

Research RES LEGAL – promotion system

Country: Ireland

1. Overview of promotion system

Overview of promotion system	In Ireland, electricity from renewable sources is promoted through price regulation in terms of a feed-in tariff (FIT). The persons entitled to this tariff are those suppliers that purchase electricity from renewable sources from a system operator at an agreed price. This regulatory system indirectly incentivates the generation of electricity from renewable sources.
Statutory provisions	<ul style="list-style-type: none"> • ERA (Electricity Regulation Act 1999) • RE-FIT-2006 (Renewable Energy Feed in Tariff) • RE-FIT-2009 (Renewable Energy Feed in Tariff)
Promotion system	In Ireland, electricity from renewable sources is promoted through price regulation in terms of a feed-in tariff. The feed-in tariff is allocated under RE-FIT-2006 and REFIT 2009, which support different renewable electricity generation technologies. The persons entitled to this tariff are those suppliers that purchase electricity from renewable sources from a system operator at an agreed price. This regulatory system indirectly incentivates the generation of electricity from renewable sources.
Promoted technologies	Ireland has established the RE-FIT-2006 programme to promote the construction of wind energy, biomass and hydro-electric systems. In 2009, a new RE-FIT scheme was introduced to support renewable energy. This scheme also promotes offshore wind energy, biogas, wave energy and tidal energy.
Area of application	The promotion system applies to electricity from renewable energy sources generated within the territory of Ireland. Under certain conditions, electricity generated in other member states of the European Union is also promoted.
Funding	The costs arising from the feed-in tariff are borne by the consumers.

2. Basic information on legal sources

Name of legal source (original language)	Electricity Regulation Act 1999 (ERA)	Renewable Energy Feed in Tariff (RE-FIT-2006)	Renewable Energy Feed in Tariff (REFIT 2009)
Name of legal source (full name)		Renewable Energy Feed in Tariff (RE-FIT-2006). A Competition for Electricity Generation from Biomass, Hydro and Wind.	Renewable Energy Feed in Tariff (REFIT 2009). A Competition for Electricity Generation from Anaerobic Digestion, Biomass powered high efficiency CHP, Ocean Energy and Offshore wind energy.
Name of legal source (English)			
Abbreviated form	ERA	RE-FIT-2006	REFIT 2009
Type of law	Act of parliament	Terms and conditions of a competition initiated by the Department of Communications, Energy und Natural Resources (DCENR) to support electricity from renewable sources.	Terms and conditions of a competition initiated by the Department of Communications, Energy und Natural Resources (DCENR) to support electricity from renewable sources.
Document structure	Section, subsection, paragraph	Clause, subclause	Clause, subclause
Entering into force	11/07/1999	23/12/2004	löschen
Latest amendment	25/07/2008		
Future amendments			
Purpose	This act establishes general provisions to regulate the energy market.	Promoting the construction of renewable energy systems through a feed-in tariff.	Promoting the construction of renewable energy systems through a feed-in tariff.
Relation to renewable energy	Section 39 ERA constitutes the legal basis for the support schemes for renewable energy.	This law promotes renewable energy only.	This law promotes renewable energy only.

Link to full text of legal source (original language)	http://www.dcmnr.gov.ie/NR/ronlyres/2DACF4BD-B640-43C6-85AB-CA90CDD19BBB/25792/ElectricityRegulationAct1999.pdf	http://www.dcmnr.gov.ie/NR/ronlyres/E260E316-B65A-4FDC-92F0-9F623BA18B55/0/RE-FITtermsandconditions.doc	http://www.dcenr.gov.ie/NR/ronlyres/3B13ECAA-9351-41E0-8B44-7C02E98E4F50/0/AdditionalRE-FITcetegories.pdf
Link to full text of legal source (English)			

3. Further information

Institution (name)	Website	Name of contact person (optional)	Telephone number (head office)	E-mail (optional)
Sustainable Energy Ireland (SEI) – energy agency	SEI Website http://www.sei.ie		+353 23 88 42 193	http://www.sei.ie/app_contact_us.asp
EirGrid – transmission system operator	EirGrid Website http://www.eirgrid.com		+353 167 717 00	info@eirgrid.com
ESB Networks – distribution system operator	ESB Website http://www.esb.ie/esbnetworks/home/index.jsp		+353 21 49 47 260	esbnetworks@esb.ie
Department of Communications, Energy and Natural Resources (DCENR)	DCENR Website http://www.dcenr.gov.ie/	Patrick Dowling	+353 167 82 000	
Commission for Energy Regulation (CER) – regulatory authority for energy	CER Website http://www.cer.ie/en/renewables-overview.aspx	Michael Tutty	+353 140 008 00	mtutty@cer.ie

4. Means of promotion

4.1. Subsidy (name of means of promotion)

Abbreviated form of legal source(s)		
Country-specific promotion system		
Promoted technologies		
Wind energy		
Solar energy		
Geothermal energy		
Biogas		
Biomass		
Hydro-electricity		
Area of application	National	
	International	
Legal basis for a claim/addressees	() statutory basis () contractual basis	
	Entitled party	

	Obligated party	
Amount		
Procedure		
Funding	State	
	Consumers	
	System operator	
	Grid operator	
	Distribution mechanism	
Control mechanisms		

4.2.Loan (name of means of promotion)

Abbreviated form of legal source(s)		
Country-specific promotion system		
Promoted technologies		
Wind energy		
Solar energy		
Geothermal energy		
Biogas		
Biomass		
Hydro-electricity		
Area of application	National	
	International	
Legal basis for a claim/addressees	() statutory basis () contractual basis	
	Entitled party	
	Obligated party	

Amount		
Procedure		
Funding	State	
	Consumers	
	Grid operator	
	System operator	
	Distribution mechanism	
Control mechanisms		

4.3. Price regulation I (Renewable Energy Feed in Tariff 2006)

Abbreviated form of legal source(s)	<ul style="list-style-type: none"> • Renewable Energy Feed in Tariff (RE-FIT-2006) • Electricity Regulation Act 1999 (ERA) 	
Country-specific promotion system	In Ireland, the RE-FIT-2006 scheme promotes electricity from renewable sources through price regulation in terms of a feed-in tariff. The persons entitled to this tariff are those suppliers that purchase electricity from renewable sources from a system operator at an agreed price.	
Promoted technologies	Wind energy, biomass and hydro-electric systems (1.2 RE-FIT-2006) constructed after 30/04/2005 are eligible for support (2.1 RE-FIT-2006).	
Wind energy	Eligible (1.2 RE-FIT-2006).	
Solar energy		
Geothermal energy		
Biogas		
Biomass	Eligible (1.2 RE-FIT-2006) under the following condition: <ul style="list-style-type: none"> • The system operator shall furnish proof that the proportion of fossil fuels in energy necessary to run the power generation system does not exceed 10% and that the usage of fossil fuels is monitored (4.4 RE-FIT 2006). 	
Hydro-electricity	Eligible up to a capacity of 5 MW (1.2 and 2.1 RE-FIT-2006).	
Area of application	National	Ireland promotes the purchase of electricity generated by systems located within the territory of Ireland and constructed after 30th April 2005 (2.1. RE-FIT-2006).
	International	Electricity from renewable sources generated in a member state of the European Union is eligible only if the following conditions are met: <ul style="list-style-type: none"> • A certificate of origin or a supplementary document proves that the electricity was generated from renewable energy sources and does not contribute to the achievement of the member state's energy targets for a period of 15 years (2.1 in connection with 4.4 RE-FIT-2006). • The construction of the renewable energy system was authorised according to the provisions of the respective member state (2.1 in connection with 4.4 RE-FIT-006).
Legal basis for a claim/addressees	(x) statutory basis () contractual basis	Every electricity supplier that complies with the terms and conditions of RE-FIT-2006 is entitled to the feed-in tariff (3.1 RE-FIT-2006).

	Entitled party	<p>The persons entitled are the electricity suppliers that have concluded a Power Purchase Agreement (PPA) with an eligible operator of a renewable energy system (3.1. RE-FIT-2006). Eligibility covers suppliers that have concluded agreements with system operators that received a „letter of offer“ (3.1 RE-FIT-2006) from the Department in charge after having successfully participated in the RE-FIT-2006 scheme. In order to receive the letter of offer, the plant operator shall provide the following evidence to the Department (4.4 RE-FIT-2006):</p> <ul style="list-style-type: none"> • a planning permission • the grid operator's connection offer • In the case of biomass systems, the operator shall prove that the proportion of fossil fuels in the electricity necessary to run the system does not exceed 10% and that the usage of fossil fuels is monitored.
	Obligated party	<p>According to the Department for Communications, Energy and Natural Resources, the Commission for Energy Regulation (CER) is obligated to pay the feed-in tariff to the electricity suppliers.</p>
Payment scheme	Bonus	
	Guaranteed payment	<p>RE-FIT-2006 lays down the amount of guaranteed payment, i.e. the amount of minimum payment for each category of electricity (5.1 RE-FIT-2006).</p>
	Criteria for amount of payment	<p>The compensation payments to be paid to the electricity suppliers aim to enable the suppliers to purchase electricity from renewable sources in an environment other than that of the free market, thus indirectly enabling the system operators to run their systems efficiently.</p> <p>The tariffs are made up of two elements:</p> <ul style="list-style-type: none"> • Single Electricity Market (SEM) price. The first element is the wholesale price for electricity. This price is updated on a daily basis and published on http://www.sem-o.com/latest_prices/. • Reference price. The average production costs of electricity from renewable sources constitute the second element. These costs are reflected by the "reference price", which is a statutorily set price for each technology (2.1 RE-FIT-2006).
	Adjustment mechanisms	<p>The DCENR has annually adjusted the amount of reference price by the annual increase, if any, in the consumer price index since 1 January 2007 (5.2 RE-FIT-2006).</p>

	Limitations/deadlines	<p>According to RE-FIT-2006, the following limitations apply:</p> <ul style="list-style-type: none"> • Limited obligation period. The duration of support is limited and depends on the validity of the individual power purchase agreement (PPA). However, the validity of the agreement shall not exceed a period of 15 years (8.1 RE-FIT-2006). The PPA shall include a clause which specifies the validity of the agreement. RE-FIT-2006 promotes projects until 2024 at the longest (1.3 RE-FIT-2006). • Premature termination. The obligation period terminates if one of contracting parties prematurely terminates the PPA (8.2 RE-FIT-2006) or if the „letter of offer“ is withdrawn from the system operator (7.6 RE-FIT-2006).
	Amount	<p>The amount of payment is based on a reference price (5.1 RE-FIT-2006). The reference prices are as follows:</p> <ul style="list-style-type: none"> • Large-scale wind power stations (exceeding 5 MW): 5.7 €ct/kWh • Small-scale wind power systems (up to and including 5 MW): 5.9 €ct/kWh • Hydro-electric power systems: 7.2 €ct/kWh • Landfill gas systems: 7.0 €ct/kWh • Other biomass systems: 7.2 €ct/kWh <p>In detail, the amount of payment is calculated as follows:</p> <ul style="list-style-type: none"> • 15% of the reference price for large-scale wind power stations (exceeding 5 MW). Electricity suppliers receive at least 15% of the reference price for large-scale wind power (5.3 RE-FIT-2006). • Difference reference price/ Single Electricity Market (SEM) price. If the SEM price is less than the reference price in 5.1 i RE-FIT-2006 (5.7 €ct/kWh), the supplier in question is paid the difference between the two. • Difference reference price/ Power Purchase Agreement Price (PPA price). The PPA price is the price agreed upon by a system operator and the electricity supplier. If the PPA price is equal to, or greater than, the reference price for the category to which the electricity belongs, the supplier is paid the difference between reference price for the category to which the electricity belongs and the lowest reference price (5.7 €ct/kWh). If the PPA price is lower than the reference price for the category to which the electricity belongs, the electricity supplier receives the difference between the PPA price and the lowest reference price (5.7 €ct/kWh), unless the PPA price is lower than the lowest reference price.
Funding	State	
	Consumers	According to the DCENR, the consumers bear the costs of the support system, which are included in the electricity prices.

	Grid operator	
	System operator	
	Distribution mechanism	<ul style="list-style-type: none"> • Consumers – grid operator. The consumers bear the costs by paying Public Service Obligation, i.e. a surcharge on electricity. • Electricity suppliers – Commission for Energy Regulation (CER). Electricity suppliers send the Public Service Obligation to CER. • CER – electricity suppliers. The commission is responsible for calculating and the feed-in tariffs and distributing them to the electricity suppliers.
Control mechanisms	The CER is in charge of the RE-FIT programme and monitors it (sec. 9 (1) (a) ERA 1999).	

Price regulation II (Renewable Energy Feed in Tariff 2009)

Abbreviated form of legal source(s)	<ul style="list-style-type: none"> • Renewable Energy Feed in Tariff (REFIT 2009) • Electricity Regulation Act 1999 (ERA)
Country-specific promotion system	In Ireland, the RE-FIT 2009 scheme promotes electricity from renewable sources through price regulation in terms of a feed-in tariff. The persons entitled to this tariff are those suppliers that purchase electricity from renewable sources from a system operator at an agreed price.
Promoted technologies	The technologies eligible for the tariff are offshore wind-power stations, biogas systems, and wave and tidal power stations constructed after 01/06/2008 (1.3 REFIT 2009).
Wind energy	Offshore wind power stations are eligible (1.3 REFIT 2009).
Solar energy	
Geothermal energy	
Biogas	Eligible (1.3 REFIT 2009).
Biomass	

Hydro-electricity	Wave and tidal power stations are eligible (1.3 REFIT 2009).	
Area of application	National	According to the DCENR, the scheme supports the purchase of electricity generated on the mainland and islands of Ireland.
	International	According to the DCENR, electricity from renewable sources generated within the European Union is also eligible if it does not contribute to the achievement of the respective member state's energy targets for a period of 15 years.
Legal basis for a claim/addressees	(x) statutory basis () contractual basis	Every electricity supplier that complies with the terms and conditions of REFIT 2009 is entitled to the feed-in tariff (3.1 REFIT 2009).
	Entitled party	The persons entitled are the electricity suppliers that have concluded a Power Purchase Agreement (PPA) with an eligible operator of a renewable energy system (3.1 REFIT 2009). Eligibility covers suppliers who have concluded agreements with system operators that received a „letter of offer“ (3.1 REFIT 2009) from the Department in charge after having successfully participated in the REFIT 2009 scheme. In order to receive the letter of offer, system operators are obliged to provide the following evidence to the Department (4.5 RE-FIT2009): <ul style="list-style-type: none"> • a planning permission • the grid operator's connection offer • The operators of biomass systems have to prove that the qualifying fuel will be available for a reasonable period. • In the case of offshore projects, the operators are obliged to submit evidence that the project is the subject of a foreshore lease application, i.e. that they have access to land.
	Obligated party	According to the DCENR, the Commission for Energy Regulation is obligated to pay the tariffs to the electricity suppliers.
Payment structure	Bonus	
	Guaranteed payment	RE-FIT 2009 sets out the amount of guaranteed payment, i.e. the amount of minimum payment for each category of electricity (5.1 ff REFIT 2009).

	<p>Criteria for amount of payment</p>	<p>The compensation to be paid to the electricity suppliers aims to enable the suppliers to purchase electricity from renewable sources in an environment other than that of the free market, thus indirectly enabling the system operators to run their systems efficiently.</p> <p>The tariff consists of two elements:</p> <ul style="list-style-type: none"> • Single Electricity Market (SEM) price. The first element is the wholesale price for electricity. This price is updated on a daily basis and published on http://www.sem-o.com/latest_prices/. • Reference price. The average production costs of electricity from renewable sources constitute the second element. These costs are reflected by the "reference price", which is a statutorily set price for each technology (2.1 REFIT 2009).
	<p>Adjustment mechanisms</p>	<p>REFIT 2009 does not provide for the adjustment of the tariffs.</p>
	<p>Limitations/deadlines</p>	<p>According to REFIT 2009, the following limitations apply:</p> <ul style="list-style-type: none"> • Limited obligation period. The duration of support is limited and depends on the validity of the individual power purchase agreement (PPA). However, the validity of the agreement shall not exceed a period of 15 years (8.1 REFIT 2009). Support under REFIT 2009 may not extend beyond 2030 (1.3 REFIT 2009). • Premature termination. The obligation period terminates if one of contracting parties prematurely terminates the PPA (8.2 REFIT 2009) or if the „letter of offer“ is withdrawn from the system operator (7.6 REFIT 2009).

	Amount	<p>The amount of payment is based on a reference price (5.1 REFIT 2009). The following are the reference prices:</p> <ul style="list-style-type: none"> • Offshore wind-power stations: 14 €/kWh • Wave and tidal power stations: 22 €/kWh • Biogas systems: 12 €/kWh <p>In detail, the amount of payment is calculated as follows:</p> <ul style="list-style-type: none"> • 15% of the reference price for large-scale wind power (stations exceeding 5 MW). Electricity suppliers receive at least 15% of the reference price for the "large-scale wind category" in accordance with 5.1 RE-FIT-2006 (5.2 REFIT 2009). • Difference reference price/ Single Electricity Market (SEM) price. If the SEM price is less than the reference price set out in 5.1 i REFIT 2009 (12 €/kWh), the supplier in question is paid the difference between the two (5.3 REFIT 2009). • Difference reference price /Power Purchase Agreement Price (PPA price). The PPA price is the price agreed upon by the system operator and the electricity supplier. If the PPA price is equal to, or greater than, the reference price for the category to which the electricity belongs, the supplier is paid the difference between reference price for the category to which the electricity belongs and the lowest reference price (12 €/kWh) or the difference between the reference price for the category to which the electricity belongs and the SEM price (5.4 REFIT 2009). If the PPA price is lower than the reference price for the category to which the electricity belongs, the electricity supplier receives the difference between the PPA price and the lowest reference price (12 €/kWh) (or the SEM price), unless the PPA price is lower than the lowest reference price (5.5 REFIT 2009).
Funding	State	
	Consumers	According to the DCENR, the consumers bear the costs, which are included in the electricity prices.
	Grid operator	
	System operator	

	Distribution mechanism	<ul style="list-style-type: none"> • Consumers – grid operator. The consumers bear the costs by paying Public Service Obligation, i.e. a surcharge on electricity. • Electricity suppliers – CER. Electricity suppliers send the Public Service Obligation to CER. • CER – electricity suppliers. The commission is responsible for calculating the feed-in tariffs and distributing them to the electricity suppliers.
Control mechanisms	The CER is in charge of the RE-FIT programme and monitors it (sec. 9 (1) (a) ERA 1999).	

4.

4.4. Quota system (name of means of promotion)

Abbreviated form of legal source(s)		
Country-specific promotion system		
Promoted technologies		
Wind energy		
Solar energy		
Geothermal energy		
Biogas		
Biomass		
Hydro-electricity		
Area of application	National	
	International	
Legal basis for a claim/addressees	<input type="checkbox"/> statutory basis <input type="checkbox"/> contractual basis	
	Entitled party	

	Obligated party	
Amount		
Procedure		
Funding	State	
	Consumers	
	Grid operator	
	System operator	
	Distribution mechanism	
Control mechanisms		

4.5. Fiscal regulation mechanisms (name of means of promotion)

Abbreviated form of legal source(s)		
Country-specific promotion system		
Promoted technologies		
Wind energy		
Solar energy		
Geothermal energy		
Biogas		
Biomass		
Hydro-electricity		
Area of application	National	
	International	
Legal basis for a claim/addressees	() statutory basis () contractual basis	
	Entitled party	
	Obligated party	
Amount		

Procedure		
Funding	State	
	Consumers	
	Grid operator	
	System operator	
	Distribution mechanism	
Control mechanisms		

5. Criticism
(optional)

Criticism RES sector	
Criticism traditional energy sector	
Criticism political level	
Criticism science and research	