1973 the firm is headquartered in Ireland and with offices in the UK and Poland we deliver projects across the European continent and beyond. Our experience and knowledge in markets at home and internationally plays an important part in the development of the organisations expertise. Our current workforce is approximately 1500 strong and rising.

PM Group provides a full range of construction and engineering services across the entire project lifecycle to the following primary business sectors: Infrastructure and Environment; Advance Technologies; Food and Nutraceuticals; Medical Technologies; and Biotechnology and Pharmaceuticals.

As a major architectural and engineering company we are particularly conscious of the impact our activities and designs can have on the environment both now and well into the future.

We welcome the opportunity afforded to us by the Government to participate in this public forum. The comments outlined in the following pages are based on our considerable industry experience and are intended as a helpful contribution to achieving an environmentally sustainable and responsible Irish energy policy.

We are available to the Department of Communications, Marine and Natural Resources to discuss and elaborate on any aspects of this correspondence.

Yours sincerely



Michael Shelly
Director

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The following comments are referenced to the “Questions for Consultation” as outlined in section 3 of the Green Paper.

PROMOTING THE SUSTAINABILITY OF ENERGY SUPPLY

3.2.9 What can be done to improve the pace and range of development of renewable energy resources for electricity generation on a sustainable basis?

Small scale imbedded generation: A method of low cost synchronisation to the grid is required urgently to encourage the deployment of micro-CHP small scale wind and solar PV. A net metering arrangement to allow spill onto the grid at reasonable rates to increase the viability of these technologies should also be seriously considered. These decentralised energy supply technologies seem to have been largely overlooked in the Green Paper. There is a large potential to use buildings as energy contributors as well as users. There are many successful examples of the implementation of these technologies outside of Ireland, both within the EU and beyond. Policies and more support mechanisms are also needed for the uptake of these technologies.

Medium Scale Biomass Imbedded Generation: Suitable sites throughout Ireland should be identified for the placement of medium scale (in the range of 5 to 30MW_e) biomass fired generating stations. Considerations of local grid capabilities, local power demand and suitability of the area for biomass production would be key considerations. Long term fuel supply contracts should be put in place with suppliers as close to the facility as possible to reduce transportation. Coordinated policies are required across all government agencies so that potential investors can plan efficiently.

Emissions Trading Allocation to New Entrants: Allocations to new entrants should encourage the implementation of renewable energy and energy efficient technologies at the new build stage. This applies equally to renewable based electricity generation and other technologies. Under the current scheme a new entrant would only benefit by introducing such technologies at a later stage which causes duplication, wasted money and significantly reduces the probability that the technologies will not be implemented at all.

Security and Reliability of Renewable Fuel Supply: Government supported fuel brokers and depots are required throughout the country until such time as the Biofuel market is established. Potential growers require the guarantee of a fairly priced market before they will invest in planting fuel crops while potential users also require the guarantee that fuel will be readily available at a competitive market price before they will invest in biofuel technology. This applies equally to Biomass and other liquid Biofuels for electricity generation and other renewable energy sectors.

3.2.10 In addition to electricity generation, what actions should be taken to develop renewable energy usage in the transport and heat sectors?

Security and Reliability of Renewable Fuel Supply: Refer to our comment to section 3.2.9. This is particularly relevant to encouraging the uptake of medium sized bio-mass fired boilers (In the 1 to 10MW_{th} range) in the private sector.

Targets, Planning, Milestones and Reviews: Targets must be met and aspirational stretch goals must be set. Clear and achievable plans must be put in place with milestones and set review points. The plan must be monitored and adjusted as required to ensure the achievement of targets. Incentives to meet stretch goals should also be put in place. Ireland is unlikely to meet the EU target of 5.75% Biofuels penetration for transport by 2010, having missed the 2% target for 2005. The green paper does not appear to set out a plan on how these targets will be achieved.

Excise, Tax and Incentives for Biofuels: Medium to long term guarantees on excise, tax and financial incentives are required to encourage private sector investment in bio-fuels. The limited zero percent excise reduction has been effective but could be expanded along with other incentives to increase private sector investment. Reduced state dependency on fossil fuel based income would also help. Weighting should be given to the value of CO₂ emissions in financial evaluations.

Co-ordinated Government Approach to Biofuels: There is a requirement to ensure coordinated cross agency support for Biofuel use – e.g. ensuring that local authorities, planning and environmental are fully supportive of Biofuel use and that the regulatory requirements placed on fuel suppliers, providers and users are the same in all parts of Ireland and clear before investment is made. Acceptable and standardised requirements for the treatment of emissions and ash need to be addressed.

Public & Private Transport: Encouragement and incentives for the use of Biofuels should be targeted in the first instance at the big fuel users such as public transport – buses and diesel powered trains as well as the road haulage industry. In particular those that have their own fuel storage depots. Incentives to convert buses, trains and trucks for dual fuel use and implementation of regulatory requirements is required. Regulatory requirements to ensure new cars have dual fuel capability should be considered as an effective medium term strategy.