
Climate Action Plan 2024

Response from the American Chamber of Commerce Ireland (AmCham) to the Department of the Environment, Climate and Communications' public consultation.

April 2024

The American Chamber of Commerce Ireland

The Voice of US-Ireland Business

The American Chamber of Commerce Ireland (AmCham) is the collective voice of US companies in Ireland and the leading international business organisation supporting the Transatlantic business relationship. Our members are the Irish operations of all the major US companies in every sector present here, Irish companies with operations in the United States and organisations with close linkages to US-Ireland trade and investment.

Efforts must be accelerated if Ireland is to reach its goals of a 51% reduction in greenhouse gas (GHG) emissions by 2030 and carbon neutrality by 2050.¹ Significant progress needs to be made in a relatively short space of time, and AmCham has continuously stressed the need for action in this area to ensure that Ireland meets its targets.

A recent survey of AmCham members found that 42% have committed to reaching carbon neutrality by 2030, with this rising to 64% aiming to reach this goal by 2040. Despite the numerous challenges businesses have faced in recent years, our members remain committed to achieving a more sustainable future. AmCham members are focused on how best we can ensure that all sectors of the Irish economy adapt and contribute to meeting Ireland's climate action goals, including through consideration of our renewable energy policy, the adoption of pro-innovation pilot programmes across potential technologies, focusing on achieving net zero, and identifying opportunities to improve energy efficiencies. AmCham and our members continue to closely engage with Government and State agencies to address the various requirements needed to ensure that Ireland meets its climate ambitions.

Key to ensuring both private and public targets are met is an ongoing information exchange between Government and industry. AmCham members have highlighted, on numerous occasions, the importance of clarity from Government in terms of what is expected of them, what supports are available to them, and how progress will be measured.

It is key that every sector of the economy plays its part in ensuring that targets laid out in Ireland's carbon budgets are met, and AmCham appreciates the opportunity to respond to the Department of Environment, Climate, and Communications' consultation on its Climate Action Plan 2024 (CAP24). AmCham welcomes the inclusion of several of its previous asks in CAP24, namely the strong emphasis placed on skills needs, the regional focus, the importance of accelerating and aiding the digital transition, the importance of assisting companies with the CSRD, and the need for greater communications and citizen engagement.

Overall AmCham would outline the importance of accelerated action, collaboration, and ambition when it comes to each of these areas in order to help facilitate Ireland achieving

¹ Climate Action Plan 2024, <https://www.gov.ie/en/consultation/25114-public-consultation-on-climate-action-plan-2024/>

its climate action goals. AmCham would further emphasise the importance of the delivery of sustainable infrastructure and green energy solutions.

The Need for Accelerated Action

In January 2024 the Environmental Protection Agency (EPA) published its first Climate Change Assessment (ICCA) which noted that current policies are not sufficient for Ireland to meet its carbon targets.² AmCham continues to outline the need for accelerated action to ensure that Ireland reaches its climate goals. 2030 is fast approaching, and for Ireland to meet its targets sufficient and timely action is needed across all areas that the CAP24 focuses on. For example, the final progress report on CAP23 puts the overall implementation rate for the plan at 65%, with 188 of 290 actions set out for the year completed.³ Delivery of measures under CAP24 will be integral to Ireland's success, and a focus on increasing the overall implementation rate will be important. AmCham would further note that it welcomes the transparency that the Annual Cycle for Climate Action Plan Delivery provides and stresses the importance of consistent and clarity in its continuation.

In addition, whilst AmCham appreciates the continuous consultation that the Department has had with stakeholders on a range of issues to facilitate climate action, CAP24 could be enhanced through the provision of greater clarity. For example, it notes "*potential measures to address unallocated savings*"⁴ and explains that "*Examples of additional actions in energy efficiency and demand management could include*".⁵ The uncertainty in statements such as these needs to be addressed. Ireland's progress in the area necessitates urgent action to ensure that Ireland reaches its climate action goals within the relevant time frames.

² EPA, [https://www.epa.ie/news-releases/news-releases-2024/the-evidence-is-clear-climate-change-is-happening-immediate-and-sustained-actions-are-likely-to-have-widespread-benefits.php#:~:text=25%20January%202024%3A%20The%20Environmental,on%20Climate%20Change%20\(IPCC\)..](https://www.epa.ie/news-releases/news-releases-2024/the-evidence-is-clear-climate-change-is-happening-immediate-and-sustained-actions-are-likely-to-have-widespread-benefits.php#:~:text=25%20January%202024%3A%20The%20Environmental,on%20Climate%20Change%20(IPCC)..)

³ Climate Action Plan Progress Reports, Department of Taoiseach, <https://www.gov.ie/en/publication/55fde-climate-action-important-publications/#climate-action-plan-2023>.

⁴ Climate Action Plan 2024, <https://www.gov.ie/en/consultation/25114-public-consultation-on-climate-action-plan-2024/>

⁵ Ibid.

Communications Strategy

For Ireland to meet its climate targets there is a need for widespread societal change, and key to this is behavioural change. Noting the work undertaken in relation to communications, a redoubled focus on a dedicated communication strategy, to the same level we witnessed with Covid-19 messaging, at both a local and national level is one way to facilitate the change in attitudes which will be essential to driving Ireland's green transition. In this regard, AmCham appreciates CAP24's acknowledgement that *"Delivering on our climate ambition requires that the Government and the people of Ireland come together in a strengthened social contract for climate action and the cocreation of real solutions to these challenges."*⁶ AmCham further welcomes CAP24's commitment to *"coordinating whole of Government governance structures to support the effective delivery of the climate communications and engagement programme."*⁷ AmCham would emphasise the centrality of behavioural change to climate action. The Department must have a continued focus on consistent and clear messaging in this regard. There is also a need to step back and look at the bigger picture; the interconnectedness of sectors that CAP24 spans across, and the cooperation needed between the different bodies across government and wider society that will be responsible in delivering on CAP24's targets.

Energy

It is key that every sector of the economy plays its part in ensuring that targets laid out in Ireland's carbon budgets are met. The energy sector in particular should take a leading role in doing so. In this regard AmCham calls for the speedy development of indigenous renewable energy in Ireland through offshore wind development, hydrogen production, and biomethane production. Whilst there is industry wide appreciation that Government has clear intentions to increase the roll out of renewable energy across Ireland there is still much to do.

Ireland has one of the best offshore wind resources in Europe, and therefore a huge potential for large scale hydrogen production. However, hydrogen development in Ireland has been notably slower than its European counterparts. Germany and Portugal both launched their hydrogen strategies in 2020. Meanwhile the UK launched its hydrogen strategy in August 2021 and has made considerable progress on sites such as the HyNet

⁶ Ibid.

⁷ Ibid.

North-West hydrogen valley. AmCham therefore welcomes the Government's recent publication of its hydrogen strategy, but notes that there is much to be done for Ireland to catch up with its European counterparts, and to meet its climate ambitions. Accelerated movement on the action points noted within the strategy is necessary and would be beneficial in meeting the timelines outlined.

In terms of biomethane, the Department's publishing of a draft National Biomethane Strategy is a positive step in the right direction. However, specific timelines and further detail of the policies that will be put in place to achieve Government targets of 5.7TWh of Biomethane by 2030 are needed. Ireland's energy policy, up to very recently, has not had a focus on the development of a biogas industry, a position that is almost unique in Europe. Ireland is behind the rest of Europe in producing biomethane, for example, Denmark, with a population similar to Ireland and a large agricultural industry, derived 25% of its 2021 gas needs from biogas, and has set targets of 75% by 2030 and 100% by 2034.⁸ Industry experts note the significant sources of suitable biomaterial in the region and the competitive advantage that Ireland has in growing grass but there is an absence of national measures in place to support this compared to elsewhere in Europe. Up to 11% of current natural gas demand in Ireland could be substituted with sustainably produced biomethane by 2030, with the correct policy supports in place. Indeed Ireland, with its grass-based agricultural systems, has the highest potential for biomethane production per capita in the EU, and a proven business case. In this regard, AmCham looks forward to receiving more information from the Department on the advancement of its Biomethane Strategy, and the inclusion of ambitious biomethane targets in future CAPs.

CAP24 includes the "*implementation of CRU Energy Demand Strategy*" as an action item. As AmCham has outlined to the CRU, greater clarity for industry and greater understanding of the needs of industry is essential before any strategy can be implemented. Industry continues to play its role and has been focused on energy efficiency for quite some time. However, it is important to note that flexibility when it comes to energy demand creates challenges in terms of the outputs of MNCs. Business needs to be supported to the fullest for flexibility enablement given the disruption to business models if designed incorrectly. Indeed, as industry continues to electrify its heat, there will need to be mechanisms to avail of low carbon electricity from the grid as

⁸ Bioenergy News: <https://www.bioenergy-news.com/news/denmark-celebrates-record-amount-ofbiogas-ingas-system/>.

that is a key means to decarbonise Scope 1. Mandatory measures should not be implemented unless absolutely necessary, and only be considered as a last resort.

Ultimately the production of renewable, secure, indigenous energy will be crucial to Ireland achieving the goals of CAP24, and also of enabling the expansion of Ireland's economy.

Infrastructure

AmCham appreciates the Department's thorough overview of how transport needs to change in Ireland so that net-zero ambitions can be realised. AmCham regards the transport issue to be deeply intertwined with the planning system, which needs to be streamlined if Ireland is to deliver on its transport delivery timelines. With transport, as with other areas that need to change in the coming year, the need for accelerated action is again central. Transport infrastructure, and sustainable public transport solutions will be crucial in helping Ireland to reach net-zero. Sustainable public transport options should integrate with various transport systems in urban centres, through hubs, allowing for road, rail, and cycle solutions to interconnect. There needs to be a focus on micro-mobility solutions, ensuring the start and end of every commuter's journey – the first and last mile – are best facilitated. As referred to in AmCham's 2024 Budget Submission, there are a number of initiatives that should be prioritised.

Public transport will play a central role in reducing Ireland's emissions. The transport sector accounted for 17.7% of greenhouse gas emissions in 2021, and a continued focus on promoting sustainable modes of transport is key. In this regard, the delivery of MetroLink and Dart+, in line with Government's commitments as laid out in CAP24 are important. It is crucial that the necessary resources are dedicated to both projects, and that there are regular progress updates of delivery to ensure transparency in progress. Further the development of enhanced walking and cycling infrastructure, following commitments made in National Planning Framework, National Development Plan, and CAP24, will be key in advancing the modal shift.

Finally, there needs to be a significant expansion of the charging network for electric vehicles, and as such measures to support the use of electric vehicles (EVs) should be aggressively pursued. Measures such as the extension of the EV tapering mechanism for BIK relief for Electric Vehicles until December 31, 2025, can be beneficial and in this context the Department may wish to consider further measures to ensure that EV use remains a financially attractive option for companies into the future.

In terms of fuel for transport, consideration could be given to the review of the 80:20 ratio rule applied to HVO Green-Mobile, and the roll out of carbon credits for HVO Green-Static which could build upon the impact of the Renewable Transport Fuel Obligation scheme as it relates to HVO White.

Circular Economy

In recent years AmCham members have become increasingly focused on circular economy principles, indeed many are aiming to provide fully circular experiences to their consumers. By advancing the circular economy, Ireland can become a leader in green manufacturing. To do so, policies and incentives are needed to facilitate businesses in developing and innovating closed loop solutions to elevate Ireland to an international leader in the circular economy space. Doing so further paves the way for innovation, as well as green jobs.

Ireland has already made some progress in terms of facilitating the circular economy. For example, the Deposit Return Scheme (DRS) is a welcome initiative from Government that will have a considerable impact for AmCham members in the fastmoving consumer goods (FMCG) sector. There are several further steps that Government can take to enhance the efficiency of this scheme. By working with counterparts in London and Belfast, greater coordination could be established to support the efficiency of DRS systems on the island, supporting companies working across jurisdictions. Incentivising individuals to implement the behavioural changes that are required if Ireland is to significantly lessen its carbon footprint would be beneficial. As such, examining measures that would support circular economy collection systems would be beneficial.

AmCham welcomes the EU's Packaging and Packaging Waste Regulations Directive (PPWR), as it will go some way in enforcing circular economy principles throughout the EU. The PPWR should encourage both producers and consumers to make more sustainable choices and prevent packaging materials from becoming waste. It is crucial that the scheme includes as wide a range of options for packaging reduction as possible. The scale of Ireland's global manufacturing sector makes it an ideal destination for the development of plastic recycling. There is a need to stop the shipping of waste overseas, as this increases carbon emissions. New collection mechanisms would mean the development of new recycling and reprocessing infrastructure on the island and associated green jobs. Waste infrastructure will be essential in developing Ireland's circular economy and driving down emissions. Government should therefore consider strategic investments and loans to facilitate and support near-shoring of waste

management infrastructure on the island, particularly for materials which are currently exported overseas and where a case can be made, with funding, to move that process closer to the point of collection. Such a measure would also include support by the Government for the development of a centre of excellence for circular economy and innovation and development, such as green chemistry for recycling.