



**Chambers  
Ireland**  
Advancing business together



## **Chambers Ireland submission to the Department of the Environment, Climate and Communications on a Microgeneration Support Scheme in Ireland**

February 2021

Chambers Ireland is the state's largest business representative network. We are an all-island organisation with a broad geographical reach; our members are the Chambers of commerce in the cities and towns throughout the country – active in every constituency. Given the importance of local economies to our members, and member businesses, Chambers Ireland's perspective is unique within the Irish business community – we seek to support thriving local economies and recognise the diversity of business environments that exist across the cities and regions of the country.

Our network uses the Sustainable Development Goals as a framework to identify policy priorities and communicate our recommendations.<sup>1</sup> We are very supportive of the development of a Microgeneration Support Scheme in Ireland as it will be an important component in engaging communities with climate action and supporting us to meet our national climate targets. The proposal to establish a Microgeneration Support Scheme ties in with our priorities under Climate Action (Goal 13), Sustainable Cities and Communities (Goal 11) and Industry, Innovation and Infrastructure (Goal 9).

Drafted in correspondence with our Chamber Network and associated policy fora, Chambers Ireland is pleased to have the opportunity to make this submission. It is important to note from the outset that while we do not have the technical expertise to address a number of the consultation questions, we nonetheless wish to underline the necessity of an SME and entrepreneur friendly scheme. By

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<sup>1</sup> <https://www.chambers.ie/policy/sustainable-development-goals/chambers-ireland-sdgs/>

designing the Scheme in such a way that is accessible and SME-friendly, we can ensure that it plays a positive role in the overall advancement of the national energy and climate targets under the Climate Action Plan.

## Introduction

The growth of the Irish economy in recent years has seen a parallel increase in carbon emissions, which is at odds with the country's commitment to the Paris Agreement.<sup>2</sup> The national target is to have 70% of our energy decarbonised by 2030. This feat is only achievable if we can scale up our capacity to generate renewable electricity. It is for this reason that Chambers Ireland strongly supports the escalation of off-shore wind energy, and we have set out our priorities on this issue in a recently published White Paper on Offshore Wind.<sup>3</sup>

Through this Scheme, Government has an important opportunity to empower and engage citizens, including the business community, in the generation of their own renewable electricity. This is where the Microgeneration Support Scheme can be of real value. Chambers Ireland is very supportive of the proposals to introduce an MSS in Ireland by July of this year and wishes to underline the need to accelerate the development and widescale establishment of the Scheme as a way of meeting our climate targets, contributing to energy security, and helping to reduce energy costs for businesses.

We have outlined several points that we believe the Department should take into consideration in designing and initiating the Scheme. In short, the Scheme should be in line with the approach set out by the Regulator when it comes to the overall grid strategy and grid connectivity. Secondly, it should encompass an SME and entrepreneur friendly approach.

### Equitable support for businesses

Microgeneration support levels should be set at a level that incentivises the uptake of the technology where there are gaps in the market (i.e. the revenue received from operating the technology does not compensate for the cost of that technology). A balance must be reached between providing a sufficient incentive to cover the difference that exists between the cost of installing a particular technology and the savings that result from self-consumption. SMEs and entrepreneurs do not have the same access to resources as larger enterprises. Therefore, expanded subsidies and/or grants that support the deployment of renewable technologies, beyond those currently available (such as

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<sup>2</sup> UNFCCC (2015), Paris Agreement, Available at: [https://unfccc.int/sites/default/files/english\\_paris\\_agreement.pdf](https://unfccc.int/sites/default/files/english_paris_agreement.pdf)

<sup>3</sup> Chambers Ireland white paper on maximising the benefit of developing the national wind energy industry and the national grid

the Domestic solar PV and Better Energy Communities schemes operated by the SEAI and TAMS II operated by the Department of Agriculture, Food and the Marine) should be strongly considered to incentivise uptake and to reduce the burden of any viability gap.

### **Fair and efficient price for participation**

In framing a new MSS, policymakers must ensure that it is equitable and addresses the cost of burden sharing. The scheme needs to protect business customers and be accessible to all electricity clients. Thus, the scheme costs must take account of the costs for renewable electricity demonstrated in the recent RESS-1 auction in order that the sustainable development of Ireland's renewable energy resources is achieved.<sup>4</sup>

Establishing the 'renewables self-consumer' model for energy generation and consumption in Ireland and supporting community and citizen participation in the transition to a net-zero carbon economy are important objectives. We are glad these issues are being factored into the scheme as design criteria.

### **Reducing administrative burdens**

It is important to highlight that while Chambers Ireland welcomes the development of the MSS, it is critical that any future regulation in this area is flexible and not burdensome on businesses, especially SMEs. Rigid regulation which has the potential to undermine business participation should be avoided. It is also important to highlight that any new regulations that may be introduced as part of a future strategy should not be applied in a way that may harm business competitiveness – especially for businesses that are adapting, or have adapted, more circular approaches to their operations. The Microgeneration Support Scheme should be easy for entrepreneurs and SMEs to navigate and participate in. The scheme should be designed to be SME-friendly and by doing this we can ensure maximum participation with reduced red tape and administrative burdens.

### **Investment in Green Jobs, Skills and Training**

Addressing the combined challenges of climate change and the post-pandemic recovery are urgent tasks. If we are to tackle these challenges and kick-start the economy, we must look at the kinds of jobs we create and ensure that these jobs are available throughout the regions and contribute to stronger, sustainable domestic supply chains that increase our self-sufficiency and energy security. An effective MSS presents an opportunity to generate a significant number of jobs to support renewable installations. When the Scheme is launched it should be paired with a jobs and training strategy so that skills-needs of the renewable energy sector can be catered for.

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<sup>4</sup> Eirgrid (2020), *Renewable Energy Support Scheme 1: RESS 1 Provisional Auction Results*. Available at: [https://www.eirgridgroup.com/site-files/library/EirGrid/RESS-1-Provisional-Auction-Results-\(R1PAR\).pdf](https://www.eirgridgroup.com/site-files/library/EirGrid/RESS-1-Provisional-Auction-Results-(R1PAR).pdf)

## **Communications strategy and awareness-raising**

It has been demonstrated that despite the potential of microgeneration technologies to help Ireland meet its targets and induce positive shifts in energy consumption, the rate of adoption among homeowners remains low, at approximately 1.5% of domestic electricity end-users. It is our view that this can be attributed to a low level of public awareness.<sup>5</sup> Awareness-raising and communication of a future microgeneration support scheme must be strategic and properly resourced. This should also include guidance on areas such as building regulations compliance, certification of works, effective design of the microgenerator, energy efficiency principles and BER assessments.

## **Concluding Remarks**

Matters such as energy security, energy efficiency, climate adaptation and adopting a more 'circular' approach to business operations are amongst the issues that are being continuously discussed and tackled within our Network. It is crucial that the new MSS is designed in such a way that it supports citizen-engagement and assists Ireland in meeting its 70% renewable electricity target by 2030. Our objective is to ensure that businesses are prepared for the low-carbon transition, but also to ensure that national and European policy makers base any decisions concerning targets, investment and regulation with economic competitiveness in mind.

Lastly, we highlight the opportunity to continue to engage with private sector business representation and believe this to be instrumental to facilitate fully representative discussions of future pathways and actions that are informed via ground-up engagement. We emphasise the value of consultations and welcome all future opportunities to engage on this and associated topics.

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<sup>5</sup> <https://www.gov.ie/en/consultation/0ada2-public-consultation-on-a-micro-generation-support-scheme-mss-in-ireland/>