Speaking points: Energy in Agriculture

Renewable Energy and Agriculture go hand in hand. 2015 data shows that 10% of total renewable energy production in the EU is produced on farms. Farmers play a vital role in greening our energy system, be it through the deployment of renewable electricity installations such as wind and solar, the anaerobic digestion of manure or crops to produce biogas for heating or electricity, the production of woody biomass, or indeed displacing fossil fuels in the heating mix through the production of renewable heat.

Renewable energy plays a vital role in helping farmers to decarbonise their processes and reduce their environmental impact. Additionally, the production of renewable energy has vast potential to allow farmers to diversify their income sources and help shield against the impact of price volatility in traditional farming activities.

The expansion of on-farm renewable energy activities can also make an important contribution to the wider region in the form of rural development and rural vitality. It can lead to the development of new technical infrastructure, and have a positive impact on rural employment given additional workers are needed on site to manage an operational renewable energy installation.

While farmers have always tended to be enthusiastic about getting involved in the production of renewable energy and the opportunities it presents, setting out the right regulatory framework is crucial in order to allow this to happen. Accessing permits and supports is often complicated, upfront costs are often high, and the profitability of a project is sometimes difficult to decipher.

This is something that policy makers must address in every way possible, and while the government has taken some important steps in recent times, today's event is a great opportunity to discuss with experts, and indeed those working on farms, to discuss what is needed to give farmers every opportunity to contribute to the decarbonisation of our energy system.

As the new European Parliament term begins, the coming months are set to be crucially important in the context of today's discussion. While during the 2014-2019 mandate, the focus was very much on setting out the targets that will put the EU on course to meet our Paris commitments, the months ahead will see the final negotiation stages of the EU's budget: the Multi-annual Financial Framework (MFF). Essentially, this will be vital in ensuring that the necessary financial supports are in place to put us in the best possible position to meet these targets in a cost-efficient manner.

The new CAP is part of the MFF and it will play an extremely important role meeting our decarbonisation objectives. The proposal that has been put forward by Commissioner Hogan - and is now being amended in Parliament - sets out ambitious environmental and climate objectives and seeks to facilitate actions in a more effective way than before.

Additionally the new CAP recognises that a one-size-fits-all approach to greening is not appropriate and that farming sectors differ from Member State to Member State. This is why the proposal allows Member States to design their strategic plans in order to achieve our common environmental objectives. It sets out quantifiable targets, but also takes local needs and considerations into account.

Perhaps most crucially, despite flexibility, the new CAP puts the onus on Member States to demonstrate clearly how their plans will contribute to Climate Action objectives – plans that do not do so sufficiently will be rejected.

While greening measures have been controversial in the past, the simple fact is that they work and are necessary. Commission studies have shown that greening measures under income support have resulted in a 2% reduction of agricultural emissions annually thanks to the maintenance of permanent grassland and areas beneficial for biodiversity.

The flexibility given to Member States to shape their own systems to reach targets will hopefully result in an even better environmental performance this time round, and be more suitable for the farmer.

The dual challenge of tackling climate change and ensuring the adequate production of food in a sustainable manner is a debate that has long dominated the climate agenda. This is one that is often contentious, however farmers' ability to contribute to the fight against climate change is enormous and goes beyond just aiming to increase efficiencies of production.

In a world with a 30% higher population on 2050 compared to today, and with a changing climate affecting ecosystems and land use, EU agriculture and forestry will be challenged and tasked with providing sufficient food, feed and fibres, and to give support to energy, industry and construction.

Agricultural emissions will naturally always result in non-CO2 emissions, but these can be reduced using efficient and sustainable production methods. Innovation will have an important role to play, and digitisation will play an important role in ensuring precision farming and full optimisation in the use of fertilisers and plant protection products.

Farmers will also find new business opportunities in the circular bioeconomy. Farmers, for example, will play a vital role in afforestation and the restoration of degraded land, and they will need to be supported and incentivised appropriately to do so. We should not forget that the maintenance of carbon sinks is just as important as emissions reductions.

Increased demand for sustainably produced woody biomass in a fully developed, interconnected and circular bioeconomy will bring new opportunities for farmers to diversify their business, and I welcome the European Commission's strategy on the bio-economy in this regard.

Additionally, during the course of the European election campaign, I was delighted to visit the Irish Bio-economy Foundation, which is now located in Lisheen Mine in Co. Tipperary. The work being done there in terms of resource efficiency and the circular economy shows the potential for farmers to contribute significantly to the climate challenge through the development of a real sustainable circular bio-economy here in Ireland.

When we talk about the ability of agriculture to deploy renewable energy, we cannot fail to mention renewable heating. About half the energy in Europe is used to heat and cool our homes, farms, offices and businesses. Renewable Heating and Cooling technologies can play an important role in decarbonising the heat sector.

However, this is not an area in which Ireland has traditionally performed particularly well in. In 2017, Renewable Energy Accounted for 19.5% of the total energy used for heating and cooling in the European Union. This ranged from 69.1% in Sweden to 5.9% in the Netherlands. Unfortunately, Ireland only performs marginally better than our Dutch colleagues, with renewables accounting for just 6.9% of our heating needs.

Even countries that are routinely criticised as laggards, such as Poland and Hungary, outperform Ireland significantly with shares of 14.5% and 19.6% respectively. It is vital that we up our game significantly in this area that offers so many 'easy win' solutions.

I strongly welcome, therefore, the Government's, and particularly my colleague Richard Bruton's recent launch of the Support Scheme Renewable Heat. This is a scheme that our renewable heating sector had been waiting for many many years and is based on 1300 gigawatts of renewable heat per year. I consider this scheme to be a very good start, and I am certain that the coming years will show its importance as more and more fossil fuels are displaced in the heat sector.

It will be important to keep ambition high – this support scheme should not be the be all and end all; it is vital that we continue to drive the deployment of renewable heat: a sector in which ready-made and cost efficient solutions are available, and have been available for some time.

I believe there is a need for long-term thinking on renewable heat, and to set out long term plans and milestones that will bring Ireland to the position of having all residential and farming sectors covered 100% by renewables. This means deploying renewable technologies as quickly and efficiently as possible, replacing all oil-fired heating systems as early as possible, greening the gas grid with biogas and hydrogen, and fully exploiting the natural synergies between renewable heat and energy efficiency with an ambition on energy efficiency in buildings.

We must also ensure that such strategies are put in place cohesively, effectively and sustainably – we cannot have a situation where a grant scheme closes unexpectedly – for whatever reason – as was seen recently with the SEAI deep retrofit scheme.

The most important legislative work that I was directly responsible for in the European Parliament during the 2014-2019 mandate was the Renewable Energy Directive. This is the legislation that sets out the framework to meet a 32% target at EU level by 2030, but also provides a plethora of opportunities for farmers, which our Government will now need to develop as they transpose the Directive.

Firstly, the ambitious new target of 32%, which I can assure you was extremely hard-fought, will drive the renewable agenda for the next decade. Additionally, there is strong potential for this target to be revised upwards by 2023 – this gives would-be investors in renewables the certainty they need. The Governance Regulation will ensure that every country pulls its weight.

Importantly for farmers, the Directive will bring about a new framework for self-consumers and will encourage and incentivise the uptake of small-scale renewable energy installations. Self-consumed electricity up to 30kW will exempted from any charges if consumed privately, and any charges on electricity fed into the grid will need to be cost-reflective. Those who do sell to the grid will be guaranteed market value remuneration.

Additionally, our work ensures the simplification of administrative procedures and shorter permitting deadlines for smaller projects. The permitting procedure for a project up to 150kW cannot be more than a year, while projects under 11kW must be able to set up with just a simple notification to the grid operator.

I should note that this is separate to planning permissions, something that needs to be streamlined and improved greatly in this country – perhaps a discussion for another day, but one that I believe is vitally important if we are going to be in a position to fully democratise the energy system and allow farmers to deploy mid-size installations to decarbonise and take control of their energy use.

Regarding support schemes for renewable energy, we put the focus on exempting smaller projects from the tendering procedures that bigger projects must participate in. This provision should safeguard the ability for farmers to get a feed-in tariff or feed-in premium to 2030, something that is necessary for the deployment of renewables.

Finally, the renewable energy directive ensures that retroactive changes to support given are not allowed, which should give the needed certainty to investors to put money into renewable projects.