

MOVING FORWARD. TOGETHER.
AG BOGADH AR AGHAIDH. LE CHÉILE.

TACKLING ENERGY COSTS





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Introduction

Irish energy prices are amongst the highest in Europe, affecting consumers and businesses alike. Fianna Fáil fully recognises that rising energy costs are a fundamental driver of the cost of living challenges so many households and business have faced.

In government, we responded with unprecedented supports including providing energy credits, reducing the VAT rate and targeted payments to provide immediate assistance to those who needed it. But we know that further action is needed in order to permanently reduce energy prices within Ireland and to secure our future supply.

Our national electricity grid is in need of a very significant upgrade, making it next to impossible for Ireland to make the market more competitive or to take advantage of the opportunities available to Ireland.

Ireland has undergone a transformation in recent times and is now one of the most successful economies in the world. In 2023, Ireland's corporate tax receipts stood at nearly €24 billion, more than 6 times what they were just over a decade ago

We cannot take this for granted; we live in a competitive global economy and we must use our past successes to build our future prosperity.

1. New Minister of State for Energy

Energy is of vital importance to households and businesses alike. We are living in a time of high energy prices, driven by international volatility and increasing demand. Ireland is fortunate to have huge potential for renewable energy development, but we need investment and leadership to realise this potential.

If returned to government, Fianna Fáil will:

- Create a new Minister of State for Energy to lead the energy revolution.
- Bring together relevant agencies and stakeholders to drive the investment and change we need to see.

2. Lowering Energy Costs

Ireland's electricity and gas prices remain among the highest in Europe. In addition to directly increasing consumers' bills, higher energy costs adds to the cost of doing business, a cost which is ultimately borne by consumers.

If returned to government, Fianna Fáil will:

- Keep the 9% VAT rate on electricity and gas bills - unlike Fine Gael's hikes to this rate. This will save consumers nearly €200 million per year.
- Commission an independent investigation into the speed and extent of passthrough from wholesale prices to retail prices.
- Switch to direct State subvention of the PSO levy, so that consumers and businesses no longer need to pay this. This will save electricity users €252 million every year.
- Consistently monitor network charges and ensure that Irish consumers do not pay excessive rates.

3. Powering the Irish Economy

We have an energy grid which was designed to bring power from older energy technologies, such as from Moneypoint and Poolbeg, into our electricity system. It is no longer fit for purpose in a modern world, particularly in terms of renewable energy and in terms of meeting the increased demand from data centres and the electrification of heating and transport systems.

This presents a huge risk to not only Ireland's energy system, but also to our broader economy. Our corporate tax yield is wholly reliant on companies choosing Ireland as the place to locate and grow their business. Without a secure and competitive supply of energy, Ireland will simply cease being an attractive location for domestic and overseas investors to do business.

If returned to government, Fianna Fáil will:

- Utilise strategic infrastructure to secure Ireland's energy supply.
- Invest €2.5 billion from Escrow receipts into Ireland's electricity grid to modernise our power generation systems, serving the dual purposes of driving down prices and increasing the share of renewable energy generated.
- Complete vital energy connectivity projects, including the Celtic interconnector to safeguard Ireland's energy supply and bring down costs.
- Explore alternative energy storage models, such as grid-to-vehicle/vehicle to grid systems.

4. Harnessing our Renewable Energy Potential

Renewable energy is not only better for the environment; it brings down energy prices and reduces our reliance on foreign energy sources. With our coastline and climate, Ireland is uniquely placed to take advantage of the renewable energy revolution, but we need investment, leadership and reform to do so.

If returned to government, Fianna Fáil will:

- Accelerate the development of new renewable energy sources in Ireland, particularly in underdeveloped areas such as offshore energy.
- Deliver 9 GW of onshore wind, 8 GW of solar energy and at least 5GW of offshore wind by 2030.
- Repower the 76 windfarms reaching end of life in 2030.
- Hold two Renewable Electricity Support Scheme (RESS) auctions annually to bring additional renewable capacity onboard.
- Ensure that every school in Ireland has access to solar panels, driving the rooftop revolution.
- We will accelerate the DMAP process for offshore wind energy, including for the west coast which holds huge potential in terms of offshore wind energy development .
- Published the Revised Wind Energy Development guidelines, requiring that local communities benefit from these developments.

5. Ensuring fair play

The Commission for Regulation of Utilities is our main watchdog when it comes to fair play by energy companies, but it is also responsible for ensuring the security of Ireland's energy supply. This is hugely important, especially given the spike we saw in the price of energy across Europe and in Ireland due to the war in Ukraine.

If returned to government, Fianna Fáil will:

- Reform the CRU to ensure that it remains fit for purpose as an organisation.
- Explicitly mandate the CRU to emphasise achieving lower costs for consumers.
- Update network funding charges to ensure that Irish consumers pay similar levels to our EU neighbours.

6. Greener Homes

Greener homes are not only better for the environment; they are more comfortable and reduce households' energy bills. We have made huge progress in upgrading Ireland's housing stock so far. Since 2020, we have completed 10,000 deep retrofits of Local Authority homes and funded nearly 152,000 home energy upgrades.

We have also established a new Home Energy Upgrade Loan Scheme to make it easier and cheaper to access finance for retrofitting purposes. We need to build on this success by expanding retrofitting supports available to homes and by piloting new approaches to increase energy efficiency.

If returned to government, Fianna Fáil will:

- Increase the affordability of retrofitting for households, particularly for lower and middle- income families by introducing a new scheme based on income tax paid over the last three years.
- Scale up retrofitting of Local Authority homes, prioritising the least energy efficient homes first.
- Establish a new Energy Advice Service in every local authority to give independent and individual advice to households on improving their own energy efficiency.
- Expand retrofitting training and apprenticeship places to meet demand.
- Introduce a Boiler Scrappage Pilot to encourage households to switch to more renewable sources of home energy.
- Promote HVO and BIOLPG as alternative fuels homes.
- Pilot a dedicated rural retrofitting programme for homes currently using solid fuel or oil heating systems.
- Support the development of Local District Heating Networks, warming multiple of homes from excess industrial energy sources.



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