

**Introductory Brief**

**For**

**Mr Eamonn Ryan T.D.**

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Resources**

*Secretary General*

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*Deputy Secretary General*

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**15 June 2007**

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## Key Immediate/Priority Issues

### Implementation of Transfer of Ownership of Transmission Assets from ESB to Eirgrid

- Negotiations to be progressed with ESB, Eirgrid, Unions, ESOT in conjunction with CER, Department of Finance
- Priority drafting of legislation to underpin transfer is getting underway

### CER-ESB Asset Strategy to be finalised by end June

[REDACTED]

- The Agreement provides for the sale/divestment of approximately 1500MW of ESB generation capacity and making available ESB 'brown-field' sites for the development of new generation by independent players. This includes 1300MW of existing ageing plant expected to be closed by 2011.

### Security of Supply

- Generation capacity is very tight due to underperformance of ageing ESB plant, technical difficulties with new peat stations and maintenance programmes.
- [REDACTED]
- EirGrid and CER to provide winter outlook shortly. The situation is being monitored closely with CER and EirGrid.

[REDACTED]

### Energy Efficiency Action Plan

- Finalisation and approval of National Energy Efficiency Action Plan for public consultation by end June
- Next phase of "Power of One" campaign to be finalised and launched

### Petroleum Terms Review

[REDACTED]

### **National Broadband Strategy**

The Department issued a contract notice on 2 May 2007, initiating the procurement process to select a service provider to provide broadband services to the last 10% of the population that cannot be served on a commercial basis. It is expected to announce a winner before year end. Eircom have also threatened action in relation to Phase II of the MANs programme.

### **Broadband Policy**

A Policy Paper is being prepared on Broadband and Next Generation Networks.

### **Television Licence Fee**

The Annual Review of the licence fee will conclude shortly. Government will be faced with a decision as to whether or not the licence fee should be increased.

### **Digital Terrestrial Television (DTT)**

A pilot DTT programme is underway, however in order to ensure that the analogue system is replaced nationwide ("analogue switch off") with a fully digital system. Continued progress will be required on this front and a formal arrangement will need to be put in place in the coming months to prepare for this.

### **Marine Environment**

A problem has emerged with regard to the Marine Environmental Policy area. This policy area is becoming increasingly important, not least due to an imminent judgement from the ECJ with respect of the Shellfish Waters Directive. A decision is required in the short term as to the future configuration and institutional location of divisions responsible for this policy area. Currently, responsibility is shared between a number of Departments, with no designated 'lead' and no effective resources assigned to the work.

### **Sea Lice**

A disagreement has emerged between the Aquaculture Industry and the Angling Community over the causes of Sea Lice infestation in wild fish. Resolution will take a concerted effort at both political and administrative level. A draft report is being finalised.

### **R&D Effort**

Department spends around 10% of its operating budget (€50-55m) on Research, with three award schemes currently in place (Griffith, Beaufort, Parsons). A coherent structure has been put in place to monitor and guide this research, including membership of the main Steering Groups in the state. Further effort is required however in order to focus research spend on policy issues, in order to facilitate future evidence based policy making.

### **Integration of OSI**

It has been agreed that Ordnance Survey Ireland is to join this Department in the near future. If that process is to proceed, a decision is required as to how this will be achieved.

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### **Broadband Policy**

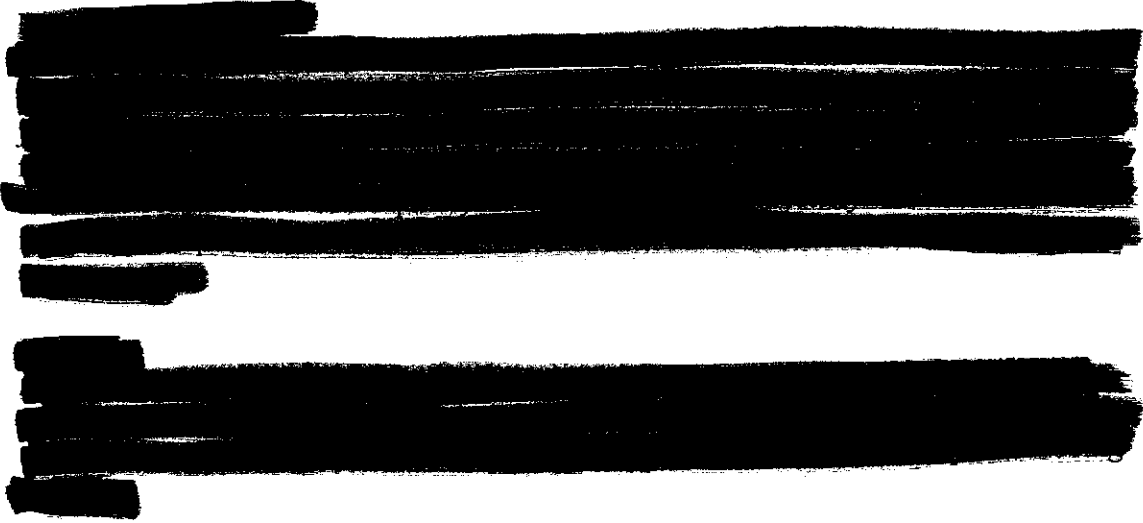
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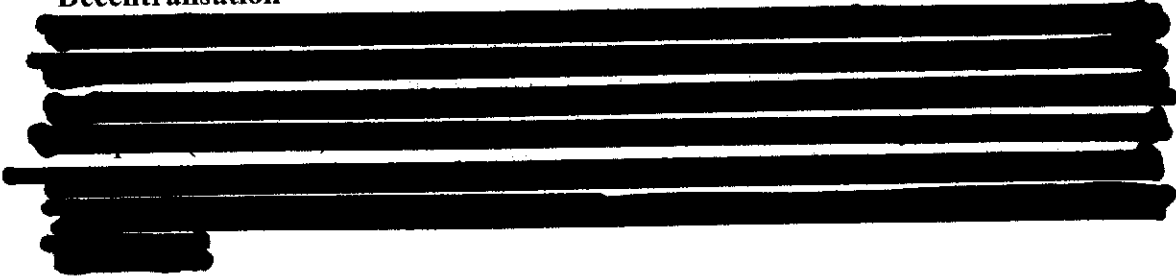
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## **Decentralisation**



### **Implementation of 'Cawley' Seafood Development Strategy (2007-2013)**

The 'Cawley' Seafood Development Strategy set out in the "steering a new Course" report requires a wide range of recommendations to be implemented in order to deliver the strategy. The Seafood Strategy Implementation Group, under the Chairmanship of Mr. Noel Cawley represents a wide section of the sector and Government Agencies and has been charged with overseeing the implementation of the strategy. The Group meets again on 1<sup>st</sup> July.

### **Implementation of the "Farrelly" Review of the Fisheries Control Services**

The European Commission has initiated major infringement procedures against Ireland in relation to alleged failures in Ireland's Fisheries Control Regime. Mr. Jimmy Farrelly completed a major review of the Fishery Control Services and Minister Dempsey charged the Sea Fisheries Protection Authority with responsibility for implementing the recommendations of the report. The initiatives outlined need to be presented to the Commission as a work programme of reform, in order to address the infringement proceedings.

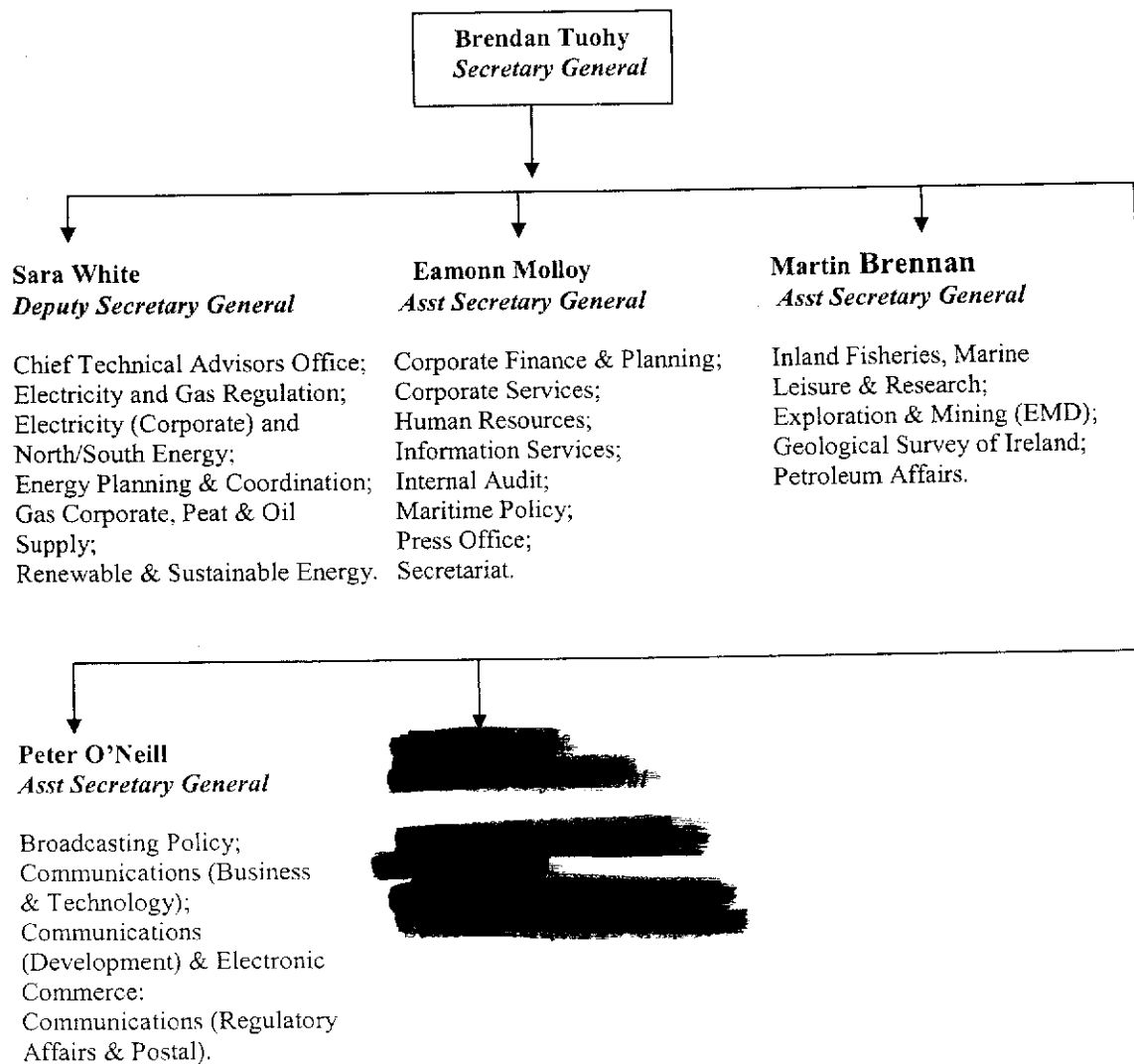
## Overview of the Department

The Department of Communications, Marine and Natural Resources was established in June 2002 in the context of the restructuring of a number of Government Departments. The Department is responsible for Electronic and Postal Communications, Broadcasting, Energy Policy, Fisheries, Aquaculture and Coastal Zone Management, Mining, management of the State's Petroleum resources and the Geological Survey.

### Mission Statement

"To promote the sustainable development, management and regulation of the communications, energy, marine and natural resources sectors in support of national economic and social policy objectives".

### Senior Management Structure in the Department



## ***Communications & Broadcasting***

Communications deals with the Broadcasting, Telecommunications and Postal Sectors. It is divided into Broadcasting Policy, Communications (Business and Technology), Communications (Regulatory and Postal) and Communications (Development) Divisions.

### **Core Policy Objective of the Communications Sector**

To contribute to sustained macro-economic growth and competitiveness and ensure that Ireland is best placed to avail of the emerging opportunities provided by the information and knowledge society, by promoting investment in state of the art infrastructures, by providing a supportive legislative and regulatory environment and by developing a leading edge research and development reputation in the information, communications and digital technologies.

### **Broadcasting**

The Broadcasting Policy Division is responsible for the development of the legislative and regulatory framework for broadcasting in Ireland, the funding of public service broadcasters and the development of the broadcasting sector generally. It has corporate governance responsibility for RTE, TG4, the Broadcasting Commission of Ireland and the Broadcasting Complaints Commission.

### **Communications (Regulatory and Postal)**

This division deals with policy on the regulation of the electronic and postal communications sector and management of the radio frequency spectrum. It also exercises the Departments corporate governance role in relation to An Post and the Commission for Communications Regulation (ComReg).

### **Communications (Development)**

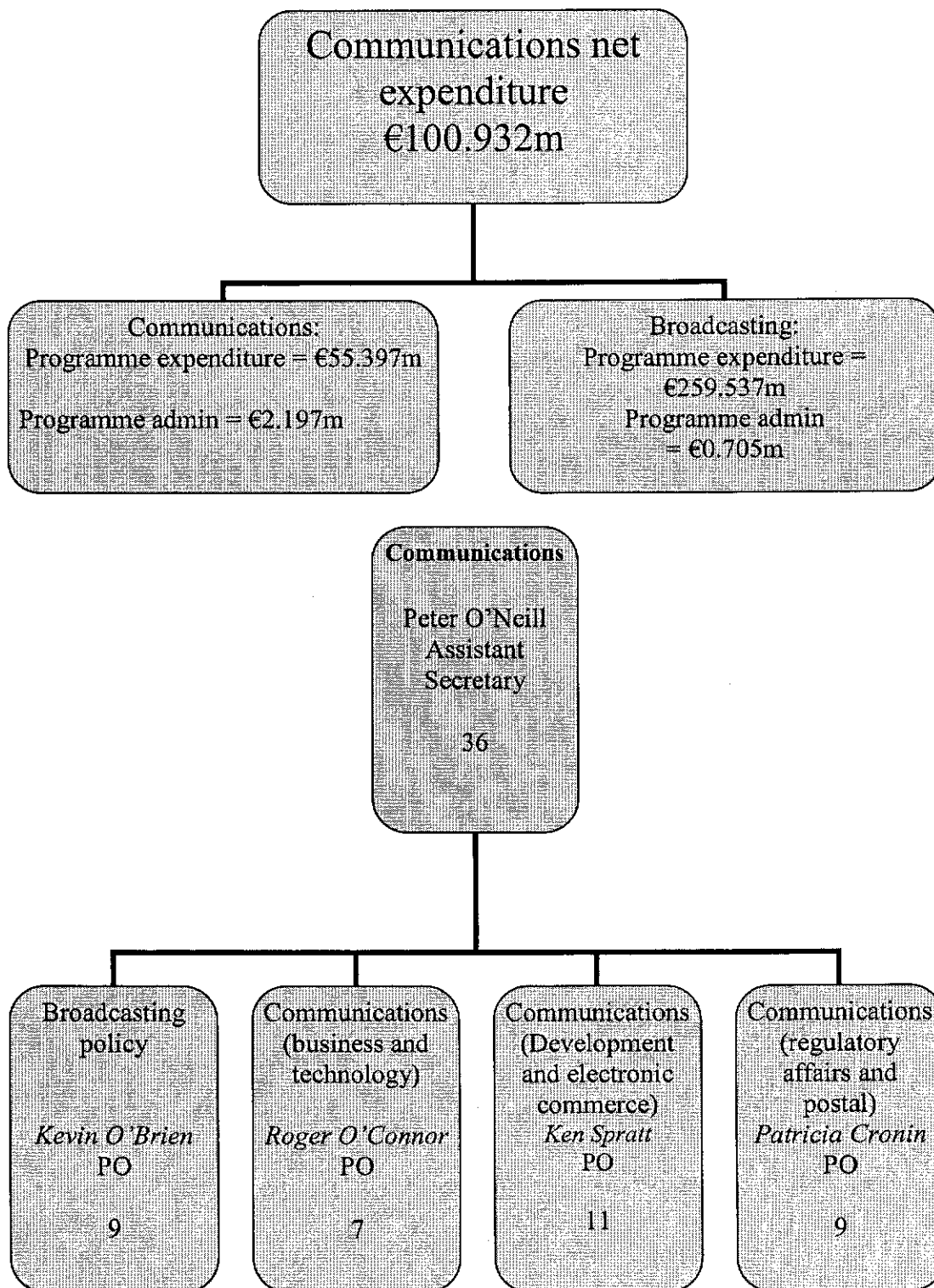
Communications (Development) Division is responsible for overseeing the development of broadband infrastructure and services. It does so by investing to address certain infrastructure gaps. The division administers a number of schemes, including the Metropolitan Area Networks (MANs) and the upcoming National Broadband Scheme (NBS). The Division has corporate governance responsibility for the Digital Hub and oversees the National Digital Research Centre.

### **Communications (Business and Technology)**

This Division consists of technical staff who provide technical advice and deal with new technologies and new uses for existing technologies, including the use of the radio spectrum and internet.



## Communications Expenditure and Staff by Division<sup>12</sup>



<sup>1</sup> Net programme expenditure represents the sum of programme expenditure, programme administration costs and support expenditure minus appropriations-in-aid. For example, while the total gross programme expenditure for Communications (Communications and Broadcasting) is €321.452 million, the net programme expenditure amounts to €100.932 million when €220.52 million of appropriations-in-aid (television licence fee) are deducted from the gross figure.

<sup>2</sup> All staff numbers used are indicative and exclusive of vacancies

## ***Energy***

The Energy area deals with the full range of state policy in the Energy sector, ranging from its corporate governance responsibilities towards the energy state companies, such as ESB, to regulatory policy to developing policy in the area of renewable energy. It is divided into Electricity and Gas Regulation, Electricity (Corporate) and North-South Energy, Energy Planning and Coordination, Gas Corporate, Peat and Oil Supply, and Renewable and Sustainable Energy Divisions. These Divisions are advised and supported by a Chief Technical Advisor.

### **Energy Core Policy Objectives**

The ability of the economy to perform successfully critically depends on the supply of adequate, affordable, competitive and environmentally-acceptable energy. The three pillars of energy policy are:

- Security of supply
- Sustainability
- Competitiveness

### **Electricity (Corporate) and North-South Energy**

Electricity (Corporate) Division's primary function is to ensure representation of the State as shareholder in ESB including, in particular, the effective discharge of the corporate governance role and the facilitation of the Company's future growth and development in a liberalised electricity market. There is also a significant North/South co-operation agenda on energy matters, particularly in the short term the rollout of Single Electricity Market.

### **Electricity and Gas Regulation**

Electricity/Gas Regulation Division is responsible for the formulation and implementation of policy on the liberalisation and regulation of the electricity and gas markets in the State. It also has responsibility for the formulation of regulatory policy on safety and security of supply for gas and electricity for the State.

### **Gas Corporate, Peat and Oil Supply**

This Division handles Corporate Governance for Bord Na Mona, Bord Gais, the Irish National Petroleum Corporation (INPC) and the National Oil Reserves Agency (NORA), as well as policy for the Oil and Gas sectors.

### **Renewable and Sustainable Energy Divisions**

The Division is responsible for developing and implementing sustainable energy and energy efficiency policies and is also responsible for corporate governance in relation to Sustainable Energy Ireland. Policy is developed across four main areas: Renewable Electricity, Renewable Heat, Renewable Transport Fuels (Biofuels) and Energy Efficiency.

### **Energy Planning and Coordination**

The Division has three main areas of responsibility: (1) the overall energy policy framework, (2) the preparation of coherent energy policy positions on cross-cutting issues and (3) the development of Irish energy research policy and programmes (together with the Chief Technical Advisor).

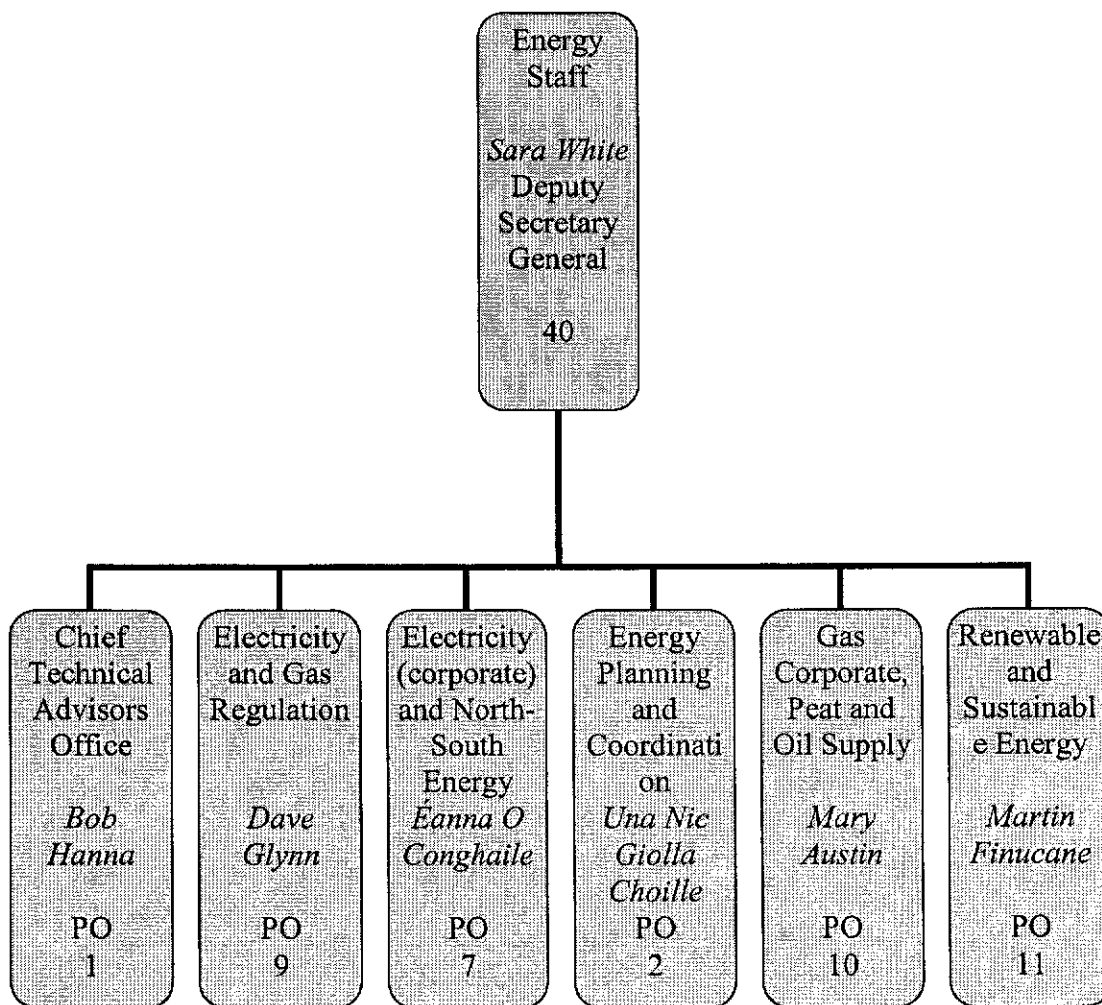
**Office of the Chief Technical Advisor**

The provision of a technical perspective on all energy matters which are relevant, and representation at relevant fora and external liaison with relevant stakeholders as appropriate, with a significant input to energy research policy..

## Energy Expenditure and Staff by Division

Energy Programme net expenditure  
€55.96m

Energy:  
Programme expenditure = €50.529m  
Programme admin = €2.81m



## ***Marine***

The Marine Area deals with a number of sectors relating to Sea Fisheries, Aquaculture, Seafood Development & Marketing, Coastal Protection, Harbour & Infrastructure Development and Inland Fisheries. The divisions deal with all matters relating to the EU Common Fisheries Policy.

### **Core Policy Goals**

- To maximise the contribution of the seafood sector to the economies of coastal regions.
- To support and manage the sustainable use and development of Ireland's marine territory.
- To conserve the inland fisheries resource in its own right and to facilitate exploitation of the
- resource on an equitable and sustainable basis.

### **Seafood Policy and Development Division**

This Division plays the lead role in the development of national policy on sea fisheries issues. It section negotiates policy at EU level and is also responsible for national implementation of the annual EU Total Allowable Catch (TAC) and Quota Regulation. It has an additional role in monitoring and evaluates the implementation of NDP measures collectively known as the "Cawley" strategy for Development of the Seafood Sector. This Strategy supports the sustainable development of the catching, aquaculture, marketing, processing and training sectors of the seafood industry.

### **Sea Fisheries Administration Division**

This division has a number of roles, and deals with a variety of issues relating to support for the fisheries industry. It handles the development and upgrade of fishery harbours and related facilities, coastal protection works, management, operation and development of the six Fishery Harbour Centres, and the licensing and registration of sea-fishing boats.

### **Coastal Zone Management Division**

The core responsibilities of this division are, licensing and regulation of aquaculture in accordance with the Fisheries Acts, management of the foreshore through a system of leasing and licensing and the control of dumping at sea.

### **Marine Engineering Division**

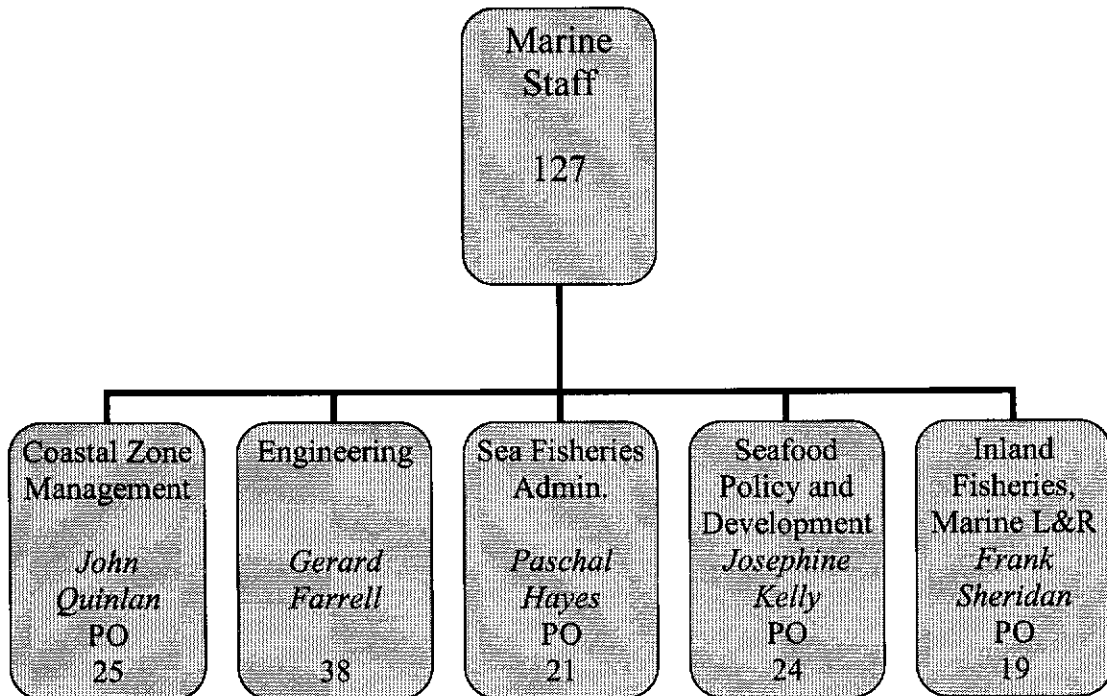
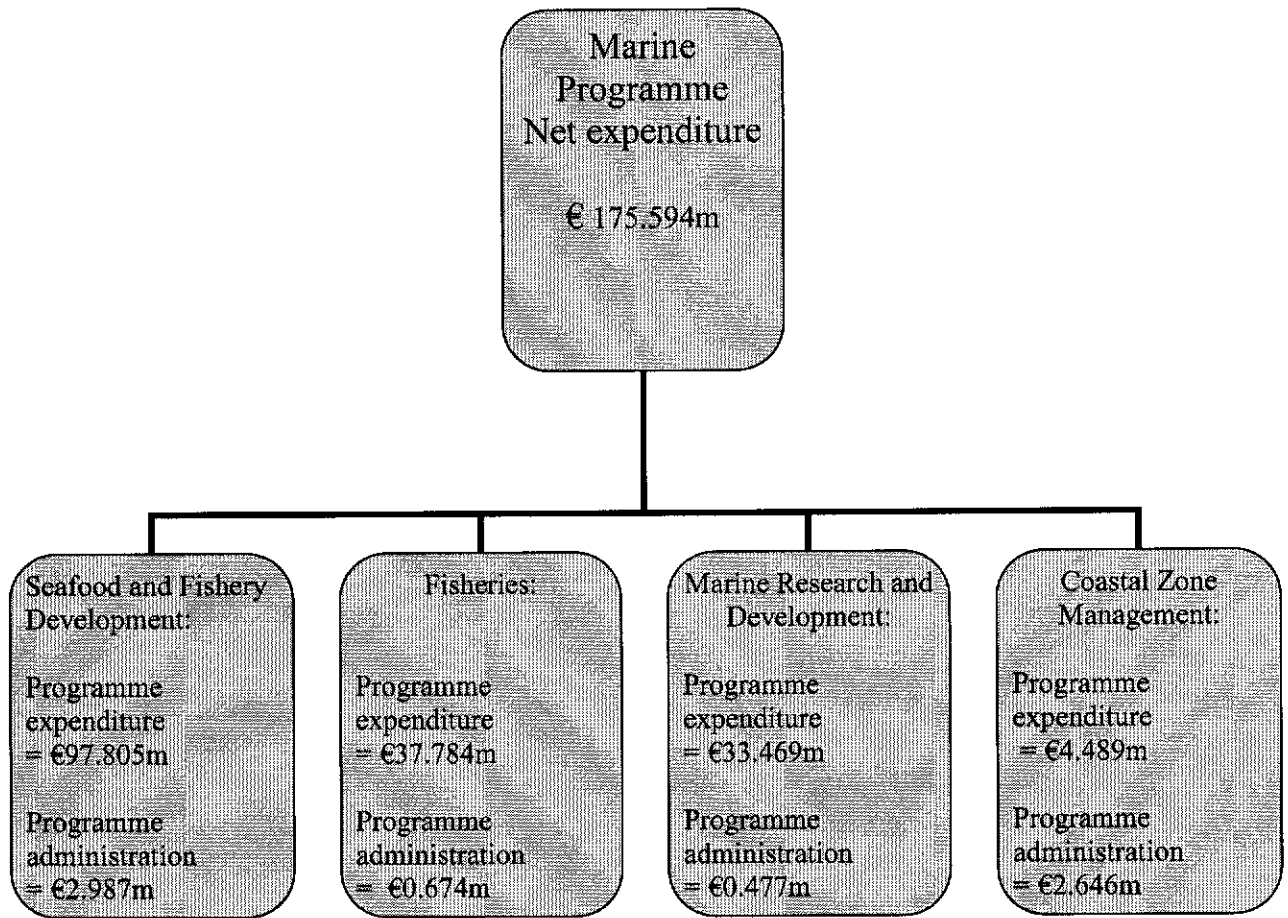
### **Inland Fisheries, Marine Leisure and Research**

This Division has overall policy responsibility for the conservation, management, regulation and development of the inland fisheries resource. It exercises the Departments Corporate Governance responsibilities for the Marine Institute, the Regional Fisheries Boards and The Loughs Agency.

### ***Marine Environment Division***

*The Maritime Policy Division is responsible for the advancement of two core policy goals, namely to safeguard the quality of the Marine Environment and to prepare and submit a national response to the EU Commission Green Paper on maritime policy.*

## Marine Expenditure and Staff by Division



## ***Natural Resources***

### **Core Policy Goal**

- To stimulate discovery of economic mineral deposits and to maximise the contribution of the mining sector to the national economy, with due regard to its social and environmental impact.
- To maximise the benefits to the national economy from exploration for, and production of, indigenous oil and gas resources, while ensuring that activities are conducted safely and with due regard to their impact on the environment and other land/sea users.

### **Petroleum Affairs Division**

This division has responsibility for petroleum exploration and production activities in Ireland, including granting exploration licences and overarching policy development in the sector. Strategic Objectives are to maximise the level of petroleum exploration and production activities in Ireland and optimise the returns to the State from such activity. It is also tasked with ensuring that exploration, development and production operations are carried out both efficiently and effectively and in accordance with Good Industry Practice, including with regard to health, safety and the environment.

### **Exploration and Mining Division**

The Exploration and Mining Division of the Department is charged with

- The application of the Minerals Development Act to minerals exploration and development;
- The encouragement of the early identification and responsible development by private investors of the State's minerals deposits in accordance with best international practice;
- Enhancing the attractiveness of Ireland for international and national minerals investment by active promotional measures.

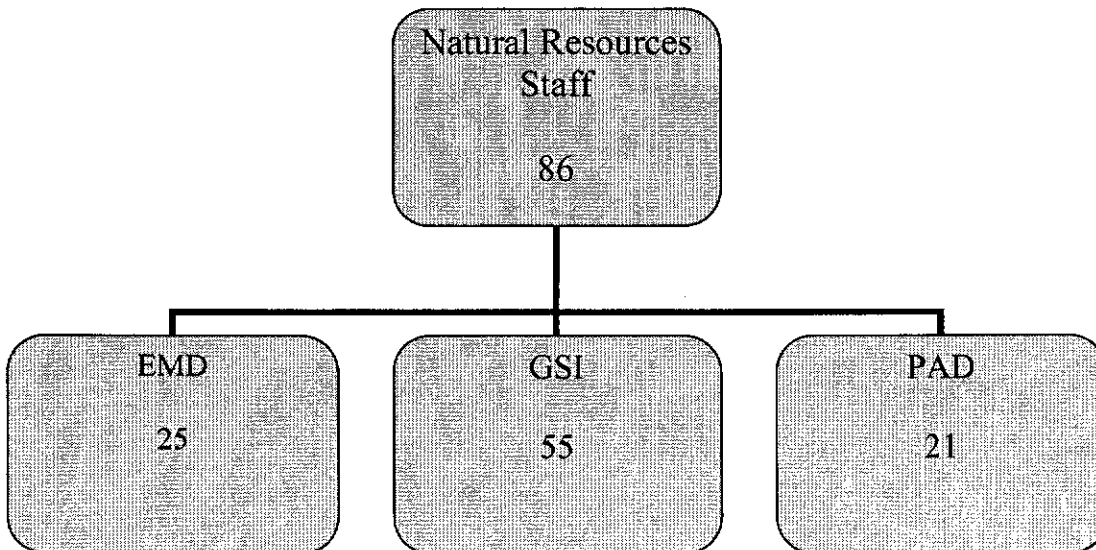
### **Geological Survey of Ireland**

The Geological Survey of Ireland (GSI) is the national geoscience agency, and contributes to sustainable national development and environmental protection by providing decision-makers and stakeholders with best available geological information from comprehensive and up-to-date national geological databases. GSI adds value to the data it acquires by integrating it with its other databases, interpreting it to meet the needs of customers and providing it in an easily accessible way.

## Natural Resources Expenditure and Staff by Division

Natural Resources Programme net expenditure  
€11.534m

Natural Resources: Programme expenditure = €9.859m  
Programme admin = €4.965m





## **Organisation and Staffing in the Department**

The Department's core authorised staff number is 436<sup>3</sup>. We currently have 461 core whole time equivalent staff (350 administrative and 111 professional/technical). 373 are based in Dublin (Adelaide Road, Leeson Lane, and Beggars Bush), the remainder are based in 12 regional locations outside Dublin including Cavan and Clonakilty. There are an additional 44 State Industrial staff employed by the Department who work at Fishery Harbour Centres and Engineering works around the coast .

### **Decentralisation Programme**

As part of the Government's decentralisation plans the Department's headquarters, including Communications, Energy and Natural Resources functions is expected to move to Cavan in 2010. There is already an advance party of some 30 staff based in temporary accommodation in Cavan - they are primarily carrying out corporate support and Co-ordination functions. A site has been purchased for permanent accommodation and detailed plans and specifications are at an advanced stage of preparation for submission to the Decentralisation Implementation Group for its approval.

The Government's programme also envisages the relocation of the Marine functions to Clonakilty. We have been quite successful in attracting volunteers and at present there are **over 50 staff** (out of a total of approximately 80) already in situ in Clonakilty with the balance moving from Dublin to Clonakilty before the end of June. We will also need to recruit some EOs and COs through the Public Appointments Service to complete the relocation. Discussions are on-going with Finance and IMPACT regarding the transfer of some professional and technical staff (engineers). A site for permanent facilities in Clonakilty for the Department and BIM has been acquired, planning permission has been secured and building is expected to start shortly and expected to be completed in 2008-09.

Temporary accommodation has been secured pending the construction of a permanent suite of offices which are being developed on a design/build basis. The selected developers tender has now successfully gone through the various stages of the planning process and is ready to commence.

### **Modernisation Programme**

The Department is fully committed to the development and implementation of the Civil Service Modernisation Programme. Steady advances have been made on key elements including the Strategic Management Framework, Partnership, Quality Customer Service, E-Government and Information Systems, Programme Expenditure Reviews, HR Strategies, the integrated PMDS model and Training and Development. In addition to building on progress to date, particular focus is now being given to developing staff expertise in financial management (we operate a system of devolved budgets to line managers). We have also invested heavily in Knowledge Management systems within the department. All the elements of our modernisation programme are

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<sup>3</sup> All staff numbers used in this document are indicative, and relate to the situation at end May 2007

reported on a regular basis to the Civil Service Performance Verification Group in accordance with the requirements of Towards 2016.

### **Central Divisions**

There are seven Divisions dedicated to delivery of the Department's corporate, organisational and modernisation programmes. These are:

- **Corporate Planning and Finance Division** (Principal: Michael Daly) encompasses the Finance and Corporate Planning functions
- **Corporate Services Division** (Principal: Denis Maher) encompasses Coordination, Services, Accommodation, Health and Safety as well as the Offices of the Minister and Minister of State and the Media and Information Unit. This division is based in Cavan.
- **Human Resources Division** (Principal Officer: Dave Hanley) is responsible for the management and strategic planning of Human Resources. Dave also responsibility for Change & Modernisation, and Staff Development Unit.
- **Information Systems Division** (Principal: Liam Kidd) is responsible for the delivery of Information and Communications Technologies for the Department and for e-strategy and Information Society initiatives.
- **Internal Audit Unit** (Accountant: vacancy) encompasses the Internal Financial Control, Internal Audit and Risk Management functions. This division is also based in Cavan.
- **Oifig na Gaelige** (Principal: Raphael Kelly) promotes and monitor the implementation of the Department's Statutory Irish language Scheme under Section 11 of the Official Languages Act 2003.

## **OIFIG NA GAEILGE**

**Principal Officer: Raphael Kelly**

**Function:**

- Promote and monitor the implementation of the Department's Statutory Scheme under Section 11 of the Official Languages Act 2003.
  - Provide quality control on documents published by DCMNR whether translated by external or internal resources.
  - Mobilise available language resources within DCMNR.
  - Provide small scale interpretation and translation facilities.
- 
- Cur i gcrích scéime reachtúla na Roinne faoi Alt 11 d'Acht na dTeangacha Oifigiúla a chothú agus a fhorbheathnú.
  - Rialú cáilíochta a chur ar na doiciméid a fhoilsíonn an Roinn i nGaeilge, cibé ins an Roinn nó lasmuigh de a aistriódh iad.
  - Fáil ar acmhainní na Roinne i leith na Gaeilge a éascú
  - Mion-seirbhís aistriúcháin os ard agus i scríbhinn a sholáthair

**Priority:** Provision of timely translation of Speaking Notes for Ministers at EU Council and verification of *leagan Gaeilge* of EU Regulations subject to co-decision.

**Staff:** None.

One of Corporate Divisions reporting to Éamonn Molloy

## **DEPARTMENT'S BUDGET**

### **Department's 2007 Budget by Programme and Expenditure Category**

The Department is responsible in 2007, through its Vote, for gross expenditure of €590 million (€590,654,000 per 2007 Revised Estimates Volume (REV), including capital carryover of €15.257million from 2006).

Programme	REV 2007 Estimate (€000s)	Projected Outturn to end May	Projected End Year Outturn*
Administration	41,782	17,142	41,782
Coastal Zone Management	4,338	155	4,338
Marine Research and Development	32,052	11,486	32,052
Seafood and Fishery Harbour Development	86,094	24,244	83,094
Fisheries	37,412	12,462	41,412
Energy	50,153	20,429	50,153
Communications	54,502	22,740	54,502
Broadcasting	257,586	106,445	257,586
Natural Resources	8,558	905	8,558
Miscellaneous	2,920	674	1,920
Gross Expenditure	575,397	216,682	575,397
Less Receipts	246,628	92,812	246,628
Net Expenditure	328,769	123,870	328,769

\* The projected end year outturn reflects sanction for virements received from Department of Finance in May.

The table above shows that aggregate projected outturn to the year-end is in line with the total Voted provision of €590.6 million. It is expected that €214 million (37%) of the Department's 2007 total Voted provision will be expended to the end of May.

#### **Current**

Projected gross current expenditure of €154.76 million to end May represents 91% of profile and 38.5% of the 2007 current REV allocation.

#### **Capital**

Projected gross capital expenditure of €57.14 million to end May represents 106% of profile and 30.2% of the 2007 capital REV allocation.

#### **Receipts**

Projected receipts of €91.27 million to end May represents 100% of profile and 37% of the 2007 current REV allocation.

Multi-Annual Capital Investment Envelope

The total envelope available to the Department for capital investment over the period 2007 – 2011 is set out hereunder:

Year	2007	2008	2009	2010	2011
€million	173.32 *	203.44	214.15	211.08	215.54

\* This figure is exclusive of the capital carryover of €15.257m from 2006.

Department of Finance sanction has been received for the Department's multi-annual capital investment programme for the years 2007 to 2011, and associated current costs, in relation to existing capital programmes/projects or new programmes/projects commenced in 2007, as outlined in Appendix 1 of the attached Annex. The Department of Finance has noted the Department's indicative or planned investment programme during the years 2008-2011, as set out in Appendix 2 of the attached Annex.

This investment programme is consistent with the priorities set out in the National Development Plan 2007-2013 "Transforming Ireland". Value for money is a prerequisite and to this end, all capital expenditure is subject to strict conditionality and compliance with capital appraisal and management guidelines and public procurement requirements etc.

The Department is currently enhancing its systems to underpin effective compliance, at project level, with these capital expenditure requirements among the capital spending areas of the Department and its agencies who receive capital funds under the Vote. In addition, increased reporting and monitoring requirements, including reporting requirements in relation to progress on NDP implementation, are being introduced.

#### **Finances – Key Issues and Priorities**

- Effective Vote management and financial reporting to Department of Finance and to Senior Management.
- Adherence to Capital expenditure and Value for Money requirements.
- Building financial management capability throughout the Department, using various levers including a targeted in-house financial management training programme.
- Transfer of additional Accounts functions to Department's Offices in Cavan under the decentralisation programme.
- Negotiations on 2008 Estimates, which will commence shortly.

## Agencies of the Department

The Department is responsible for 31 commercial, non commercial and regulatory State bodies.

BODY	MAIN ROLE
<b>COMMUNICATIONS</b>	
An Post	Ireland's national postal service provider.
Commission for Communications Regulation	Statutory body charged with the regulation of the communications market in Ireland. Its remit covers all kinds of transmission networks from the traditional telephone wire service through to operators providing TV services and from mobile phone networks to the postal service.
Digital Hub Development Agency	Established under the Digital Hub Development Act 2003 to oversee the development of the Digital Hub, Ireland's flagship in the digital media sector.
NDRC	The National Digital Research Centre (NDRC) is a Translational Research Institute with a core mission to act as a national focal point for technology innovation and commercialisation in the digital media domain.
<b>BROADCASTING</b>	
Radio Telefis Éireann	The national public service broadcaster and a statutorily independent body. RTE operates three national television services (RTE 1, Network 2 and TG4 and four national radio services RTE 1, 2FM, Radio na Gaeltachta and Lyric FM).
TG4	Teilifis na Gaeilge maintains a national television broadcasting service, primarily in the Irish language. Teilifis na Gaeilge is an independent statutory body since 1 April 2007 having previously operated as part of the RTÉ family.
Broadcasting Commission of Ireland	Responsible for the licensing and regulation of the independent television and radio sector. The Commission is also responsible for licensing certain new digital television services and for the development of codes of programming and advertising standards on television and radio.
Broadcasting Complaints Commission	Deals with complaints made relating to programme material and advertising on

	RTE and independent television and radio services.
<b>ENERGY</b>	
Electricity Supply Board	ESB has generation, transmission and distribution assets and provides electricity services to 1.6 million customers throughout the country.
EirGrid plc	Licensed by the CER (Commission of Electricity Regulation) as the independent electricity transmission system operator.
Bord Gais Éireann	Has grown from primarily a transmission pipeline business into a vast and extensive supplier of an efficient, economic and environmentally friendly fuel to over 400,000 customers.
Commission for Energy Regulation	Established on 14 July 1999 as the Commission for Electricity Regulation under the Electricity Regulation Act 1999 to underpin an open, transparent and accountable regulatory process for the electricity industry in Ireland. Commission's jurisdiction expanded under the Gas (Interim) (Regulation) Act 2002 to that of energy regulator, incorporating both gas and electricity. The Commission has been renamed as the Commission for Energy Regulation to reflect its increased role.
Bord na Móna plc	Supplier of products and services based principally on peat.
National Oil Reserves Agency	On 16 July 2001 the commercial assets and businesses of the INPC (i.e. the Company's two commercial subsidiaries – the Irish Refining Company and Bantry Terminals Ltd) were sold to Tosco Corporation, a major US oil refiner and marketer. The INPCs remaining non-commercial subsidiary – the National Oil Reserves Agency (NORA) – is the body responsible for maintaining Ireland's strategic oil reserves.
Sustainable Energy Authority of Ireland	Statutory body responsible for implementing Government policy on energy efficiency and renewable energy.
<b>MARINE AND NATURAL RESOURCES</b>	
Central Fisheries Board	Promotion, support and coordination of inland fisheries and development and coordination and direction of the

	activities of the 7 Regional Fisheries Boards.
Regional Fisheries Boards (7)	Conservation, protection and development of inland fisheries.
National Salmon Commission	Advises the Minister on the management, protection and development of the inland fisheries resource.
Bord Iascaigh Mhara	Promotion and development of the sea fishing and aquaculture industries.
Marine Institute	Undertaking, coordinating and promoting marine research and development in Ireland.
Sea Fisheries Protection Authority	Implementing and enforcing fisheries law and seafood safety law
Aquaculture Licences Appeals Board (ALAB)	An independent appellate body in respect of aquaculture licensing.
Mining Board	An independent board set up under the Minerals Development Act 1940. Its function is to determine compensation in various cases. It is also charged with deciding what minerals are to be excepted from the State's exclusive right to work minerals under that Act.

\* Implementation Body under the British-Irish Agreement Act 1999.



**PRIORITY LEGISLATIVE PROGRAMME: 2007/2008  
PROPOSALS**

<b>Bills in Preparation with Government approval</b>	<b>Present Position</b>
<p><b><i>Broadcasting Bill</i></b></p> <p>To establish a Broadcasting Authority of Ireland and to amend RTE provisions.</p>	<p>Drafting of Bill approved by Government 12/7/06 Public consultation process under eConsultation initiative concluded on 18 April 2007.</p>
<p><b><i>Minerals Development Bill</i></b></p> <p>To implement the commitment of the programme for Government to consolidate the Minerals Development Acts and to update the legislation in line with reform proposals of Delivering Better Government.</p>	<p>Drafting of Bill approved by Government 27/06/06. Drafting proceeding.</p>
<b>Bills in respect of which Heads have yet to be approved by Government</b>	<b>Present Position</b>
<p><b><i>Electricity (Transfer of Transmission Assets) Bill</i></b></p> <p>Give statutory effect to the Government Decision to transfer the ownership of the electricity transmission systems assets from ESB to EirGrid plc by end 2008</p>	<p>Analysis of all issues by Department is underway</p>
<p><b><i>Fisheries (Consolidation) Bill 2006</i></b></p> <p>To consolidate and update the 17 pieces of existing inland fisheries legislation into a single statute and to provide for the establishment of the new National Inland Fisheries Authority</p>	<p>The required preparatory work is proceeding on proposals to update and consolidate the existing legislation. It is expected that these will be submitted to Government for approval in the latter half of 2007</p>

*FOI Request statistics for 2007*

**FOI requests received from 1/1/2007 to 31/5/2007 = 46**

These requests are apportioned across Divisions as follows:

**Coastal Zone Management = 11**

**Sea Fisheries Administration = 8**

**Renewable & Sustainable Energy = 7**

**Seafood Policy & Development = 4**

**Others = 16**

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**FOI requests on hand at 31<sup>st</sup> May 2007 = 17**

Divisions dealing with requests on hand;

**Coastal Zone Management = 8**

**Seafood Policy & Development = 3**

**Sea Fisheries Administration = 2**

**Others = 4**

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**2007 Internal review requests received = 9**

**Internal reviews completed = 5**

**Internal reviews to be completed = 4**

## **Sectoral Profiles and Issues**

## **Communications and Broadcasting**

## ***Broadcasting Policy Division***

*Head of Division: Kevin O'Brien, Principal Officer*

### **Functions of Division**

#### **Broadcasting Policy Division**

The Broadcasting Policy Division is responsible for the development of the legislative and regulatory framework for broadcasting in Ireland, the funding of public service broadcasters and the development of the broadcasting sector generally. EU and COE (Council of Europe) legislation also impacts on the legal framework and the Division interacts with EU/COE institutions in this regard. The Division is at present dealing with a range of policy matters that impact on broadcasters such as RTÉ, TV3, TG4, Today FM and local radio. The development of digital broadcasting in Ireland is key in this regard, and the Division is currently running a 'Digital Terrestrial Television' Pilot.

The fundamental focus of the Division is on ensuring the continued success and availability of Irish broadcasting services, particular Irish public service broadcasting.

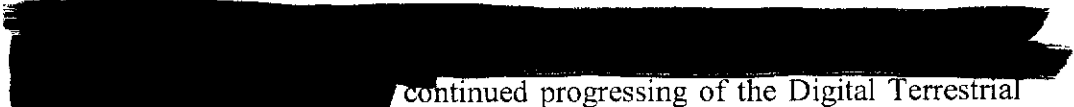
The Division has corporate governance responsibilities in relation to RTÉ, the now separate and independent TG4, the Broadcasting Commission of Ireland (BCI) and the Broadcasting Complaints Commission (BCC).

The Division is responsible for arranging for the collection of the TV Licence Fee by An Post and for the receipt of the TV Licence payment from D/SFA (approximately €200m per annum) and making payments to RTÉ. The Division also manages Exchequer funding of TG4, the BCI, the BCC and the Broadcasting Fund.

### **Key Immediate Issues**

#### **Broadcasting Policy**

The most significant issues to be addressed by the end of 2007 are listed below. A short note on each issue follows.

- Publishing and initiation in Oireachtas of a new consolidated Broadcasting Bill – which has just been reported on by the Joint Oireachtas Committee after an eConsultation process - to provide for the establishment of a new content regulator that would take on the existing content regulatory functions of both the Broadcasting Commission of Ireland and of the RTÉ Authority, and other matters
-  continued progressing of the Digital Terrestrial Television Pilot and ensuring appropriate spectrum for broadcasting.
- Finalisation of issues with European Commission with regard to State Aid complaint by TV3 in relation to the funding of RTÉ and TG4, and in regard to sports rights.

- Completion of television licence fee annual adjustment review by July 2007, based on RTE's 2006 performance and oversight of a new RTE Corporate Plan
- Decision on any RTE licence fee increase in 2007
- Ongoing licence fee collection - improvements of service from An Post and DSFA
- Completion of 5 Year Review of the TV Licence as a means of financing public service broadcasting
- Final engagement with EU institutions in relation to new 'Audiovisual Media Services' Directive and commencement of planning for transposition.
- Introduction of appropriate corporate governance arrangements for TG4 which was established as an independent entity on 1 April 2007.
- Further development and new approaches, by the Broadcasting Commission of Ireland, of the Broadcasting Fund scheme to fund additional high quality programming on both radio and television.
- Development of policy with regard to media literacy
- [REDACTED]
- [REDACTED]

## **Broadcasting Bill and other Legislation:**

### *Broadcasting Bill*

A Government decision in December 2002 to approved a significant increase in the level of the television licence fee also provided for the establishment of a single content regulator to whom all Irish broadcasters would be subject in relation to programming and advertising codes and rules (at the moment BCI regulates the content of independent broadcasters, but RTE and TG4 are independent in relation to certain content regulation matters).

Draft heads of Bill were published in July 2006 by the Department and were consulted on by the Joint Oireachtas Committee through its 'eConsultation' process. The JOC returned its report in April 2007. The Office of the Parliamentary Counsel has commenced drafting of the Bill and it is expected that the Bill will be ready for publication and initiation in the Oireachtas in autumn 2007.

The draft Bill deals with a whole host of issues concerning the full regulatory framework for Broadcasting, including:

- Establishing the Broadcasting Authority of Ireland (BAI), carrying on the functions of the existing Broadcasting Commission of Ireland, but also with increased supervisory functions with regard to public service broadcasters
- Allowing for a levy to be paid by the broadcasting sector for the funding of the BAI
- Developing new procedures around licence enforcement, right of reply, legal definitions regarding TV licence, codes and rules, contract award
- Recasting of framework regarding public service broadcasters and the allocation of public funding
- Consolidation of key Broadcasting legislation since 1960

The Bill received broad cross-party support at the JOC. Enactment of the Bill is now of critical importance in enhancing the regulatory framework and meeting the concerns of the European Commission in the context of State Aid.

Exploration of issues through the 'Review of Radio Licensing' carried out in 2004, the report of the C&AG on the Broadcasting Fund Act, engagement with the AG on issues around enforcement and administrative fines, discussions with D/Justice on defamation and privacy have all also contributed to developing the draft Bill. It is also envisaged that the Bill will be amended to address aspects of transposition of the new EU Audiovisual Directive.

A number of policy issues are still outstanding and will be put to the Minister in due course.

### *Broadcasting (Amendment) Act 2007*

This recent Act was commenced in April 2007. It sets out a new framework for the development of Digital Terrestrial Television in Ireland. See below on DTT.

## **Digital Terrestrial Television and Analogue Switch-Off**


Ireland must move from the current analogue terrestrial broadcast system to a digital terrestrial system (DTT) if the national channels are to remain available as a free service to all of the population. Across Europe viewers are beginning to benefit from the rollout of digital television services, including DTT. Digital television offers better quality, new services and more channels. DTT is the only system that can provide universal free-to-air digital TV that is regulated under Irish law. When DTT is in place Ireland must 'switch-off' the four analogue channels – this will be a major change in television reception practices in Ireland and will require large-scale public awareness raising.

In 1999 Ireland decided on an approach to introducing DTT. Legislation was enacted in 2001 paving the way. The model proposed was similar to the model adopted in other European countries. A public tender competition was run to award the licences but was not successful and the process ended in 2003.

In 2005 the Department proposed a DTT demonstration pilot programme, to start a rollout of the service in Ireland and develop momentum in relation to DTT with the private sector and the consumer. Government approval was received and a DTT Pilot is now up and running in the Dublin and Louth areas. Utilising a budget of €10m over three years, the Pilot is broadcasting on four 'multiplexes' from Three Rock and Clermont Carn mountains. The Pilot currently provides 12 TV channels and many radio channels and will demonstrate High Definition across TV later this summer. The Pilot has garnered the interest of all relevant companies and organisations and a Pilot Stakeholders Group, chaired by the Department, is now in place.

The Broadcasting (Amendment) Act 2007 changed the 2001 DTT legislation to introduce a simpler framework for the roll-out of national DTT. Under the Act RTE, TG4, ComReg and BCI all have new statutory obligations and are beginning to implement follow-on activities. RTE now has a duty to rollout a DTT multiplex at a national level. This multiplex must carry at least RTE1, RTE2, TV3 and TG4. The BCI has been allocated three multiplexes which it must put out to licensing by the end of 2007. Applicants will apply where they believe the commercial case stands up. Altogether, 20-30 channels could become available on DTT over the next 18 months.

As national rollout begins, 'analogue switch-off' can be contemplated and a date selected. Currently four spectrum channels are taken up by the four national TV stations - RTE1, RTE2, TV3 and TG4. Once these channels are available on DTT - where each spectrum channel can accommodate a multiplex which can allow for up to 8 channels – this analogue spectrum can be switched-off and reused for broadcasting and other services. The freeing up of this spectrum is seen as very important given that the spectrum is valuable. 'Switch-off' has happened in Berlin, Sweden and some other European countries. The European Commission is pushing for switch-off by 2012. A key issue will be public awareness around analogue switch-off which will affect most households in Ireland.



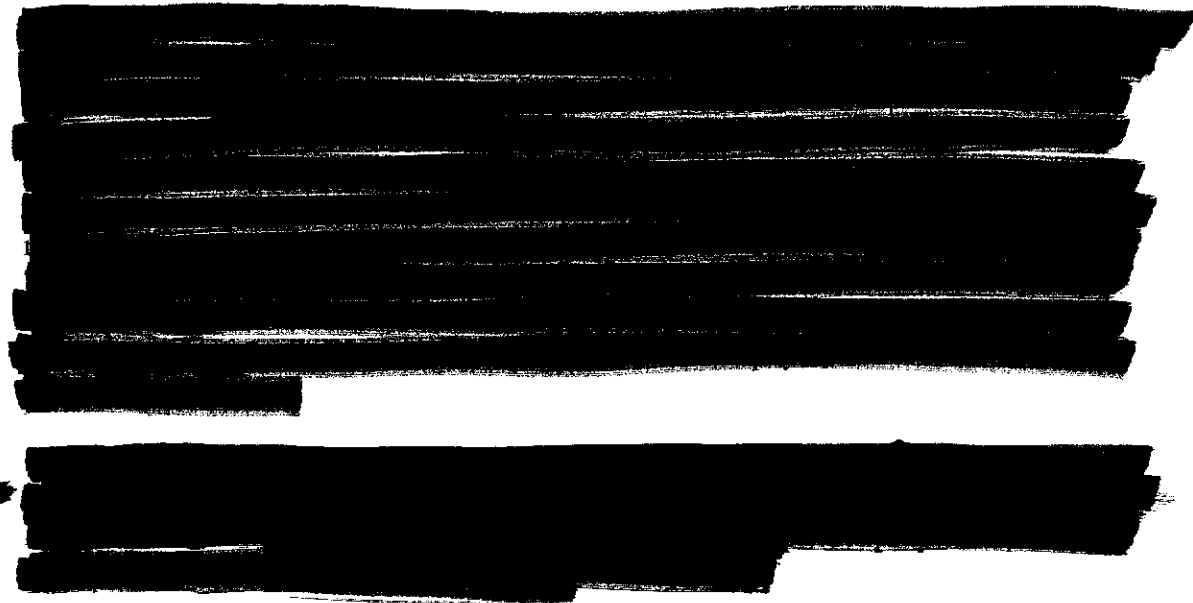


## **State Aid Complaint**

In 1999, the Department received notification from the EU Commission that it had received a complaint alleging infringements of Articles 92 - 94 of the EC Treaty relating to the payment of licence fee revenue and direct grants to RTÉ/TG4 and to the price of accessing the national broadcasting transmission network. The Irish complaint was one of a number of complaints made across the EU in relation to the funding of public service broadcasters.

In 2001, the EU Commission published guidelines as to how it would proceed with its investigations. Since then the Commission has completed its investigation into complaints made against France, Italy, Portugal, Spain and Denmark. A number of the Commission's decisions are being appealed to the Court of Justice.

In February 2004, the Commission formally wrote to Ireland re-initiating the investigation into the appropriateness of funding for RTÉ and TG4. Preliminary information was forwarded to the Commission and officials from the Department met with the relevant officials from the Commission in 2004, 2005 and twice in 2006.



## **Licence fee adjustment process and possible Licence Fee Increase**

When approving a significant increase in the level of the licence fee in 2002 the Government decided that the licence fee should be subject to an annual adjustment based on a formula of CPI minus X. The value of X to be decided following a review of RTÉ's performance in the previous year. The intention is that when established the new broadcasting regulator (the Broadcasting Authority of Ireland) will conduct the review. In the interim the Department engages independent consultants to carry out the review. Following the review last year, the licence fee was increased by €3 from €155 to €158. Consultants (Indecon) are being engaged at present to conduct the review of RTE's performance in 2006 with a view to a decision being taken on adjusting the level of the licence fee later in the year. The consultants' report is expected to be available in July.

## **Collection of TV Licence Fees**

An Post acts as the Minister's agent in collecting television licence fees. In the past the Department has worked closely with An Post and RTÉ to introduce a range of new measures to improve the efficiency of licence fee collection by An Post. The focus has primarily been on reducing the level of evasion. In 2004 the C&AG published a report dealing with the efficiency of licence fee collection. The Department is continuing to implement the C&AG recommendations. The Department has signed a multi-annual contract with An Post and has sent a draft Service Level Agreement to An Post which it is hoped will be finalised shortly. [REDACTED]

An Post acts as the Minister's agent on foot of 1983 legislation. The proposed Broadcasting Bill contains amendments which would allow for the consideration that the collection contract could be put out to tender.

Almost a third of licence fees relate to 'free licences' and are now paid directly by Department of Social and Family Affairs. A number of outstanding issues arising from the introduction of a free lifetime licence in 2004 regarding back monies due and calculation processes have yet to be resolved.

The 2002 Government Decision in relation to the licence fee proposed a five year review. That review is now commencing [REDACTED]

## **The Establishment of TG4 as an Independent Statutory Body**

The Broadcasting Act 2001 provides the legislative basis for establishing TG4 as an independent entity. It was decided by Government in summer 2006 to set 1 April 2007 as the date for separation. A Project Management Group chaired by the Department oversaw separation which took place on 1 April. A new Board was appointed. The development of appropriate corporate governance arrangements with TG4 is now underway.

## **The Broadcasting Fund**

The Government decided in December 2002 that 5% of the net proceeds of the television licence fee would be made available to support a scheme to fund new and additional programmes on Irish radio and television services. Legislation to provide for the establishment of the fund was enacted in December 2003, i.e., The Broadcasting (Funding) Act 2003.

The BCI has drawn up a scheme called the 'Sound and Vision Scheme' and has allocated over €30m to finance the making of new television and radio programmes. The BCI recently announced a fourth round of funding for television. The scheme is directed at new and additional high quality programming on Irish culture, heritage and

history, including programmes in the Irish language. The fund also supports adult literacy programmes and the archiving of broadcast material. The fund is open to independent producers and all broadcasters licensed in Ireland.

The BCI is currently developing proposals for a broadcast archiving scheme under the fund.

## **Medium to Longer Term Issues**

### **Television Without Frontiers Directive/Audiovisual Media Services Directive**

The Television Without Frontiers (TVWF) Directive regulates the reception and retransmission of television broadcasts from one Member State to another. The Directive deals with the regulation of broadcasters, quotas for the inclusion of recent European works, advertising, protection of minors and coverage of events of major importance to society. (The Directive is the key instrument which ensures that effect is given to the list of sporting events that Ireland has determined should remain available on free television services.)

The European Commission commenced a revision of the Directive and published its proposals in December 2005. During the Austrian and Finnish Presidencies in 2006 the Council considered the text and made changes, which were agreed as a 'General Approach'. This General Approach was taken by the German Presidency and amended in places to reflect proposals made by the European Parliament at its First Reading in December 2006, producing a new 'Common Position' text. This Common Position is to be put to the Council on 24 May 2007..

The most significant issue raised by Ireland in the context of this review is the issue of "jurisdiction". The Directive provides that each broadcaster is only subject to the national regulations of one Member State. This means that even where a UK broadcaster carries advertising that is only available to Irish viewers that it is the UK codes and rules that apply to such advertising. With the growth in the number of channels available in a digital era it is increasing likely that new channels will be developed by a broadcaster in one Member State and targeted at an audience in another Member State. The programme codes and standards of the targeted Member State would, however, not apply.

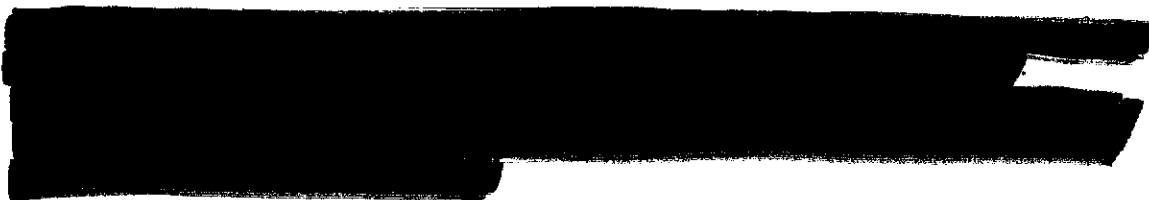
This was a major issue raised by Ireland during its Presidency of the EU and one for which there was considerable support for the Irish position. The EU Commission has always opposed to the Irish position.

During the negotiation of the 'General Approach', Ireland and some other Member States argued strongly around the jurisdiction issue. This resulted in a cooperation clause, whereby Ireland can now complain to the regulator in another country if one of its licenced broadcasters is targeting Irish citizens in breach of Irish codes e.g. advertising, in a manner targeted at Irish viewers, a product which is banned from advertisement in Ireland. The regulator in the other jurisdiction must now request the broadcaster to desist. Though it is not binding on the broadcaster, this is a significant change in dealing with the jurisdiction issue.

The new Directive makes other changes to the European framework. Some advertising rules have been loosened with 'product placement' not permitted. The scope of the Directive has been broadened to include both "linear" services e.g. scheduled broadcasting via traditional TV, the internet, or mobile phones, which "pushes" content to viewers, and "non-linear" ones, such as on-demand films or news, which the viewer "pulls" from a network. The Directive imposes a lighter, basic tier of regulation on non-linear services. As well as setting rules for advertising, promotion of European content, consumer protection and accessibility, other new obligations under the Directive will relate to media literacy and 'short news reports'.

It is likely that the new Directive will be formally adopted in late 2007 and transposition can be planned for 2008. It will be appropriate to use this opportunity to review Ireland's approach to TV regulation, codes and rules, the development of the broadcasting sector in Ireland and jurisdiction issues.

### **European Regulation and pan-European broadcasting**



### **Media Literacy and Media Pluralism**

The new TVWF Directive identifies the importance of media pluralism and media literacy in a world with increasing access to content, the increasing commercialisation of that content and the range of technological platforms involved. The draft Broadcasting Bill makes proposals regarding media literacy. A study of issues around media literacy and media pluralism in Ireland is proposed.

### **Agencies Under the Aegis of Division**

#### **RTÉ**

**Mary Finan (Chairman)**

**Cathal Goan (Director-General)**

#### **Teilifis na Gaeilge**

**Peter Quinn (Chairman)**

**Pol O Gallechoir (acting CEO)**

#### **The Broadcasting Commission of Ireland**

**Conor J. Maguire (Chairperson),**

**Michael O'Keefe (Chief Executive),**

#### **The Broadcasting Complaints Commission**

**Michael McGrath (Chairperson)**

## ***Communications (Development) Division***

***Head of Division: Ken Spratt, Principal Officer***

### **Functions of Division**

- To oversee the development of broadband (both infrastructure and services) in Ireland in order to promote increased Information Society inclusion at both regional and community based levels.
- To facilitate the private sector to develop a competitive and rapidly growing broadband market that offers choice of affordable products and providers to Irish consumers (including businesses, public bodies, voluntary organisations schools and homes).
- To facilitate the development of Ireland's telecommunications infrastructure to ensure that foreseen demand for increased bandwidth is met by adequate supply from competing service providers.
- To continue the development of a vibrant digital media content industry in Ireland through the Digital Hub.
- To promote technology innovation in the digital media domain and the commercialisation of intellectual property through the National Digital Research Centre.
- To implement the Communications Measures of the NDP Operational Programmes of both the BMW and the S&E Regions.

### **Sectoral Profile**

By the end of December 2006, there were 517,300 broadband subscribers in Ireland. This represented a growth of 91% over the previous 12 months. The number of subscribers continues to grow with industry estimating that there are now nearly 600,000 subscribers. According to recent reports by the EU, Ireland's broadband market is growing three times faster than the EU-25 and ECTA's (European Competitive Telecoms Association) most recent report shows that the rate of growth in broadband in Ireland was running at 105% per annum.

Following the liberalisation of the telecommunications market in 1998 the provision of telecommunication services including broadband by private sector companies is a matter in the first instance for the companies themselves operating in the liberalised market regulated by the Commission for Communications Regulation (Comreg). However the level of investment in infrastructure by the sector has failed to keep pace with developments, especially the demand for broadband.

The Government has addressed market failure through investment in international connectivity and regional backhaul, the construction of the open-access Metropolitan Area Networks (MANs), part-funding rural broadband access networks under the Group Broadband Scheme (GBS), and funding (Jointly with Telecoms Industry Federation (TIF)) of the Schools Broadband Programme.

Under Phase I the Regional Broadband Programme (also known as the MANs Programme) 27 MANs were constructed. These open access, technology neutral fibre optic networks facilitate the deployment of broadband in the regions. The 27 MANs (completed under Phase I of the programme) are now being managed, marketed, maintained and operated on behalf of the State by eNet, a Limerick based company. Under Phase II, the Department, in partnership with local authorities, is funding the construction of MANs in over 90 towns with a population of more than 1,500. This phase is currently under way and over 90 towns will have received a MAN by the end of 2008. These investments fulfil IDA expectations and allow Ireland to continue to attract foreign direct investment, a key ingredient for economic success.

The Group Broadband Scheme (GBS) offered smaller towns and rural communities the chance to obtain broadband connectivity for their areas, with funding assistance from the Government. A total of 127 projects have been implemented. The GBS has now been superseded by the National Broadband Scheme (NBS) which will target the last 10% or so of the population who are without a broadband service and who would remain without a service without intervention. The scheme will ensure that every reasonable request for broadband in these unserved areas is met.

A joint industry/Government fund of €18 million was established for the Broadband for Schools Programme to resource the provision of high speed broadband connectivity to all primary and post primary schools in the country, at no cost to the schools themselves. Almost 97 % of schools have had Broadband installed with the remainder to be serviced once local/technical issues are addressed.

As regards future investment plans for the 2007 – 2013 period, the total indicative National Development Plan investment under the Communications Programme over the period is €435m. The allocation of these financial resources will be guided by a Policy/Green Paper on NGNs/Broadband that is currently being prepared.

### **Key Immediate Issues**

#### **Metropolitan Area Networks (MANs) – Phase I**

A Working Group was established at the end of 2006 to examine the lessons for Phase I. The key issue requiring attention is the cost of drop connections to the MANs. Additionally, a separate Working Group is examining the issue of MANs Backhaul and options for progress are currently being developed.

The Division is also liaising with eNet to ensure that it complies with the terms of the Concession Agreement for the Phase I MANs.

#### **Metropolitan Area Networks (MANs) – Phase II**

The Division is working closely with local authorities to ensure satisfactory completion of Phase II Metropolitan Area Networks on time and within budget. The networks are available on a wholesale, open access basis to enable the provision of broadband services by multiple providers. They are stimulating competition in the regions allowing newer service providers to operate in new locations.

Phase II of the Programme is underway and will deliver networks in over 90 towns. To date eleven networks are almost complete with a further 24 under construction. 21 will commence construction during May/June 2007. The others are at various stages of procurement and are due to start construction before year end.

The Division is also responsible for securing a Managed Services Entity (MSE) to manage, market, maintain and operate the Phase II MANs. A procurement process is underway to secure the MSE for Phase II. Magnum Opus, the Department's technical consultants on the MANs programme are managing the networks on an interim basis until the MSE is in place.

### **Metropolitan Area Networks (MANs) – Phase III**

A further thirty larger towns were not included in previous phases. Those towns may be considered for a further phase (Phase III) of the programme. A VFM review is currently being completed on Phase I. The conclusions of this study (to be completed by year end) may influence the decision on whether or not to proceed with the third phase.

### **National Broadband Scheme (NBS)**

Despite Government and private investment in broadband it is recognised that there remain areas of the country where the private sector is unable to justify the commercial provision of broadband connectivity. A new National Broadband Scheme will target the last 10% or so of the population who are without a broadband service and who would remain without a service without intervention. This Scheme will, when it is fully rolled out, ensure that all reasonable requests for broadband from houses and premises in unserved and rural areas are met. A Steering Committee was set up in late 2006 to consider all the elements of the proposed scheme. The Department issued a Contract Notice on the 2 May 2007 initiating the procurement process. A press conference was held that day announcing the commencement of the procurement process by which a Service Provider (or consortium of service providers) will be chosen to provide an operational service.

The competition for the award of the NBS Contract will take the form of a competitive dialogue procedure as set out in the European Communities (Award of Public Authorities' Contracts) Regulations 2006. It is anticipated that during the competitive dialogue process, various key issues (such as the technological means to be employed to address the DCMNR's requirements for the NBS Contract and the level of required funding to be made available under the NBS Contract) will be discussed with candidates. A full statement of the DCMNR's requirements for the NBS Contract and the matters to be discussed with candidates during the competitive

dialogue process will be set out in the Invitation to Participate in Competitive Dialogue and ancillary documents. The estimated timescale for the award of the NBS contract is December 2007.

### **Next Generation Networks**

The development of a world class telecommunications sector is essential to Ireland's continuing economic and social prosperity. It is considered that the migration to and development of Next Generation Networks (NGNs) will provide the necessary platform for the telecommunications sector going forward. To help achieve the progression to Next Generation Networks (NGNs) the Minister has announced his intention to establish a National Advisory Forum. The Forum will, by the end of the year, provide the Minister with a blueprint for facilitating the development of a NGNs in Ireland. Details concerning the Forum are currently being considered by the Department. A Working Group has been established to prepare a draft report for consideration by the Forum.

### **North / South Issues**

As part of the National Development Plan the Government is working with the Northern Ireland authorities to ensure a better telecommunications infrastructure for the whole island. Working in tandem, the two Governments can stimulate competition and investment in telecoms on the island. A number of projects in the telecoms sector in the border area have been implemented under the EU funded INTERREG III Cross Border Cooperation Programme 2000-2006 in collaboration with the Dept. of Enterprise, Trade and Investment in Belfast, which is responsible for telecommunications. These have included establishing a cross border network of fibre and duct between Dublin and Belfast, a digital corridor between Armagh and Monaghan, the creation of high speed cross border networks between third level institutions in the North-West of Ireland, and a broadband awareness campaign which was promoted on both sides of the border.

For the new INTERREG IV Programme 2007-2013, the Dept of Enterprise, Trade and Investment in Belfast has proposed a major international telecoms project which would connect Northern Ireland directly with a submarine cable going to North America. This would greatly improve its international telecoms infrastructure and would absorb most of the INTERREG IV funding available for the telecoms sector. Smaller projects to improve cross border telecoms networks may also be developed where possible.

### **Digital Hub & National Digital Research Centre**

A policy objective of the Division is to aid the development of the digital media industry through the Digital Hub Development Agency (the Hub). The Hub's key objective is to create a vibrant cluster of digital media content related enterprises. The Division also oversees the development of digital media research and the commercialisation of intellectual property by the National Digital Research Centre.



### **Medium to Longer Term Issues**

- Completion of the MANs in 90 towns by 2008
- Secure a managed services entity to manage, market, maintain and operate the Phase II MANs
- Manage the tender process for the National Broadband Scheme – Tender competition announced in May 2007. The aim is to award the contract in December 2007. Service roll out should take 18 months to complete.
- Develop a policy and regulatory framework to deliver Next Generation Networks (NGNs)
- Continue to manage exchequer and EU funding in relation to telecommunications measures under the NDP 2007-2013 and EU structural funds for the same period.

## ***Communications (Regulatory and Postal) Division***

***Head of Division: Patricia Cronin, Principal Officer***

### **Functions of Communications (Regulation and Postal) Division.**

#### **Communications Regulation**

- Development of effective policies for the regulation of the electronic communications sector and management of the radio frequency spectrum. Responsibility for the implementation of aforementioned policies rests with the Commission for Communications Regulation (ComReg), an independent body under the aegis of the Department.
- Development of Ireland's position in relation to regulatory issues in EU and other international fora.

#### **Sectoral Profile**

##### **Electronic Communications**

The telecoms sector in Ireland is divided into fixed and mobile communications. The fixed line sector is dominated by eircom (owned by Babcock and Brown, an Australian venture capital firm and an employee ESOP). eircom also owns Meteor the fastest growing mobile phone company. In the mobile sector Vodafone and O2 are the dominant players with 3, a new entrant in the 3G market.

eircom dominates the broadband market with roughly 48% of the total broadband market of over half a million broadband connections (517, 300 connections at end 2006 – of which 73% are residential users and 27% are business subscribers). The balance is made up by wireless broadband suppliers such as Irish Broadband and Digiweb and also by the cable operator UPC (NTL/Chorus). Mobile broadband is available over 3G networks. This is, in the main, geared to business customers. The one common element among all the large telecoms providers here is that they are either subsidiaries of large multinationals, e.g. Vodafone and O2 or are owned by foreign entities as in the case of eircom.

The next few years will deliver dynamic changes in the communications sector. Significant drivers of change in the sector will include advances in existing technologies and development of new technologies, role of market players and changes in consumer expectations. Key developments on the technology front will include the deployment of fibre based Next Generation Networks (NGN), increasing use of wireless technologies for broadband and the role of 3G networks. Another significant development is the move to the Internet Protocol (IP) standard for transmission of voice and data. Rollout of these new technologies and standards will vastly increase the ubiquity of broadband and increase the bandwidth available to both business and residential consumers which will lead to the creation and availability of richer content in terms of eLearning, entertainment and eGovernment. At the same

time, convergence between fixed and mobile technologies and availability of content over many networks will substantially change service delivery models.

The drivers of most of these changes will arise, in part from international developments and from investments by private sector players in the Irish communications market. Government has a role in adopting the correct regulatory approach to facilitate the rollout of new technologies and the provision of new services. In addition, where it is clear that market failure exists in the communications sector in terms of access to affordable broadband, more direct Government intervention will be required.

An example of convergence is that NTL now offer packages incorporating TV and telephone packages for a fixed monthly fee. In addition to offering mobile services using Meteor, eircom is now offering mobile packages to business under the eircom brand name.

ComReg's latest market report dated 27 March 2007 in respect of the quarter ended 31 December 2006 notes:

- Total revenues for fixed, mobile and broadcasting markets now stands at an estimated €4.28 billion per annum on an annualised basis.
- Overall revenues for the fixed, mobile and broadcasting sectors have increased by 12% since the same quarter last year.
- Mobile penetration rate stands at 111% with 4.7 million subscribers of which 75% are pre-paid subscribers.
- There are approximately 1.04 million cable/MMDS and satellite digital subscribers. Digital households represent almost 72% of all households with a television.
- There were almost 1.036 million active internet subscribers at end Q4, 2006
- There were 517,3000 broadband subscribers at end Q4, 2006. This represents a growth of 91% over the last 12 months.

### **Regulatory Framework**

The regulatory framework for telecoms is mainly set out in the Communications Regulation Act of 2002, and a series of Telecoms Directives which were transposed into Irish law by statutory instrument in 2003. The telecoms framework is based on principles of competition law and economics whereby the sector has been divided into a series of fixed and mobile markets and, using competition tools, the regulator must determine whether a market is competitive or whether one or more operator has significant market power. Where a determination of market power is made, the regulator is obliged to impose remedies to ensure that the dominant operator does not abuse a dominant position. eircom has been found to be dominant in the fixed line market and arising from this a number of remedies have been imposed on the company.

One of the most significant obligations on eircom, is the requirement to open the local loop i.e., that part of the network between the home/ premises of the consumer and the local exchange to competitors. In other European countries this has been a key driver of broadband. Despite the legal obligation to do so, until recently, eircom has successfully resisted all efforts by the Regulator to require it to open its network to

competitors. For a variety of reasons, this has now changed and eircom has agreed to implement LLU by September.

eircom is designated as the Universal Service provider. This designation obliges eircom to satisfy any reasonable request for service in relation to connections and access to public telephone network and telephone services, and functional Internet access. Broadband connections are not included in the Universal Service requirements.

### **Communications Regulation (Amendment) Act, 2007**

The powers of ComReg have been substantially strengthened by the enactment of the Communications Regulation (Amendment) Act, 2007 in April, 2007. This Act provides for the creation of new summary, indictable and continuing offences by way of secondary legislation (SIs) for breaches by operators of obligations imposed by ComReg. A range of penalties is provided for, from relatively minor penalties for minor infringements to more serious penalties of up to €5 million or 10% of turnover where companies commit serious violations of the regulatory framework. The aforementioned SIs are to be executed in June, 2007.

The Act also confers on ComReg competition law powers, similar to those of the Competition Authority, which will allow it to investigate and prosecute anti-competitive behaviour or abuse of dominance in the electronic communications sector.

The Act also provides ComReg with increased information gathering powers and the power to investigate overcharging of customers.

In addition, the Act provides for the establishment of an emergency call handling service and the regulation by ComReg of the .ie domain name.

### **Electronic Communications Appeals Panel**

The Electronic Communications Appeals Panel (ECAP) was established in 2004 under the Framework Regulations 2003. The purpose of ECAP was to hear appeals against ComReg decisions in a timely and cost effective manner. ECAP proved a disappointment in terms of time and costs and following a cost benefit analysis of same and other alternatives it was decided to abolish ECAP and provide for appeals against ComReg decisions to be heard and determined in the High Court. This has been done by way of an amendment to the Framework Regulations 2003.

### **Next Generation Networks**

The most significant development on the horizon is the development of Next Generation Networks which have to capacity to offer very high bandwidth services to consumers. Lead companies in this area include BT in the UK, KPN in the Netherlands and Deutsche Telecom in Germany. eircom has announced plans for an NGN in Ireland. As of now however, neither the extent of the network or the timing of the rollout is clear. UPC is also upgrading its cable network to offer high speed broadband.

It appears that NGNs will be the driving force in telecoms investment and infrastructure in the coming years. ComReg has established an industry group to look

at the main issues in this area. In addition, an NGN Working Group has been established within the Department to produce a draft policy paper which will review current communications infrastructure development policy and develop key policy goals in relation to NGNs. The previous Minister announced his intention to establish a National Advisory Forum which, by the end of the year, will provide the Minister with a blueprint for facilitating the development of NGNs in Ireland. Details concerning the Forum are currently being considered by the Department.

### **Roaming**

A Regulation on mobile phone roaming charges has been agreed at EU level. Ireland strongly supported the bringing forward of this Regulation.

### **Key Immediate Issues**

- Policy Paper on Next Generation Networks

### **Medium to Longer Term Issues**

#### **DCMNR Working Group on Spectrum Policy**

Radio Spectrum is a key enabler to support the achievement of broad economic, social, cultural and emergency service objectives. Its use cuts across a number of sectors including, communications, broadcasting, public safety, R&D etc.

Spectrum Policy is primarily set out in the Wireless Telegraphy Act 1926 with changes in policy reflected in amendments to legislative provisions enacted since then. Our legislative framework also incorporates EU requirements on spectrum. Finally, we are also obliged to abide by other international obligations in this area: this involves ensuring that spectrum policy is aligned with international obligations in regard to frequency allocation and that spectrum policy is compatible with EU obligations.

The environment in regard to radio spectrum has changed significantly since the 1926 legislation was enacted and for this reason it is now timely to review spectrum policy. The purpose of the Working Group is to set out broad principles on spectrum policy which could provide the core of proposed new Radio Communications legislation.

### **Convergence**

General convergence is taking place in the telecommunications/ broadcasting sector. Companies are developing new business models where voice, data and video services are converged e.g. a cable company will be capable of providing telephone, internet and broadcasting services over the same platform/network. Designing an effective regulatory framework in such a dynamic sector is challenging.

### **EU Review of the Regulatory Framework**

The current regulatory framework, which was only transposed in Ireland in 2003 (and later in some other Member States) is currently under review. The EU Commission published proposals for change in 2006 on which the Department submitted view in October, 2006. In the main, we supported the proposals and the main issues of interest to the Department included the proposals re:

- Spectrum; Enforcement; Appeals; Consumer Protection and Universal Service; and Network Security.

Proposals for the revision of the Directives constituting the regulatory framework for the sector are expected later this year with the revised framework expected to be implemented in Member States around 2009-2010.

### **Review of the Scope of Universal Service Obligations**

Separate to the Review of the Regulatory Framework, the EU Commission proposes to publish a Green paper on universal service later this year to launch a wide ranging debate on the issue. Following a European Commission consultation on Universal Service in May 2005, it was felt that a fundamental reflection on the role and concept of universal service in the 21<sup>st</sup> century might be needed.

### **Agencies**

#### **Commission for Communications Regulation (ComReg)**

Commissioners (up to 3 with a rotating chair)

Mike Byrne, Chairperson

John Doherty

Vacancy (interviews scheduled early July)

### **Key Industry/Stakeholder Groups**

IBEC/TIF (Telecommunications Industry Federation)

ALTO (Association of Licenced Telecoms Operators)

Authorised Electronic Communications Companies

### **Postal Sector**

#### **Functions of Division**

- Development of an effective policy for the Irish postal sector based on open market principles and in conjunction with EU initiatives
- Corporate Governance in relation to An Post and the Commission for Communications Regulation (ComReg)

#### **Sectoral Profile**

The postal sector in Ireland covers a wide range of services in the communications, distribution, logistics and financial areas. It includes the provision of national and international postal and parcel delivery services. The Commission for Communications Regulation, ComReg, regulates the sector. To date Ireland has

adopted a light regulatory approach to liberalisation so as to encourage and maximise the number of postal operators that enter the market. In addition to An Post, which was established under the Postal and Telecommunications Services Act 1983, there are currently 31 companies with an authorisation from ComReg, operating in the postal sector. Among these are operators such as DHL and Pony Express. Through ownership of logistics firms here European operators such as TNT and Deutsche Post also have a foothold in the Irish market. 80% of all mail is now business generated and An Post and other operators are facing competition from electronic substitution.

An Post provides letter and parcel services and operates a network of post offices. It is the dominant operator in the market, with 9,450 employees and a turnover of €818m in 2006. Ireland has one of largest post office networks in Europe per head of population. An Post is now on an improved financial footing, following losses of nearly €70m between 2001 and 2003. In 2004 and 2005, the company returned to profit. In 2006, the company made a group profit of €75.7m, mainly due to profits from the disposal of assets, but made an operating loss of €5.3m in 2006, having paid €20m in back money in respect of Sustaining Progress pay increases. [REDACTED] and postal volumes are holding up well.

## **Key Immediate Issues**

### **Liberalisation**

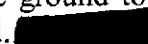
Liberalisation has been on the European agenda since 1992 and has been phased in since 2000. The postal market is now partially liberalised and only letter items weighing 50g or less remain part of An Post's reserved/monopoly area. The European Commission has published a 3<sup>rd</sup> Postal Directive which proposes that the market should be fully liberalised from 1 January 2009. The draft directive also proposes that the universal service obligation be maintained at current levels. The directive is currently being discussed at Parliament and Council. On the basis that postal markets would be fully open to competition in 2009, the Government noted that the Irish market would become fully liberalised at that time. This was done, however, in the context that the proposed Directive would set 2009 as the date for liberalisation across the EU.

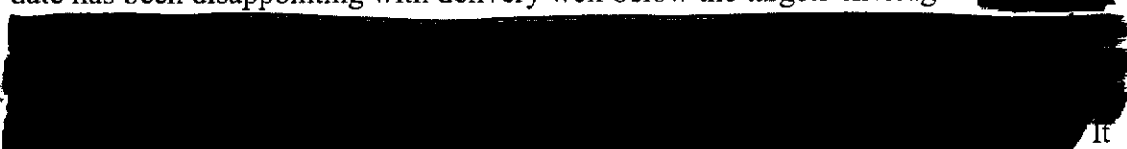
However, there has been significant debate at Council and Parliament surrounding the date of liberalisation and the funding of the Universal Service Obligation and it is likely that a compromise date will be proposed. This was discussed informally at the Telecoms Council meeting on 7 June. [REDACTED]

It is anticipated that with full market opening, more operators will enter the more profitable end of the Irish market. An Post is currently undergoing a restructuring process in order to prepare for challenges such as liberalisation and ongoing electronic substitution. In an EU-wide survey commissioned by the European Commission, Ireland was placed in the category where competition is thought least likely to develop. It is also unlikely that end-to-end competition to An Post will emerge, as the study found that competition in the domestic universal service area will be difficult to develop.



### **Industrial Relations and Change Agreements**

The An Post industrial relations environment has been characterised by agreement to and payment for changed work practices, but little delivery on the ground. Impending liberalisation and the threat posed by electronic substitution make modernisation of work practices crucial, particularly on the mails side. After 2 years of difficult negotiations, a change programme for An Post letter-post operators was agreed in January 2006, between An Post management and the Communications Workers Union (CWU), which represents the bulk of An Post employees. In return for changes in work practices, an overall increase of 12.5% was agreed. Payment of each phase is contingent on delivery and verification of change. Phase 1 of the agreement, which was dependant on the union signing up to the deal, has been paid. The CWU is now seeking payment of the next phase. However, delivery of change on the ground to date has been disappointing with delivery well below the targets envisaged. 



It should be noted that the company has a poor track record when it comes to implementing agreements of this nature. The impact of this will be felt in 2008.

### **Post Office Network**

The post office network is made up of 1518 post offices, 76% of which are automated/computerised<sup>4</sup>. As it stands, the automated offices carry out approximately 95% of the network's business. The majority of post offices are operated by contractors rather than by An Post directly and these contractors are represented by the Irish Postmasters Union (IPU). A significant number of post offices, particularly those which are not automated, are not commercially viable, a problem acknowledged by the IPU. The network therefore is not sustainable at its current size. An agreement on remuneration, severance and other issues was recently reached between An Post management and the IPU. This was in the context of recommendations made by Eamonn Ryan, a former senior manager in An Post, appointed as facilitator between the IPU and An Post. Under the agreement, a 10% increase (c€6m per year), backdated to July 2006 (backmonies amounted to €7m), was paid out in April. Also agreed was an enhanced severance package of up to €20m.

### **Joint Financial Services Venture**

A joint financial services venture between An Post and Belgian bank, Fortis, was launched in May 2007. It is planned to develop a full online banking service, following the installation of the bank's new technology platform. This will facilitate greater EFT (Electronic fund transfer) functionality in terms of payment methods for social welfare and other payments. Ideally, 'Postbank' will attract additional business to the post office network and help boost postmaster incomes.

### **DSFA Contract**

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<sup>4</sup> Figures as at end April 2007. Figures for end May will be available shortly.



In September 2006, the Advocate General at the EU Court of Justice issued her opinion that An Post's social welfare payment contract with DSFA should have been advertised. A final ruling on this is expected in the coming months. Should it be found that the contract must be advertised, public procurement guidelines will apply. DSFA is dealing directly with this issue.

### **Quality of Service**

ComReg is responsible for monitoring quality of service and may issue directions to An Post in this regard. Next day delivery levels are unsatisfactory and remain well short of ComReg's target of 94%. Results for 2006 found next day delivery levels to be 72%, down 1% on 2005. An Post is committed to achieving 80% by the end of the year. Future price increases will be linked to quality of service and a high standard of service will be necessary if An Post is to be the operator of choice in an open market.

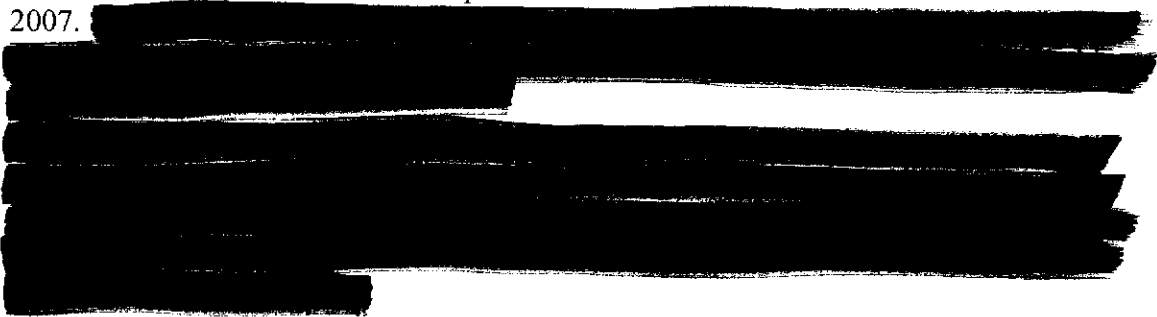
The Communications Regulation (Amendment) Act 2007 gives the Minister the authority to make regulations empowering ComReg to apply to the High Court for the application of a financial penalty to An Post, in its role as universal service provider, in the event that An Post fails to comply with a direction issued by ComReg. Under the existing regulations ComReg may issue directions to An Post but no penalty may be applied if An Post fails to comply with such a direction.

### **Postcodes**

A memo was submitted to Government in May seeking approval for the implementation of a postcode system. The decision arising was that the Minister would revert to Government following further analysis to quantify the benefits, which would then be followed by a public consultation process.

### **Moriarty Tribunal**

The Moriarty Tribunal was established in 1997 to investigate payments to Messrs Charles Haughey and Michael Lowry. Under the tribunal's terms of reference, extensive enquiries, both private and public have been carried out into the circumstances surrounding the granting of the 2<sup>nd</sup> mobile phone licence (GSM) to Esat Digifone. The public sittings have been on-going on an intermittent basis from December 2002, finishing with Michael Lowry's evidence on 13<sup>th</sup> December 2005. From this date the Tribunal dealt with a number of other matters that did not directly concern this Department and completed the Doncaster Rovers module on 7<sup>th</sup> June 2007.



This Department is also a defendant to proceedings issued by two of the losing consortia in the GSM licensing process, namely Persona and Comcast. Judgement

was delivered on 13<sup>th</sup> June on motions brought on behalf of this Department to have both set of proceedings struck out for want of prosecution. The Department was successful in these motions and the proceedings were dismissed in court on 13 June. It is likely that this ruling will be appealed.

## **Medium to Longer Term Issues**

### **Continued Viability of An Post**

With the approach of liberalisation, it will be important for An Post to ensure it is in a position to compete effectively with new market entrants. Successful implementation of the change programmes, which are projected to deliver savings [REDACTED] is vital. The company has a very high cost base and any change in the underlying fundamentals could leave the company exposed.

As part of the recently launched *Postbank*, it is planned to develop an online banking service. This will facilitate greater EFT functionality in terms of payment methods for social welfare and other payments.

### **Employee Share Ownership Scheme (ESOP)**

A proposal for an ESOP was put forward in 2000 and has been raised occasionally by the An Post unions. However, the targets set out under various change agreements have not been delivered and the matter has not been progressed. The Department has proposed to the Minister that the matter now be reviewed.

### **Development of Competition/Regulatory Framework**

If liberalisation is introduced, the existing regulatory framework may need to be amended to facilitate the development of competition. Under the existing framework, An Post may only increase prices in the reserved area with the concurrence of ComReg. Consideration will need to be given to ComReg's role in respect of pricing in the absence of a reserved area and in respect of monitoring An Post's quality of service.

Other issues to be considered in this context include cherry picking by new market entrants, funding the USO (if established as a burden) and access to the existing postal network (downstream access).

## **Agencies**

### **An Post**

Margaret McGinley, Chairperson

Donal Connell, Chief Executive

## ***Communications (Business and Technology) Division***

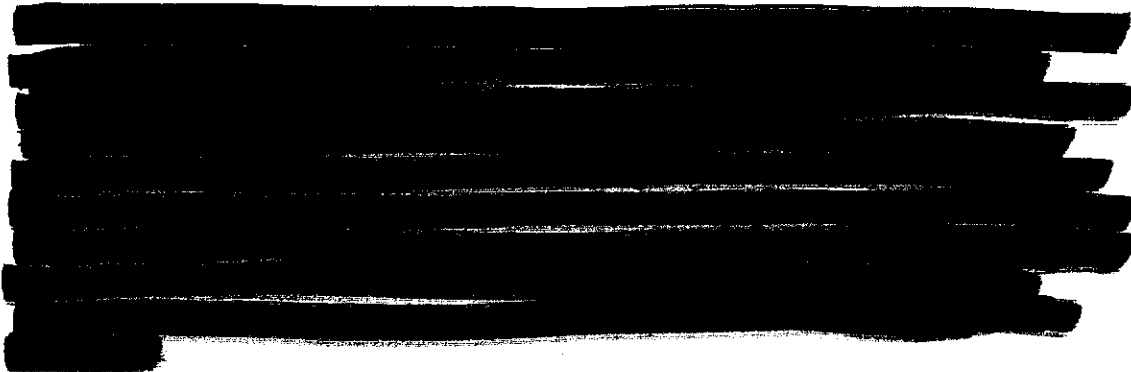
***Head of Division: Roger O'Connor, Director***

### **Functions of Division**

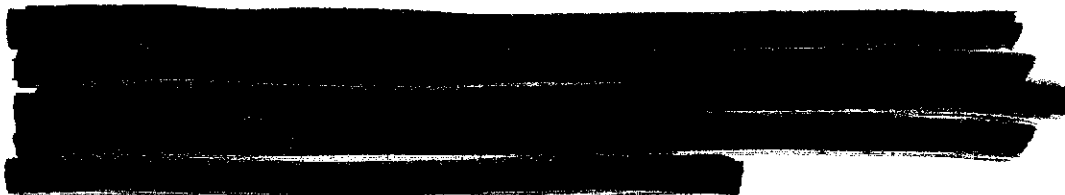
- To create policy and legislation governing new technologies and new uses for existing technologies
- To create policy and legislation governing the use of the radio spectrum
- To create policy and legislation governing the use of internet nationally and internationally
- To create in-house expertise on all aspects of communications technology and business issues.

### **Major Current Issues**

#### **Emergency Call Answering Service**



#### **Emergency Planning**



#### **Make IT Secure campaign**

The Department has organised three previous campaigns to promote the safe use of the internet. Another campaign is planned for Autumn 2007. The Department has secured public funding for the campaign of the order of €1m with matched private sector funding of around €200k. The campaign is supported by some of the leading players in both IT and telecommunications. The campaign has a high media exposure component.

#### **Wireless Telegraphy Act**

The current Wireless Telegraphy Legislation is based on the 1926 Act. The Division is reviewing the Act and will be proposing a new radiocommunications bill. This will

allow for either spectrum licensing or apparatus licensing and will ensure there is less command and control and more market focus.

### **Spectrum Policy**

Review and update radio spectrum policy so that it reflects changing technological developments and maximises the value and contribution of spectrum to the development and delivery of economic, social, cultural and emergency services.

### **Network Security**


The Department is participate at European level in the work of the European Network Security Agency (ENISA). As part of a harmonised EU approach Ireland conducts campaigns to raise the awareness of Network Security issues at Consumer level.

### **Trials of Broadband telecommunications access and applications**

The Division promotes the trialling of various technologies for broadband access. Previous trials include Wireless Local Area Networks (WLANs) for broadband access in the local loop, the use of satellite-based broadband access to internet, for remote

### **Science & Technology Policy**

The Business & Technology Division develops Science & Technology Policy. We participate in the Royal Irish Academy committee on Communications and Radio Science.



Some key policy areas areas addressed to-date include:

1. Chairing workshops on emerging technology platforms for the future as input to the European Research Area High Level Steering Group (Forfas) and the Inter-Departmental Committee on Science & Technology Policy.
2. Making the case and supporting the call for Ireland to become a member of CERN (European Organisation for Nuclear (Particle Physics) Research).

locations and the development of a large number of e-commerce projects to stimulate investment in the applications needed for business to go online.

### **Shorter Term Major Issues (1-2 years)**

Internet Governance: the development of new models to facilitate the growth of internet in a global environment while addressing the need for clarity in relation to rights, powers, administration, representation, legislation, trade, regulation, competition, geographical diversity, language diversity etc; while also addressing the needs of developing countries.

Voice over IP as a watershed in the provision of communications services in the Irish market; the impact on incumbents; increased competition; regulatory issues.

## **Science & Technology Policy**



### **Medium Term Issues**

Internet Governance: monitoring the development of new models to facilitate the growth of internet in a global environment while addressing the need for clarity in relation to rights, powers, administration, representation, legislation, trade, regulation, competition, geographical diversity, language diversity etc; while also addressing the needs of developing countries.

Assessing Voice over IP (VOIP) as a watershed in the provision of communications services in the Irish market; the impact on incumbents; increased competition; regulatory issues.

## **Energy**

### **Introduction**

1. Ireland is a small energy market in European and global terms and relatively separate from other systems. Inherent structural characteristics of the energy market means that Ireland faces additional energy costs compared to other EU countries (lack of indigenous fuel sources, high import dependency of fossil fuels, lack of interconnection with other markets and small market size). Significant investment in electricity networks, and in energy infrastructure generally, has been occurring in parallel with, and driven by, recent high levels of economic growth. There will a continuing requirement for significant energy infrastructural investment and, this requirement will, in turn, adds to overall costs.
2. Electricity demand is forecast to grow at about 4% per annum between now and 2013. The generation margin is tight and security of supply is being maintained through a combination of demand management, imports from Northern Ireland and additional peaking capacity. Additional generating capacity is already planned to come on stream in 2009 through separate additional generating stations built by ESB and by BGE.
3. Energy policy in Ireland has three main goals or pillars – maintaining secure energy supplies, supporting economic growth and competitiveness and ensuring that energy supply and use is environmentally sustainable. There can be tensions between these core objectives, particularly in the context of the challenge of climate change and the resultant pressure on fossil fuel usage in energy generation.
4. In terms of influences on the content of Irish energy policy, much of the agenda, especially on market reform and liberalisation, deregulation and sustainability (both energy efficiency and the use of renewables) is driven by our membership of the EU. Ireland is also a member of the International Energy Agency (IEA), an autonomous body set up in 1974 within the framework of the OECD with a remit to implement an international energy programme, with a core focus on security of supply, in particular oil. The IEA has just recently conducted an in-depth review of Ireland's energy policy, with the final report due to be published on 3 July..

5. The Energy White Paper published in March 2007 sets out a comprehensive range of strategic policy goals, actions and targets for the energy sector out to 2020. These policy goals, actions and targets are grouped under the three pillars of security, sustainability and competitiveness. As well as addressing the longer term broad spectrum of issues in the energy sector, the White Paper includes immediate term actions designed specifically to improve security and continuity of supply, to improve the structure of the electricity sector to encourage new market entry and to address the issue of costs through changes to network charges.
6. On the security of energy supply, the White Paper sets out actions for gas, electricity, fuel diversity, hydrocarbon exploration and production and emergency/crisis planning. Particular priority is given to ensuring that electricity supply continues to meet growing demand. There are actions under the sustainability pillar designed to increase the contribution of renewables to energy supply and consumption. These targets also assist with fuel diversity and therefore enhance security. In the area of fossil fuels, diversifying gas supply into LNG and using clean coal technology are also essential components of a diverse overall fuel supply for the long term.
7. On the sustainability question, the White Paper contains actions and targets designed to increase the contribution of renewables to energy consumption, with specific targets for heat, built environment and transport and for increasing the contribution of ocean, Combined Heat and Power and biofuels. Addressing energy efficiency is also an important part of the sustainability pillar by increasing energy consumer consciousness with a view towards behavioural change.
8. The White Paper contains actions and targets on the competitiveness front, mainly the reform of the electricity market in a number of ways, to encourage involvement by more players. Among the key elements are the CER-ESB Agreement, the landbank of ESB owned sites, the transfer of the ownership of the transmission assets from the ESB Group to EirGrid and the distribution networks business, which is a natural monopoly, to be operated under a risk-related rate of return. Other areas addressed here are fuel poverty and the promotion of Irish energy enterprise.

#### *All-Island Energy Developments*

9. Political commitment to the development of the energy market on an all-island basis remains firm with the shared objective of delivering mutual benefits for the economies and consumers North and South.
10. Legislation has been passed in both the Oireachtas and the UK Parliament to underpin the establishment of the Single Electricity Market (SEM), which will contribute to a secure energy supply at competitive cost. The SEM is due to come into operation in November 2007 and should progressively deliver a robust integrated infrastructure and more competitive energy prices for business and all customers North and South.
11. Major investment currently underway in electricity networks upgrading will ensure that electricity infrastructure provides a sound basis for economic and industrial development. The electricity interconnector with Northern Ireland is a

valuable asset, providing system support and the capacity to trade electricity across the border. Further electricity interconnection, North/South by 2011 and East/West by 2012, will support the development of a regional electricity market with the UK and North West Europe.

**Department's Corporate Governance role**

12. Within the Energy area the Department is responsible for a number of the State's largest and most important commercial State companies, non-commercial bodies and the Commission for Energy Regulation.
13. The Department is committed to building and maintaining strong and effective Corporate Governance structures in the bodies for which we have responsibility. The enhancement of these standards and procedures will greatly benefit the transparency and accountability aspects of our relationships with these organisations.
14. Increasingly our State companies are operating in highly competitive environments where high levels of business/commercial expertise and strategic vision are required at both management and board level. In addition, modern corporate governance best practice requires boards to have a diverse range of skills and qualifications available among its members (e.g. at least one accountant in order to have a qualified person chair the Internal Audit sub-committee).

The main areas of responsibility of each of the Energy Divisions together with key immediate issues and medium to longer term issues are set out in the following pages.



## ***Key Immediate/Priority Issues***

### **Security of Electricity Supply**

Security of supply in relation to electricity in Ireland is the statutory responsibility of the independent Regulator, the Commission for Energy Regulation (CER). The independent Transmission System Operator (TSO), EirGrid, monitors the adequacy of generation capacity over time and reports to the CER accordingly.

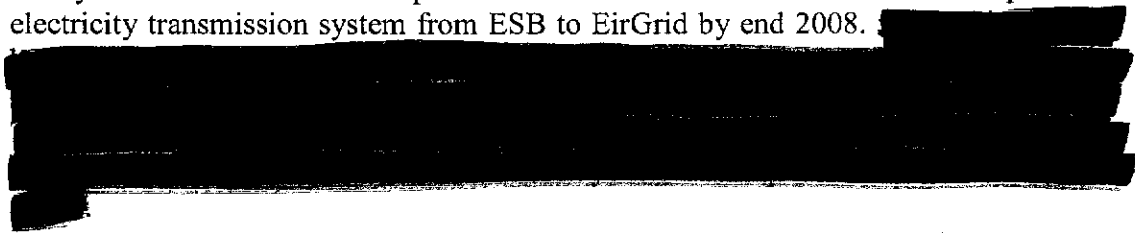
With regard to existing generation capacity, the most recent advice from CER and EirGrid is that there is sufficient generating capacity, both installed and planned, on the system to meet the predicted demand from 2007 to 2010. Given the fact however that 1300MW of existing aging plant is expected to be closed by 2011, there will be a need for additional capacity by that time.

### **Single Electricity Market (SEM)**

The all-island single wholesale electricity market will be established by 1 November 2007 and the necessary legislation was enacted by the Oireachtas and Westminster in March. The two regulatory authorities, the CER and NIAER, are now finalising the remaining elements to ensure a fully operational market. A 'go-active' phase will begin on 3 July and this will include market trials to allow all market participants to ensure that their systems are ready for the 'go-live' date of 1 November 2007.

### **Transfer of Ownership of Transmission Assets from ESB to EirGrid**

A key feature of the White Paper was the decision to transfer the ownership of the electricity transmission system from ESB to EirGrid by end 2008.



### **Priority Legislation for Eirgrid**



### **CER-ESB Asset Strategy**

On 29 November 2006, the CER and ESB agreed a strategy to reduce ESB's dominant position in the power generation market to below 40% by 2010. The agreement provides for the sale/divestment of approximately 1500MW of ESB generation capacity and, in particular, the making available of ESB 'brown-field' sites for the development of new generation by independent players. A number of key aspects of the agreement need to be delivered by 30 June 2007, including the sale of

108MW of 'peaking' capacity and the putting on the market of the Shannonbridge and Lanesboro sites.

[REDACTED]

**All-Island Gas Storage and LNG Study**

Jointly commissioned and funded North/South study is scheduled for completion by late August / early September. Results of the Study will then be presented to the All-Island Joint Steering Group, and policy recommendations (incl. North / South implications) to be developed on the basis of the study's results for subsequent presentation to Governments. Critical aspects of the study centre on security of supply and our heavy reliance on gas imports via undersea pipeline from the UK.

**Infringement Proceedings**

In December 2006, the Department received Reasoned Opinions from the EU Commission with respect to alleged failure by Ireland to comply with certain provisions of the Electricity and Gas Directives. Similar letters were issued by the Commission to 16 other Member States. Ireland was invited to take the necessary measures to comply with the Reasoned Opinions by 15 February 2007. Responses setting out Ireland's views and intentions in relation to the issues raised in the Reasoned Opinions were submitted to the Commission on the 15 February in compliance with deadline requirements. A decision is expected from the Commission before the end of June. If the Commission rules that Ireland is not in compliance it may bring the Case before the European Court of Justice (ECJ). If the ECJ finds against Ireland it may impose a lump sum or penalty payment on the State. The Department is fully engaged with the Attorney General's Office and the CER on the issues.

**Full Commencement of NORA legislation/ Increase in NORA Levy**

The National Oil Reserves Agency Act was signed in March. Parts 1 and 2 of the Act have since been commenced by way of Ministerial Orders (April 2007). Three further Ministerial Orders need to be executed to give full effect to the legislation, [REDACTED]

[REDACTED]

**Energy Efficiency Action Plan**

The Government committed in its White Paper on Energy to the publication of a National Energy Efficiency Action Plan by June 2007. There is also a National report due under the EU Energy Services Directive. This action plan will set out how the Government proposes to achieve the 9% energy efficiency saving by 2016 required by the Directive and to achieve the more ambitious 20% National indicative target saving by 2020. The Action Plan is currently being finalised.

#### **Biofuels**

The White Paper established a target of 5.75% market penetration of biofuels by 2010 to be achieved through a biofuels obligation introduced in 2009. A target of 10% has been set for 2020. A formal consultation on the obligation will be issued in 2007.

#### **Launch of IEA In-Depth Review of Ireland's Energy Policy (July 2007)**

The IEA Executive Director will visit Dublin to present the Minister with its report on the outcome of its review of Ireland's energy policy. Associated press coverage and general high profile of this event is planned.

#### **Energy research policy, programmes and strategy**

Key immediate tasks in energy research policy include finalisation of the award of grants under Charles Parsons II (the scheme of grants for the development of energy research capability and infrastructure) by September 2007. The Irish Energy Research Council is beginning work on the multi annual Energy Research Strategy for completion by end year.

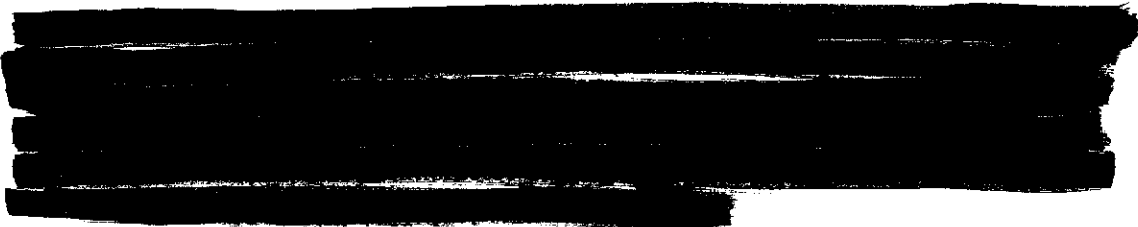
## ***Electricity Corporate Division***

***Head of Division: Éanna Ó Conghaile, Principal Officer***

### **Functions of Division**

Electricity (Corporate) Division's primary function is to ensure representation of the State as shareholder in ESB including, in particular, the effective discharge of the corporate governance role and the facilitation of the Company's future growth and development in a liberalised electricity market.

### **Sectoral Profile**



ESB faces significant challenges in 2007 and beyond, with the CER exercising tight control over allowed revenues and operating costs and fuel prices continuing to rise. Margins are likely to come under increased pressure. The transfer of the transmission asset ownership, and the rationalisation of ESB's powergeneration portfolio pose particular challenges but are fully deliverable.


### **Key Immediate Issues**

#### **Transfer of ownership of transmission assets from ESB to EirGrid**

The Programme for Government confirms the decision to transfer the ownership of the electricity transmission system from ESB to EirGrid by end 2008.

EirGrid, which was formally established as an independent entity on 1 July 2006, already has responsibility for operation of Ireland's electricity transmission system. The continued ownership of the transmission assets by ESB is a barrier to market entry by independent players, particularly when seen in the light of ESB's continued dominance of the power generation and electricity supply markets. There is strong support across enterprise and in the energy sector itself (as well as CER, the competition Authority and the National Consumer Agency) for giving EirGrid ownership of the transmission assets to underpin the independence and transparency of transmission. It is a key element in the structural reform of the electricity sector.

The Transmission assets account for approximately 13% of the total value of ESB Group's fixed assets and around 25 staff are involved in the transmission asset ownership function within ESB.

The transfer of the assets between the two State companies will involve a complex range of legal and financial issues and independent specialist consultancy advice will be required to complete the transaction. 

[REDACTED]

There are likely to be significant industrial relations issues arising during the process and the ESB Group of Unions has already voiced its strong opposition to the decision, threatening to ballot for industrial action if any concrete steps are taken to transfer the assets. The legitimate needs and concerns of the Employee Share Ownership Trust (5%) will need to be addressed in the transfer process.

#### **CER-ESB Asset Strategy**

On 29 November 2006, the CER and ESB concluded an agreement aimed at reducing ESB's market share in power generation through the sale/divestment of approximately 1500MW of ESB generation capacity. The agreement will lead to a reduction of ESB's market share of power generation below 40% by 2010.

The CER-ESB agreement also provides for the divestment of ESB power generation sites specifically for the development of new generation by independent players. This includes making Shannonbridge and Lanesboro available immediately, with Shannonbridge serviced with a gas connection, and other lands (with the potential for a 300MW generating unit) available from June 2007. Further sites with a total development potential of 700MW will be brought into play by 2010.

The Governments approval of the development of the new 400MW generating unit at Aghada is inextricably linked to delivery by ESB of the asset agreement.

[REDACTED]

#### **Medium to Longer Term Major Issues**

- On the basis of the CER-ESB Asset Strategy, ESB obtained Government authorisation to construct a new 400MW generating unit at Aghada, Co Cork. Both the CER authorisation and the subsequent Ministerial capital expenditure approval are contingent on the delivery by ESB of the undertakings given in the CER-ESB Strategy Agreement. The Aghada unit is due to come on line in 2010.
- One of the main strategies contained within the ESB Corporate Plan 2007-11 is the increased level of activity to be undertaken by ESB's international business arm, ESBI. At present, ESBI is in the process of developing an 800MW gas-fired power station at Marchwood, near Southampton in the UK. It also has projects at various stages of development in Asturias, Poland and near Port Talbot in Wales.
- In 2005, the CER approved a capital investment programme for the Transmission and Distribution Networks of approximately €2.7bn over the period 2006-2010. This compares with an investment of approximately €3.1bn between 2001-2005. A large element of the focus of the programme will be

on upgrading the urban and rural low voltage networks. The high level of new connections (which reached a record level of 106,000 in 2006) is also expected to continue and require significant resources throughout this period.

**Agency under the aegis of the Division**

**ESB**

The Board of ESB comprises 12 members, including the Chairman and the CEO. There are 4 Worker Director members on the Board and the CEO is an ex-officio member.

*Key Industry/Stakeholder Groups*

ESB

ESB Group of Unions

Department of Finance

## ***North-South Energy Division***

***Head of Division: Éanna Ó Conghaile, Principal Officer***

### **Functions of Division**

North-South Energy Division's primary function is to promote and facilitate the development of an all-island energy market (electricity, gas and renewable energy).

The challenge is to capture the opportunities, opened up by the peace process and the new political landscape in Northern Ireland, for enhanced North – South energy cooperation to mutual benefit.

### **Key Immediate Issues**

#### **Single Wholesale Electricity Market (SEM)**

The establishment of the SEM by 1 November 2007 is a key immediate priority. It will create a wholesale electricity market based on a gross pool system. The necessary legislative framework to underpin the new market has been introduced in both jurisdictions. The Electricity Regulation (Amendment)(Single Electricity Market) Act 2007 was enacted on 5 March 2007. In addition, a non-binding Memorandum of Understanding, setting out the broad parameters of the SEM, was agreed in December 2006 between the two Governments.

The two Regulatory Authorities, North and South, are working jointly with the two Transmission System Operators on the design and build of the new market. This process involves close consultation with industry players.

#### **Dates to note**

- 3 July: SEM “Go-active” date which involves comprehensive testing of the new market systems.
- 1 November: SEM “Go-live” date - commencement of new market

#### **Next Steps**

- Commencement Order(s) for the SEM Act to be made in June
- Appointment of Members of the SEM Committee (the SEM regulatory decision-making body). Process in train. Target date 1 September.
- Regulations under the SEM Act in June.

### **Other Current Issues**

#### **Second North – South Electricity Interconnector**

EirGrid and NIE are investing approximately €180 m in this project. They are presently involved in the planning stage for the construction of the interconnector which will underpin the Single Electricity Market. The link will double the existing

cross-border electricity transfer capacity to over 600MW and will be operational by 2011.

**All-island Grid Study**

A joint Grid Study is underway. This is ground breaking research which addresses the economic and technical issues in accommodating wind and other renewables generation onto the network. It will be completed by September.

**All-island Gas Storage and LNG Study**

A joint study is underway to assess the medium to long-term security of supply on an all-island basis including the scope for a common approach to gas storage and LNG. The study will be completed in August.

**Medium to Longer-Term Major Issues**

**Review of the All-island Energy Market Development Framework.**

The Framework, which was jointly published in November 2004, set out goals and timeframes in a range of areas including electricity, gas, renewable energy, energy efficiency and energy research. The timeframe for a review of the Framework to take account of the significant progress to date and to set new goals for the period 2008-2013, needs to be agreed with DETI.

**Note on Political Background**





## ***Electricity / Gas Regulation Division***

***Head of Division: David Glynn, Principal Officer***

### **Functions of Division**

Electricity / Gas Regulation Division is responsible for the formulation and implementation of policy on the liberalisation and regulation of the electricity and gas markets in the State. It also has responsibility for the formulation of regulatory policy on safety and security of supply for gas and electricity for the State, and for the corporate governance of the Commission for Energy Regulation (CER).

The responsibilities of Electricity / Gas Regulation Division include:

- Devising and implementing regulatory, safety, markets and security of supply policy relating to electricity and gas sectors;
- Ensuring Security of Energy Supply and adequate Emergency Planning;
- Assessing / planning of energy infrastructure enhancements in contexts of security of supply, economic and regional development including the National Spatial Strategy;
- Implementing the legislative and regulatory frameworks for the electricity and gas industries having regard to EU and National requirements and the development of an All-island energy market and new trading arrangements;
- Ensuring focus on high standard of safety in the context of multi-operator environments in electricity and gas;
- Oversight of CER statutory responsibilities and corporate governance;
- Assessment of Public Service Obligations (PSO) proposals relevant to Division and implementation of legislation with relevant EU approvals;
- Advancing Ireland's interests at EU and other international fora.

### **Sectoral Profile**

The EU Electricity and Gas Directives provide the framework for electricity and gas market liberalisation in Ireland. Full opening of the retail electricity market in Ireland occurred on 19 February 2005, ahead of the EU July 2007 deadline. The market is now fully contestable.

Independent electricity suppliers supplied some 46% of the retail market in 2006. These suppliers currently only supply non-domestic customers with ESB Public Electricity Supply supplying all domestic customers. As it stands, there is no appetite within the independent supply sector to offer supply to domestic customers. Independent electricity generators accounted for 44% of total capacity in 2006. There is a commitment in the Energy White Paper to increase this to 60% by 2010.

The gas market is currently open for commercial competitive customers and will become fully open for all natural gas customers on 1 July 2007.

Eirgrid plc. was established as an independent Transmission System Operator on the 1 July 2006 as a completely separate company from ESB. The Programme for

Government confirms the decision to transfer the ownership of the transmission assets from ESB to Eirgrid by end 2008.

### **Key Immediate Issues**

#### **All-Island Gas Storage and LNG Study**

Jointly commissioned and funded North/South study is scheduled for completion by late August / early September. Results of the Study will then be presented to the All-Island Joint Steering Group, and policy recommendations (incl. North / South implications) to be developed on the basis of the study's results for subsequent presentation to Governments. Critical aspects of the study centre on security of supply and our heavy reliance on gas imports via undersea pipeline from the UK.

#### **Legal Unbundling of Bord Gáis**

The Department is liaising with BGE in progressing work on the implementation of the legal unbundling or separation of the Transmission and Distribution businesses from the rest of the BGE group of businesses (in line with Directive 2003/55/EC). This is scheduled for completion by 1 July 2007.

#### **Legal Unbundling of Electricity DSO**

Directive 2003/54/EC (Internal Market in Electricity) requires the legal unbundling or separation of the electricity distribution system operator (DSO) by 1 July 2007. The Division is drafting an SI to arrange for the unbundling of the DSO from ESB.

#### **Gas Market Opening**

Full liberalisation of the natural gas market will take place on 1 July 2007. From that date, the benefits of liberalisation currently enjoyed by industrial and commercial consumers will be extended to all natural gas customers, allowing them to 'shop around' for their supplier, and to obtain the best value for their money. The market will then become fully contestable. Consideration will be given to the cost benefits of further restructuring of BGE following full market opening.

#### **Infringement Proceedings**

In December 2006, the Department received Reasoned Opinions from the EU Commission with respect to alleged failure by Ireland to comply with certain provisions of the Electricity and Gas Directives. Similar letters were issued by the Commission to 16 other Member States. Responses setting out Ireland's views and intentions in relation to the issues raised in the Reasoned Opinions were submitted to the Commission. A decision is expected from the Commission before the end of June. If the Commission rules that Ireland is not in compliance it may bring the Case before the European Court of Justice (ECJ). If the ECJ finds against Ireland it may impose a lump sum or penalty payment on the State. Department is fully engaged with the Attorney General's Office and the CER on the issues.

#### **East / West Interconnector**

In July 2006, the Government approved plans to construct an electricity interconnector with a capacity of 500 megawatts between Ireland and Great Britain at the earliest possible date before 2012. The Government decision provides that the interconnector will be owned by EirGrid. Further legislation is needed to underpin Eirgrid's role as owner/operator of the interconnector.

The Division is also looking at the possibility of securing funding for the project under the EU TENs Programme and the National Development Plan 2007-2013. Meanwhile other key aspects of the development such as sub-sea and environmental planning issues as well as the competition mechanism for construction of the interconnector are being progressed by CER and Eirgrid.

## **Security of Supply**

### *Electricity*

Security of supply in relation to electricity in Ireland is the statutory responsibility of the independent Regulator, the Commission for Energy Regulation (CER). The independent Transmission System Operator (TSO), EirGrid, monitors the adequacy of generation capacity over time and reports to the CER accordingly.

With regard to existing generation capacity, the most recent advice from CER and EirGrid is that there is sufficient generating capacity, both installed and planned, on the system to meet the predicted demand from 2007 to 2010. Given the fact however that 1300MW of existing aging plant is expected to be closed by 2011, there will be a need for additional capacity by that time.

Directive 2005/89/EC concerning measures to safeguard security of electricity supply and infrastructure development comes into force on 24 February 2008. A draft S.I. transposing the provisions of the Directive into Irish Law will be prepared by the Division with a view to ensuring that transposition is completed by that date.

Security of electricity supply has been an on-going concern for Government with a number of Aide-Memoires considered by Cabinet on the issue. Ensuring that capacity meets demand at all times is the key imperative. The outlook for winter 2007/2008 is being finalised by EirGrid and CER and will be subject of submission to Government.

### *Gas*

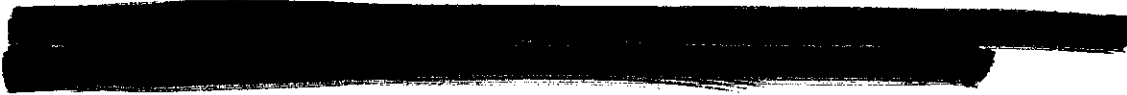
Statutory responsibility for monitoring the security of Ireland's natural gas supply lies with the Commission for Energy Regulation (CER). The most recent advice from the CER is that the existing Irish gas transmission system is sufficient to cope with reasonable expectations of demand, both on the peak and on the minimum day under most conditions for the period 2006 – 2013.

The CER also advises that it is satisfied there is current reasonable certainty over the supplies of imported gas to Ireland, in the context of both gas customers and the power generation sector.

A draft text of an S.I. transposing Directive 2004/67/EC concerning measures to safeguard security of natural gas supply has been lodged with the Office of the Parliamentary Counsel and is expected to be finalised shortly. This S.I. will, inter alia, provide the CER with enhanced powers to ensure through licence conditions that gas market players play an appropriate role in maintaining security of supply.

## **Recruitment of Commissioner & CER Staffing**

A vacancy for the position of Commissioner arose in July 2006 following the resignation of Ms Regina Finn. [REDACTED]



Additional staffing requirements have been identified in the Commission arising from new functions in the safety area (electrical and gas contractors) as set out in the Energy (Miscellaneous Provisions) Act 2006.

### **PSO Orders**

SI 217/2002, as amended, requires ESB Public Electricity Supplier (ESB PES) to purchase electricity from specified sources, including sustainable, renewable and indigenous sources. The additional cost incurred by ESB PES in meeting this obligation is recouped through a PSO levy which is charged on all electricity customers.

There is a requirement to amend the Principal PSO Order to change the levy period to take account of the introduction of the Single Electricity Market and to make a provision for the Tynagh & Aughinish generation contracts. It is important that these amending Orders are signed before the CER Summer tariff consultation periods to allow ESB to offset its costs in the forthcoming tariff period.

### **Gas to the North West**

Identification of policy implications / objectives arising from this feasibility study and cost benefit analysis was completed in May 2007. Submission for Ministerial consideration to follow.

### **Medium to Longer Term Issues**

#### **Electricity & Gas Safety**

The Division is liaising closely with CER with regard to formal regulation of activities of electrical contractors and gas installers for the first time, and associated issues. CER is working with key industrial players and stakeholders to prepare the necessary groundwork prior to commencement of relevant sections of the Energy (Miscellaneous Provisions) Act 2006 by means of Ministerial Order.

#### **Liquid Petroleum Gas (LPG) and Gas Storage**

Review of LPG sector scheduled for Q3/4 of this year, with a view to developing policy in this area. An all-island strategy is envisaged by 2008 for gas storage and Liquid Natural Gas (LNG) facilities in light of the outcome of the all-island study.

#### **Security of Supply**

Specific actions are underway to underpin delivery of a secure and uninterrupted energy supply at a competitive cost.

#### ***Electricity***

Achieving an adequate safety margin between electricity supply and demand will require additional generating plant including flexible plant and significantly higher standards of generating plant availability, as well as more interconnection.

With regard to existing generation capacity, the CER and EirGrid continue to provide assurances that there is sufficient generating capacity, both installed and planned, on

the system to meet the predicted demand in the short term. The CER advises that this is particularly so in light of the addition of almost 550MW of new generation capacity in 2006, (the independent plants at Tynagh and Aughinish), the expected commissioning of a new 400MW plant in Autumn 2007 (Huntstown 2) and the further development of almost 900MW of new plant in the South West by the end of 2009.

The new power plant in Aghada is needed by winter 2009-2010 in order to provide further generation adequacy for the economy and consumers.

Generation adequacy and supply is being kept under consistent collective review by the Department and consultations are ongoing with the CER and EirGrid to ensure progress on all fronts, including the construction of the new East West and North South electricity interconnectors, aimed at ensuring the adequacy of electricity generation in forward years.

### *Gas*

Security of gas supply is a key priority given the increasing importance of gas in Ireland's economy and in particular our power generation mix, and given our high level of import dependence. Natural gas currently fuels around 60% of power generation in Ireland. Over 85% of the gas supply in Ireland is being met by imports via the interconnectors from Scotland, with the remainder coming from indigenous resources. Timeframe for delivery of Corrib gas is currently 2010.

Under the Gas (Interim) Regulation Act 2002, the CER is required to prepare an annual Gas Capacity Statement, which provides a 7-year rolling forecast of capacity, flows and customer demand on Ireland's natural gas system. The forecast also assesses, for a range of possible scenarios, whether projected supplies of gas from indigenous sources, imports and storage, are sufficient to meet forecast demand.

The main conclusions of the 2006 Gas Capacity Statement, which was published by the CER in July 2006 and covers the period 2006 – 2013, are that:

- the existing Irish gas transmission system is sufficient to cope with reasonable expectations of demand, both on the peak and on the minimum day under most conditions for the period of the Statement;
- the timing and availability of indigenous gas supply remains a significant source of uncertainty, particularly with respect to peak day scenarios. This uncertainty may impact certain contractual obligations for BGE Networks, necessitating physical, operational or commercial solutions or a combination of these;
- the Irish market is becoming increasingly affected by changes to the gas markets outside of Ireland which can have an impact on supply security and the ability to develop the Irish transmission system efficiently. The CER recommends that close attention is paid to the developments in the UK regarding the proposed enduring arrangements for exit capacity provision to determine the impact that this may have on Irish security of supply.

CER has been requested to take a strategic "look forward", taking account of EU and global trends, on a 20-year time horizon in its Gas Capacity Statement 2007 – 2014.

This will support enhanced long-term planning to 2020 and beyond for security of gas supply.

### **Prices**

The Commission for Energy Regulation is responsible for the regulation of electricity and gas tariffs, which it reviews on an annual basis. Electricity prices increased on average by 12.6% on 1 January 2007, rather than 19.7% as was announced on 10 October 2006. Gas prices decreased by 10% from 1 February 2007 following the 34% increase on 1 October 2006. BGE have recently signalled that they will be in a position to decrease prices by 10% from 1 October 2007.

Under the Energy Policy Framework and Programme for Government, ESB's distribution network business is to be operated under a risk-related rate of return sufficient to remunerate debt and retain capital to finance network investment requirements up to 2013. The resultant savings, through reduced network tariffs and a lower shareholder dividend from the networks business, will be passed on in full to electricity customers. CER are to revert to Department with fully worked out proposals as soon as possible.

### **Agencies**

#### **Commission for Energy Regulation (CER)**

**Commissioners:** Mr Tom Reeves (Chairperson), Mr Michael Tutty, Vacancy

### **Key Industry/Stakeholder Groups**

Office of the Attorney General

Office of the Parliamentary Counsel

Government Departments including in particular Department of An Taoiseach, Department of the Environment, Heritage and Local Government and Department of Finance

Government Agencies

Oireachtas

Bill's Office

Electricity undertakings

CER

ESB

EirGrid

EU Commission

DETI-Northern Ireland

Northern Ireland Regulator

DTI London.

## ***Gas Corporate, Peat and Oil Supply Division***

***Head of Division: Mary Austin, Principal Officer***

### **Functions of Peat Division**

Peat Division is concerned with –

- the exercise of shareholder and corporate governance functions in relation to Bord na Móna;
- oversight and related of Bord na Mona corporate Strategy including, diversification proposals, consideration of proposals to enter into joint ventures or to establish, acquire or dispose of subsidiary companies,

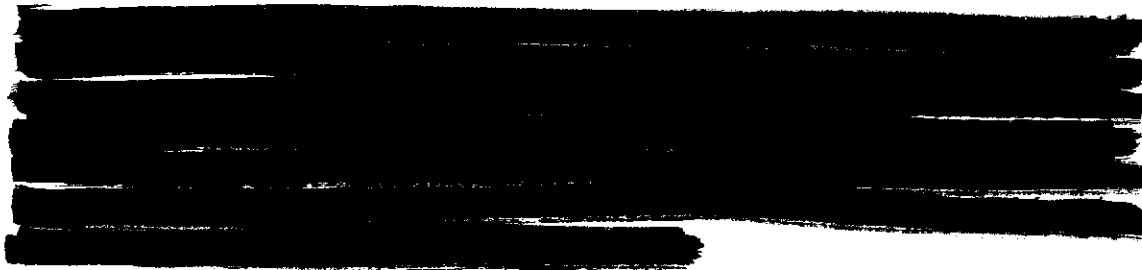
### **Sectoral Profile**

A Public Service Obligation (PSO) Order imposes an obligation on ESB to have available electricity generated from indigenous peat at the three peat-fired power stations (two ESB-owned and one independent plant recently purchased by Bord na Móna). For security of supply reasons, indigenous peat will continue to make a contribution to the energy mix used to generate electricity up to 2019 – underpinned in the PSO Order.

Co-firing power stations with biomass offers identified potential to assist in meeting Government targets of electricity produced from renewable energy sources and a target of 30% by 2015 has been set, in the Programme for Government/Energy Policy Framework.

### **Key Immediate Issues**

***Monitoring of Corporate Strategy:*** The Division will monitor the development of the strategy, particularly peat-fired generation, waste-to-energy and energy from renewable sources such as co-fuelling and wind.



***Co-Fuelling (Biomass):*** Bord na Móna plc intend to use its recently-purchased Edenderry plant to experiment with the use of carbon friendly materials to co-fuel the

station. The co-fuelling will be introduced progressively over the next five years and will include wood and energy crops.

**Drehid:** Bord na Móna is in the process of developing a waste management facility including a composting facility and an engineered landfill at Drehid in north-west Kildare. The facility may also include a waste-to-energy facility.

[REDACTED]

[REDACTED]

[REDACTED]

**Dividends:** Bord na Mona plc paid its first dividend to the State of €3.85 million, on 19 June 2006. [REDACTED]

[REDACTED]

### Medium to Longer Term Issues

15. **Strategy Development Process:** Continuous review and monitoring of Bord na Móna's Strategy development in support of Government energy policy. The main areas of responsibility of each of the Energy Divisions together with key immediate issues and medium to longer term issues are set out in the following pages.

. This includes continued use of peat in the energy mix, waste-to-energy facilities, co-fuelling of existing peat plants with renewable resources, and wind energy.

#### **Agencies under the aegis of the Division:**

**Bord na Móna plc.**

#### **Key Industry/Stakeholder Groups**

Bord na Móna plc  
Edenderry Power Ltd (now a subsidiary of Bord na Móna plc)  
ESB

#### **Oil Supply Division**



*Head of Division: Mary Austin, Principal Officer*

## **Functions of Division**

### **Oil Supply Division is concerned with:-**

- The development and implementation of Ireland's strategic oil supply policy, with particular regard to the areas of contingency planning and Ireland's associated international obligations, in order to ensure an effective system of security of supply at times of physical oil supply disruption.
- The exercise of shareholder functions in relation to the Irish National Petroleum Corporation (INPC) and the National Oil Reserves Agency (NORA).
- Making provision for the future management of certain long-term issues arising from the terms and conditions of the Sale and Purchase Agreement (SPA) concluded between the INPC and Tosco (now ConocoPhillips) in July 2001 and running until 2016.
- Legislative (Primary/Secondary) development as required
- Operation of the NORA Levy (which funds NORA's operations).
- Inputting into the formulation of EU/IEA policy regarding oil stockholding/contingency issues.
- Negotiating new/revised oil stockholding Bilateral Agreements with relevant Government Administrations to facilitate cover for NORA oil stocks held abroad.
- Statistical data on oil stocks, imports, exports and consumption, to satisfy IEA and EU requirements and for national /Departmental use.

## **Sectoral Profile**

Oil remains the dominant energy source in Ireland. In 2005 oil and oil products accounted for some 57% of Ireland's Total Primary Energy Supply (TPES). Oil consumption is expected to increase by approx. 3.2% per annum on average up to 2010 and then reduce to 1.0% annual growth for the next decade<sup>5</sup>.

Ireland's oil market is small (less than 1% of European consumption) and effectively operates as an off-shoot of the UK market. The oil industry – refining, storage, distribution and retail<sup>6</sup> - in Ireland is fully privatised, liberalised and deregulated. Geographically remote, and with no indigenous oil production or pipeline interconnectivity, Ireland relies on sea borne importations, primarily from refineries on the UK west coast.

There is no price control of oil and oil products in Ireland. Ireland is a price taker from the international market.

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<sup>5</sup> ESRI Forecast

<sup>6</sup> Petroleum Affairs Division deals with exploration & production aspects of the oil industry.

16. The main areas of responsibility of each of the Energy Divisions together with key immediate issues and medium to longer term issues are set out in the following pages.

#### Involvement – Oil Industry

The State's involvement with operational aspects of the oil industry ceased with the sale of the business and commercial assets (Whitegate refinery, Cork; Bantry Storage Terminal, Whiddy Island, West Cork) of the Irish National Petroleum Corporation (INPC)<sup>7</sup> to the Tosco Corporation in July 2001 under the terms of a Sale and Purchase Agreement (SPA).

Arising from a subsequent take-over and a merger, the Whitegate and Whiddy facilities are now operating as part of the Conoco Phillips (CP) group who have invested in the assets and grown the businesses substantially.

ConocoPhillips announced in early 2007 their intention to sell the Whitegate Refinery while maintaining the Bantry Storage Terminal. While this is a commercial transaction, there are residual State/Strategic issues to be addressed.

#### State Involvement – National Strategic Oil Stocks

Arising from its membership of both the European Union (EU) and the International Energy Agency (IEA) Ireland has international commitments to maintain reserves of national strategic oil stocks. Since 1995 the National Oil Reserves Agency (NORA) has had responsibility for purchasing oil or entering into contractual "options to buy", together with holding and maintaining these reserves.

NORA acts as an agent of the Minister for Communications, Marine and Natural Resources and is 100% funded by a levy imposed on the consumption of oil products ("the NORA Levy").

NORA was originally established as a subsidiary of the Irish National Petroleum Corporation (INPC). Following the disposal however of the INPC's commercial assets in 2001 it was decided to establish NORA, which had not formed part of the transaction, under primary legislation as a statutory agency. The NORA Act 2007 was signed in mid-March 2007.

#### **Key Immediate Issues**

#### **Commencement of the Remaining Provisions of the National Oil Reserves Agency (NORA) Act 2007**

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<sup>7</sup> The INPC has no operational capacity since the disposal of its business and commercial assets (Whitegate refinery; Bantry oil terminal) in July 2001. The company's current activities are limited to (i) it's rights & obligations under the Sale & Purchase Agreement (SPA) arising from the 2001 transaction (primarily involving environmental claims lodged against INPC) and (ii) meeting requirements arising from its role as parent company to its remaining subsidiary NORA, which did not form part of the 2001 transaction

The National Oil Reserves Agency Act, 2007 Parts I and II have been commenced by way of Ministerial Order. Three more Ministerial Orders need to be made in order to bring the Act fully into force. These Orders are:

- (a) Share Transfer Day Order appointing the date that the Irish National Petroleum Corporation's share in NORA transfers to the Minister,
- (b) A Commencement Order for the remaining provisions of the Act, and
- (c) Regulations stipulating the reporting requirements of oil companies and consumer companies and NORA and the rate of NORA levy. These Regulations are currently being drafted by the Parliamentary Counsel. The rate of the NORA Levy determined by the Minister will need to be inserted into the relevant Schedule of the Regulations.

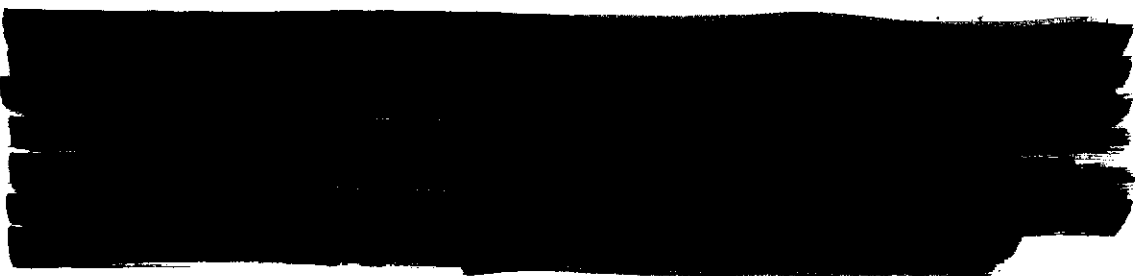


**Publication and Dissemination of Oil Supplies Contingency Handbook**

The Handbook has been finalised and translated into Irish. However certain amendments to the text will be required in the context of the pending full commencement of the NORA Act 2007 and associated Regulations, including the rate of the NORA Levy. It is proposed that the Handbook will be amended, printed and published within 4 weeks of the full commencement of the NORA Act.

**Security of Commercial Oil Supplies into Ireland**

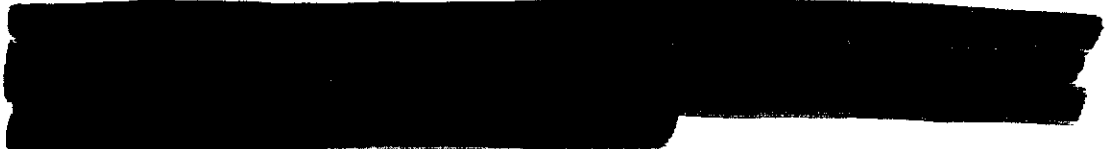
A tender document has been drafted for a review of the Security of Ireland's Access to Oil. Having regard to timeframes allowed under EU tendering procedures it is anticipated that the tender will be awarded by end-September 2007.



## **2006 INPC Consolidated Accounts**

Memorandum to Government June/July 2007 and subsequent laying before the Houses of the Oireachtas.

### **Medium Term Issues**

- Establishment of appropriate administrative systems, ensuring compliance with Corporate Governance systems, drafting of Performance Contract, finalisation of pension schemes etc. in respect of NORA in its capacity of a statutory State Body.
- Composition and structure of INPC and NORA Boards going forward in the context of the full commencement of the NORA Act 2007 and NORA ceasing to be a subsidiary of the INPC.
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- Signature of new or updated Bilateral Oil Stockholding Agreements with Belgium and France<sup>8</sup>;
- Actions, if any, arising from review of Security of Commercial Oil Supplies into Ireland.

### **Longer Term Issues**

- Maintaining Ireland's overall oil supply security reserves in line with international (EU/IEA) requirements.
- Increasing the level of (a) wholly State owned strategic/emergency oil stocks and (b) levels of such stocks held on the island of Ireland (Energy White Paper Commitment)

### **Agencies Under the Aegis of the Division:**

**Irish National Petroleum Corporation (INPC)<sup>9</sup>**

**National Oil Reserves Agency (NORA)**

### **Board Composition/Vacancies**

Since September 2003 the Boards of the INPC and NORA have common membership. The next vacancies (2) arise later in the 2007. A submission will be made on the issue of both the INPC and NORA Boards going forward in the context

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<sup>8</sup> These agreements facilitate cover for NORA stocks held abroad – essential in the context of the lack of storage in Ireland.

<sup>9</sup> Since the 2001 transaction, the INPC has had no operational capacity and remains in being to deal with residual matters arising from the sale and also to act as the parent of its subsidiary, NORA pending the establishment of NORA as a stand-alone statutory body.

of the full commencement of the NORA Act 2007 and NORA ceasing to be a subsidiary of the INPC.

**Key Industry/Stakeholder Groups**

Irish National Petroleum Corporation (INPC)

National Oil Reserves Agency (NORA)

Oil Industry/Oil Consumers/Whitegate Refinery/Oil Storage Companies

Irish Petroleum Industry Association (IPIA)

(The representative body of companies in Ireland engaged in the importation, distribution and marketing of petroleum products).

International Energy Agency (IEA)

EU Commission

## ***EirGrid (Corporate) Division***

***Head of Division: Mary Austin, Principal Officer***

### **Functions of Division**

- The exercise of shareholder functions in relation to EirGrid
- General analysis and monitoring of EirGrid corporate plans, business plans, etc.
- Approval of Capex projects, creation of subsidiaries, borrowings
- Ensuring EirGrid compliance with existing legislation and best corporate governance practice
- Drafting of EirGrid related legislation as required
- Matters relating to Pension Schemes, CEO pay, board operation

### **Sectoral Profile**

The company was established to act as the independent transmission system operator (TSO), in line with the requirements of the EU Electricity Directive 96/92EC. Significant progress on the establishment of EirGrid as a fully functioning operational entity has been made over the last year and the company took over the role of independent Transmission System Operator on 1 July 2006. EirGrid is now fully responsible for operating, ensuring the maintenance of, and developing, the electricity transmission system i.e. the ESB is no longer performs the TSO function in relation to Ireland's electricity market. EirGrid will also operate the wholesale electricity market in Ireland and is working towards the establishment of the All-Island electricity market (SEM).

### **Key Immediate Issues**

#### **Transfer of Transmission Assets from ESB to EirGrid**

The transfer of the transmission assets from ESB to EirGrid is a key priority as reflected in Programme for Government.

#### **Priority Legislation for Eirgrid**

With the transfer of the ESB's transmission assets to Eirgrid and the development of the East West Interconnector, the profile of Eirgrid plc is undergoing significant structural change from a company with no assets or borrowings to a company owning strategic energy infrastructure and holding significant debt. Primary legislation is required to underpin these activities.

#### **Corporate Strategy & Annual Report**


EirGrid is currently working on the Corporate Plan and aim to submit it for approval to the Department by June 2007. EirGrid's first Annual Report as TSO was submitted to the Department in May 2007. It is anticipated that the relevant Memorandum for

Government will be submitted during June and laid before the Houses of the Oireachtas thereafter. EirGrid's AGM is scheduled for mid-July.

### **Medium to Longer Term Major Issues**

#### **East-West Electricity Interconnection**

The Government decision on the East-West Interconnector provided for EirGrid to be the owner of the asset.



### **Agencies under the aegis of the Division**

#### **EirGrid plc**

EirGrid Board comprises 8 Members, including the Chairperson and the CEO (who is an *ex officio* member). Directors (excluding the CEO) may be appointed to and removed from the board by the Minister with the consent of the Minister for Finance.

There are no current vacancies and none are due to arise until 2008.

### **Key Industry/Stakeholder Groups**

Government Departments, Government Agencies, CER, ESB, EirGrid plc, EU Commission, Electricity undertakings operating in the Irish market and also potential new entrants into the market.

## **Gas (Corporate) Division**

*Head of Division: Mary Austin, Principal Officer*

### **Functions of Office**

Gas (Corporate) Division is concerned with –

- the exercise of shareholder functions in relation to Bord Gáis Éireann;
- general analysis and monitoring of Bord Gáis Éireann corporate plans, diversification proposals, consideration of proposals to enter into joint ventures or to establish, acquire or dispose of subsidiary companies, etc.

### **Sectoral Profile**

BGE was established under the Gas Act, 1976 to develop and maintain a system for the supply of natural gas that is both economical and efficient. To date, BGE has constructed 2,169 kilometres of Transmission pipelines, (including 2 sub-sea Interconnectors) and a national Distribution pipeline network of 9,765km. In 2006, natural gas was supplied to over 575, 000 customers. Natural gas is now available in over 140 population centres within 18 counties throughout the country.

Approximately 90% of all the natural gas used in Ireland is being imported through the two BGE subsea interconnectors with the balance coming from indigenous sources. It is estimated that indigenous gas could supply a maximum of 60% of the country's requirements if the Corrib gas field becomes operational.

The increasing liberalisation of the Irish gas market has meant that since July 2004 industrial / commercial customers can now source their own gas or switch suppliers. Residential customers will be able to do so later this year. Independent Shippers/Suppliers accounted for 63% of total gas sold in Ireland in 2006.

Over the last year, wholesale gas prices on the UK market have fluctuated widely. BGE had a 33.8% increase in gas prices granted by the CER from 1 October, 2006. However, a reduction in wholesale gas prices prompted a review and a decrease of 10% was applied from 1 February, 2007.

BGE has consistently paid a Dividend to the State since 1982. The total amount paid to the Exchequer up to the end of 2006 is almost €620 million.

Many of the functions originally held by the Minister in relation to the construction and operation of transmission, distribution and supply pipelines were transferred to the CER under the Gas (Interim) (Regulation) Act, 2002.

### **Key Immediate Issues**

**Whitegate 440MW CCGT Plant:** The development to schedule of the Whitegate gas fired Power Plant, which is based on the Conoco Phillips site in Cork. BGE has secured full planning permission for this development and has also secured an electricity grid connection and a gas connection. The Plant is expected to be operational by early 2010.



Approval of full capital expenditure by the Minister and the Minister for Finance will be sought shortly.

**Gas to Towns off Mayo-Galway Pipeline:** BGE is rolling out a Gas Distribution Network to 11 towns off the Mayo-Galway pipeline. This will be done in stages up to 2009. Castlebar and Westport will be connected in 2007.



**Transportation System Operator:** BGE are obliged to establish a new independent subsidiary company to separate its transmission and distribution functions from its supply functions to comply with SI 760 of 2005. This company is due to be established by the 1<sup>st</sup> July of this year.

#### **Medium to Longer Term Issues**

Monitor and support BGE's diversification progress in accordance with its Corporate Plan, i.e. development of its gas transportation and supply businesses on an all-island basis and development of its electricity generation and supply business on an all-island basis.

Monitor BGE's compliance with EU Gas Directives on liberalisation of the gas market, including the continued independent operation of the transportation system operator subsidiary.

#### **Agencies under the Aegis of the Division**

**Bord Gáis Éireann.**

#### **Key Industry/Stakeholder Groups**

Bord Gáis Éireann  
ESB  
CER

## ***Renewable and Sustainable Energy Division***

***Head of Division: Martin Finucane, Principal Officer***

### **Functions of Division**

The Division is responsible for developing and implementing sustainable energy and energy efficiency policies and related targets and actions set out in the Programme for Government and to assist Ireland in meeting its targets and objectives under the Kyoto Protocol, National Climate Change Strategy, EU Energy Efficiency Action Plan and relevant EU Directives. The Division is also responsible for corporate governance in relation to Sustainable Energy Ireland. Four main areas: Renewable Electricity, Renewable Heat, Renewable Transport Fuels (Biofuels) and Energy Efficiency.

### **Sectoral Profile**

Ireland imports approximately 90% of its energy requirements (coal, oil and gas). The Renewable and Sustainable Energy Division implements policies and programmes to increase the penetration of renewable energy technologies in the electricity, heat and transport sectors to reduce this dependency by –

- significantly improving energy efficiency use (demand side management) and
- increasing the contribution from indigenous renewable energy sources in the electricity, heat and transport sectors (supply side management)

Renewable energy technologies still face challenges in an open competitive market with coal/gas/oil due to technical and/or cost challenges. The current national targets for renewable energy technologies by market sector are summarised in the following table.

<b>Market</b>	<b>Current Level (2006)</b>	<b>Target</b>	<b>Comment</b>
Electricity	c. 9.6%	13.2% by 2010 15% by 2010 33% by 2020 30% co-firing with biomass in peat stations by 2015	The EU "Renewables Directive" requires Ireland to increase the contribution from 3.5% in 1997 to 13.2% by 2010. Government Programme sets higher targets of 15% by 2010 and 33% by 2020
Heat	3.9%	5% by 2010 12% by 2020	There is currently no Directive covering Renewable heat but legislative proposals are expected in 2007
Transport	0.06%	2% by 2008 5.75% by 2010 10% by 2020	The EC Biofuels Directive establishes indicative targets of 5.75% market penetration by 2010 and a new target of 10% by 2020 has been proposed.

The targets for renewable energy technologies are driven by Government and EU policies on competitiveness, environmental protection and security of energy supplies. They are facilitated through support schemes operated directly by the Department. (AER/REFIT / Biofuels Mineral Oil Tax Relief Schemes etc) and programmes run by Sustainable Energy Ireland (SEI).

The Department liaises closely with the Department of Enterprise Trade and Employment, the Department of Environment, Heritage and Local Government, the Department of Transport, Department of Finance and the Department of Agriculture and Food, in developing and rolling out policy initiatives and in representing Ireland's position in relation to EU and International commitments. The key industry players are principally in the wind energy sector, with an emerging bio-energy sector (biomass and biofuels), as well as solar, geothermal, ocean and other energy suppliers and emerging R&D and technology providers.

### **Energy Efficiency**

At the request of the European Council, the European Commission published an energy efficiency action plan on 19 October 2006. This plan sets an ambitious but realistic target of a 20% improvement in energy efficiency for the EU by 2020. This surpasses the earlier 9% by 2016 target for each Member State set down in the Energy Services Directive in 2006.

This Department is working closely with Sustainable Energy Ireland and the Department of the Environment Heritage and Local Government (lead Department) on the rollout of building energy rating (BER) certificates. All new houses which applied for planning permission after 1 Jan 2007 will be issued with a BER certificate rating the energy performance of that house. This will be extended to new commercial premises from July 2008. From 2009, all existing houses and commercial premises put up for sale or lease will be required to have a BER certificate.

Power of One - the national energy efficiency awareness campaign - was launched in September 2006. The campaign has a budget of €10 million for the 2 year period ending August 2008 to raise awareness of energy efficiency measures. The campaign consultants are Cawley Nea, Edelman and OMD. Power of One is a multi dimensional campaign. A dedicated website [www.powerofone.ie](http://www.powerofone.ie) and significant online presence through social networking websites is a key feature of the consumer campaign.

A recent headline initiative of Power of One is the *Power of One Street* project, launched in March 2007. Power of One Street is tracking the energy efficiency of 8 families from different geographical and social backgrounds. The next phase of the Power of One Campaign is focusing on SMEs and the public sector as well as continued focus on consumers.

### **Key Immediate Issues**

The Division is responsible for corporate governance of Sustainable Energy Ireland.

[REDACTED]

The publication of a National Energy Efficiency Action Plan by June 2007. This action plan will set out how the Government proposes to achieve the 9% energy efficiency saving by 2016 required by the Directive and the achieve the more ambitious 20% Government target saving by 2020. A draft of the Action Plan is being finalised for Ministerial consideration.

Continuation and further development of Power of One – the national energy efficiency awareness campaign.

### **Renewable Electricity**

The Renewable Energy side is responsible for developing and operating support programmes to increase the contribution from renewable energy technologies in the electricity market to increase the use of indigenous energy sources and to contribute to targets under the Kyoto Protocol.

The typical renewable energy project to generate electricity will require a year or more to prepare a planning application and secure planning permission. A further period is required to secure a connection and additional delays arise in securing the delivery of turbines. A period of 3-5 years is not unusual from conception to delivery on the ground of a renewable energy project.

[REDACTED]

### **Key Immediate Issues**

#### **Electricity market - Current REFIT projects.**

The REFIT programme was launched in 2006 and an initial tranche of applications have been accepted. However legal commitments for individual projects cannot be completed until the EU Commission clears state aids clearance.

#### **Additional REFIT applications**

It is expected that c.100 projects with a combined capacity of 1300 MWs will secure connection offers from the network operators before end 2007. The majority if not all can be expected to enter REFIT .

The REFIT programme compensates wholesale purchasers who purchase the electricity from the selected generators. The additional costs are charged to electricity customers as a separate item on electricity bills.

#### **AER and REFIT support programmes.**

The Alternative Energy Requirement programme (AER) operated from 1994 to 2005. It was replaced by the Renewable Energy Feed-in tariff (REFIT) in 2006. Both

programmes awards 15 year contracts to project developers to build new renewable energy based electricity generating stations. REFIT projects contract with wholesale purchasers at fixed prices published by the Department and must meet qualifying conditions including a planning permission and a grid connection offer.. The previous AER support programme required applicants to bid prices at which they would sell the electricity to the ESB (prior to market liberalisation) and the lowest priced compliant applications were selected.

The long term contracts deliver a predictable revenue stream which gives the confidence to banks to finance the projects. There are no linked grant payments.

The current status on projects is summarised in the following table

**Projects built (AER) and proposed projects allocated (REFIT) support.**

	<b>AER Built Projects</b>	<b>AER MWs</b>	<b>REFIT Projects</b>	<b>REFIT MWs</b>
Biomass including landfill gas.	11	24MWs	3	8 MWs
Hydro small	10	4 MWs	2	1 MW
Wind	68	744 MWs	50	580 MWs
<b>Total</b>	<b>89</b>	<b>772 MWs</b>	<b>55</b>	<b>589 MWs</b>

The table demonstrates the dominance of wind energy to date. However wind energy is not sufficiently predictable to respond to consumer demand in each hourly period. There is now an increasing focus on biomass and wave/tidal resources as longer term contributors to the electricity market.

**Renewable Heat**

In 2006 a range of programmes were introduced to stimulate the market for renewable heat technologies. These include:

- €47m Greener Homes Domestic Grants Programme: This programme provides flat-rate grants for householders to assist in the purchase and installation of heat technologies such as solar, wood pellets and heat pumps. Over 15,000 applications have been received since the programme was launched in March 2006. The programme is expected to run for five years.
- €26m Reheat Programme: This programme provides grants for community, voluntary groups and businesses to install solar, wood chip or pellet, or heat pump technologies. Grants of up to 30% of installation costs are available.
- €11m Combines Heat and Power (CHP) Programme: This programme provides grants of up to 30% for the installation of combined heat and power systems. A call for proposals for Biomass CHP proposals is to issue shortly.

In addition to these measures, the OPW has committed to installing biomass heating systems in 20 of its largest buildings and in all new-builds. This commitment one of a series of action agreed in the Bioenergy Action Plan for Ireland.

## Key immediate issues

[REDACTED]

The inclusion of renewable electricity technologies in the Greener Homes Programme is being progressed. The Department is currently engaging with CER, SEI and ESB to resolve outstanding technical and administrative issues which must be addressed before grant aiding these technologies can be considered.

### **Renewable Transport Fuels - Biofuels**

In 2005 and 2006, two Biofuels Mineral Oil Tax Relief Schemes valued at almost €220m were introduced. The schemes were rolled out as competitive calls for proposals. The first scheme was a two year pilot scheme valued at €6m and resulted in 4 pure plant oil, 3 biodiesel and 1 bioethanol projects coming on stream. The second scheme is for five years and resulted in 3 pure plant oil, 4 bioethanol, 4 biodiesel and 5 "captive fleet" projects coming on stream. These schemes are kick-starting market development of biofuels in Ireland and are designed to achieve market penetration of over 2% by 2008.

The Programme for Government confirms that a biofuels "Obligation" will be introduced in 2009. Targets of 5.75% for 2010 and 10% by 2020 have been announced as part of the obligation. This is in line with the indicative targets in the Directive and proposed mandatory EU targets for 2020. Biofuels Obligations are the preferred policy choice for 11 other Member States. The obligation will require legislation and a consultation on the obligation will be rolled out in 2007.

Complementing the measures introduced by this Department, the Department of Agriculture and Food has introduced a €6m top-up scheme which provides a premia of €80 per hectare for energy crops, additional to the existing €45 per hectare EU payment.

## **Medium to Longer Term Major Issues**

### **Biofuels Policy**

Sustainability considerations are expected to be a key aspect of any forthcoming EU proposals on biofuels and may impact on policy in Ireland, particularly given limited land availability for bioenergy crops and the need to develop of second-generation biofuels, which can use a wider variety of feedstock (including grass, waste etc).

### **Bioenergy**

The Bioenergy Action Plan for Ireland was published. contains 50 action items across seven Government Departments, many of which are already being implemented (including the biofuels and renewable heat programmes). Together with the Energy Policy Framework and National Climate Change Strategy, the following new action items are included:

- Convert 20 of the State's largest buildings to bioenergy heating systems and ensure that bioenergy is the norm in all new OPW buildings; More favourable consideration to be given to buildings which use renewable technologies in lease of buildings; Piloting of bio-energy heating systems in eight schools with a view to expanding on a national basis;
- CIE and Local Authority Fleets to work towards an initial 5% biofuel blend and an engine capability for blends of at least 30% in tenders for new vehicles;
- Development of renewable technology and service standards and installer training programmes;
- Three schemes administered by the Department of Agriculture and Food to support increased planting and harvesting of energy crops;
- Rebalancing of motor tax and VRT in 2008, supported by mandatory labelling, to encourage use of more fuel efficient cars, and potential expansion of relief for flexible fuel vehicles (capable of running on 85% biofuel blends);
- Target of 30% co-firing with biomass in the three peat electricity generating stations by 2015.

#### **Grid Upgrade Development Programme**

The Grid Upgrade Development Programme (GUDP) is a dedicated renewable energy support programme designed to assist project developers to secure connections at proportionate costs. . The funding available is of the order of €28 m from the ESIOP programme with matching funding from the transmission use of service charges by CER.

#### **Agencies under the aegis of the Division**

**Sustainable Energy Ireland (SEI)** The Sustainable Energy Act, 2002 provided for the establishment of the Irish Energy Centre as an independent statutory body under the aegis of the Minister for Communications, Marine and Natural Resources. SEI is the national energy agency for energy efficiency and renewable energy information, advice and support, and it promotes and assists the development of sustainable energy across all sectors of the economy.

SEI budget allocation for 2007 is €37.5 M (€ 31 m Capital , € 6.5 m Current).

Mr David Taylor is the CEO. His term of office expires on 30 April 2008.

The Board of SEI has 12 Members including the CEO who is an ex-officio member.

There are 3 vacancies on the board at present.

**Renewable Energy Information Office (REIO)** is a national service of SEI established to promote the use of renewable energy sources and provide independent advice and information on technical issues relating to renewable energy development.

**Key Industry/Stakeholder Groups**

IBEC  
Irish Wind Energy Association  
Meitheal na Gaoithe  
Irish CHP Association  
Irish Bioenergy Association  
ESB  
Viridian  
Energia  
Airtricity  
Bord Gais  
Sustainable Energy Ireland  
Commission for Energy Regulation  
EirGrid/Networks  
Industry Associations  
Industry  
Other Government Departments  
EU Institutions  
Special EU Programmes Body



## ***Energy Planning and Co-ordination Division***

***Head of Division: Úna Nic Giolla Choille, Principal Officer***

### **Functions of Division**

The Division has three main areas of responsibility: (1) the overall energy policy framework, (2) the preparation of coherent energy policy positions on cross cutting issues and (3) the development of Irish energy research policy and programmes (together with the Chief Technical Adviser). In relation to the energy policy framework, it is responsible for monitoring White Paper delivery, internally and in other Departments, and for ensuring that energy policy itself is regularly reviewed and updated. It also develops policy positions on energy and energy related issues which cut across the energy divisions. As part of this function, it manages energy related issues where there is a Cross-Departmental aspect, for example climate change. The Division represents the Department at various energy-related inter-departmental Committees, including the Cross Departmental Team on Infrastructure. It also represents Ireland at the International Energy Agency. The main work areas for 2007 and into 2008 are as follows:

- Programme for Government, Energy Policy Framework: implementation oversight and progress reports
- Energy input to climate change issues, particularly post Kyoto developments
- Preparation of energy policy overview for various forthcoming EU Councils
- Energy Policy dimension of forthcoming Departmental Statement of Strategy
- Development and support of energy research policy and associated programmes (with the Chief Technical Adviser)

### **Key Immediate Issues - Summer 2007**

#### **Launch of IEA In Depth Review of Ireland's energy policy (July)**

The International Energy Agency's report on its in-depth review of Ireland's energy policy (conducted every 4 years or so) will be launched on 3<sup>rd</sup> July. The IEA Director General will visit Dublin to present the Minister with the report. Associated press coverage and general high profile of this event would be expected

#### **Energy research policy, programmes and strategy**

Key immediate tasks in energy research policy include finalisation of the award of grants under Charles Parsons II (the scheme of grants for the development of energy research capability and infrastructure) by end July/September 2007 Government The Irish Energy Research Council will deliver by the end of 2007 an energy research strategy for the period up to 2020.

### **Medium to Longer Term Issues - to end 2007 and into 2008**

#### **Driving forward the Programme for Government/Energy Policy framework**

The key requirement is to drive delivery by ensuring oversight of implementation, through regular monitoring and frequent progress reporting. In 2008, work will start on the process of biannual review of energy policy as required under the Framework.

### **Ensuring energy input to Broad Climate Change Issues**

The Kyoto Protocol provided for curtailing greenhouse gas emissions up to 2012. International discussions have already commenced on "post-Kyoto" measures, to apply after 2012, with the aim of further reducing greenhouse gas emissions. The EU has already agreed an internal target of 20% emissions reduction by 2020, with a 30% target to be used in international negotiations.


The energy sector has an important interface with the climate change agenda through the EU Emissions Trading Scheme and through its contribution to the National Climate Change Strategy. Close interaction is maintained with the Minister and Department of the Environment, Heritage and Local Government (DoEHLG) in this context. The Emissions Trading National Allocation Plan for the period 2008 – 2012 is being finalised in discussions between DoEHLG and the EU Commission, which is expected to introduce proposals by the end of this year for a revised scheme to operate from 2012 onwards. Continued close co-operation and input between the Departments will underpin the formulation of Ireland's position in relation to both the EU Commission's Review of the Emissions Trading Scheme and international discussions which could be expected to lead to an agreement to succeed the Kyoto Protocol on greenhouse gas limits post-2012.

### **Preparing energy policy overview for various forthcoming EU Councils**

Significant energy issues arise for EU Councils of Energy Ministers in December (internal market reforms and energy efficiency action plans) and March 2008 (energy research and technology plan). The articulation of the Irish position and detailed input is key prior to and at these Councils. The Division prepares energy policy positions and views for a number of different EU Council formations (mainly Heads of State, Energy, Transport, Ecofin, Enterprise and Environment) variously for the Minister, the Taoiseach and other Ministers and Departments. Significant EU issues arising over the medium term include the Internal Market, Energy Efficiency Action Plans, Renewable Energy and Energy R & D.

### **Developing energy research policy and rolling out programmes**

The key medium term task in energy research policy is for the Irish Energy Research Council to finalise the energy research strategy by end year. At that point, a Government memorandum will almost certainly be involved, approving new and/or expanded programmes and the deployment of financial resources.



### **Underpinning Inter-Departmental Discussion on energy**

Key decisions on energy and energy-related matters are first subjected to scrutiny and discussion at the Wider Energy Group, chaired by Department of the Taoiseach, and then submitted onwards to Government for further discussion and decision. Involvement of this Group in all relevant energy policy proposals intended for Government is vital for the smooth, efficient and timely advancement of such proposals to Government. Energy Planning Division will continue to represent the Department's and the energy sector's interests at this forum (and at other cross departmental fora).

## **Key Industry/Stakeholder Groups**

The Cross-Departmental Team on Housing, Infrastructure and PPPs;

The Wider Energy Sub-Group of the Cross-Departmental Team on Housing, I  
Infrastructure and PPPs;

The Cross-Departmental Team on Climate Change;

High Level Group on Emissions Trading and Climate Change

The Departments of: Environment, Heritage and Local Government; Transport;  
Finance; Enterprise, Trade and Employment; and Foreign Affairs - all represented on  
the Wider Energy Group and most with critical delivery responsibilities for certain  
aspects of the White Paper

The Commission for Energy Regulation;

Sustainable Energy Ireland;

The Economic and Social Research Institute

National Economic and Social Council

## ***Office of the Chief Technical Advisor (Energy)***

***Chief Technical Advisor: Bob Hanna***

### **Functions of Office**

The provision of a technical perspective on all energy matters which are relevant, representation and external liaison as appropriate, and in general a significant contribution to the efficient and effective functioning of the Department. Specifically:

- to advise the Minister, senior management and staff in general in relation to energy proposals and projects
- the initiation and execution of specific projects in support of national energy, economic and environmental policy objectives
- to monitor ongoing projects and issues
- to assist with policy development
- to lead the Department's work in coordinating and improving energy research activities, primarily through the vehicle of the Irish Energy Research Council
- to represent the Minister and Department in relevant national and international fora.

### **Key Immediate Issues**

Establish the Secretariat for the Irish Energy Research Council and finalise a work programme.

Finalise second round of Charles Parsons Energy Research Awards (in conjunction with Energy Planning Division).

Completion of all-island Grid Study in support of Renewable Energy targets.

Exercise upstream gas safety functions with respect to Corrib project.

Contribute to Department's work with respect to relevant EU Directives.

### **Medium to Longer Term Major Issues**

Ensure development of an Energy Research Strategy.

Continue to chair the Minister's Corrib Technical Advisory Group and deal with safety monitoring of the project until such time as responsibility can be transferred; work to ensure smooth handover

Participate in the Energy team effort to implement the Programme for Government and Energy Policy Framework

**Key Industry/Stakeholder Groups**

Utilities

Energy research community

The Department's Energy Divisions

Other Government Departments

## Marine

## ***Seafood Policy and Development Division***

***Head of Division: Josephine Kelly, Principal Officer***

### **Functions of Division**

The core policy goal of the Division is to maximise the long term contribution of the seafood sector to the economies of the coastal regions.

#### **EC Policy and Sea Fisheries Policy**

This unit plays the lead role in the development of national policy positions on sea fisheries issues. The section negotiates policy at EU level, and oversees implementation of same in consultation and liaison with fishing industry. The unit also discharges a number of key reporting requirements, in particular the Oireachtas scrutiny of EU proposals. It is also responsible for the policy in relation to seafood safety.

#### **Resource Management and Control Policy**

This unit is responsible for national implementation of the annual EU Total Allowable Catch (TAC) and Quota Regulation, including whitefish and pelagic licensing. Quota swaps are also negotiated as available with other member states. The unit also deals with control policy and corporate governance of the Sea Fisheries Protection Authority and aspects of national fleet management policy and administers the fisheries element of cross-border Peace II programme.

#### **Management of NDP Funding including EU Funds, Implementation of the Cawley report & BIM Corporate Governance**

In conjunction with agencies and NDP Managing Authorities, this unit monitors and evaluates the implementation of NDP measures which support the sustainable development of the catching, aquaculture, marketing, processing and training sectors of the seafood industry. This involves the preparation of plans for the 2007 – 2013 programme. It also looks after the administration for the report *Steering a New Course – Strategy for a Restructured, Sustainable and Profitable Irish Seafood Industry 2007 – 2013* which was adopted by Government. The implementation of the recommendations of the report are being overseen by a committee chaired by Dr Noel Cawley and involving stakeholders. This unit is also responsible for corporate governance issues affecting BIM.

#### **Aquaculture policy; Fleet policy; Market support**

The unit implements national and EU measures aimed at improving the quality, value and competitiveness of aquaculture production, and at enhancing working conditions. It is also responsible for overseeing the development of the inshore sector and for fleet policy. It administers the EU market support framework and other market issues at international level.

## Sectoral Profile

The seafood sector comprises the commercial sea fishing industry, the aquaculture industry and the seafood processing industry.

The Irish seafood industry is based on the utilisation of a high quality, indigenous natural resource, which has excellent potential for added value. The industry is already worth over €700m to the Irish economy annually and provides jobs for 12,000 people. The fishing industry and associated seafood production is highly significant to the economic development of coastal regions. Almost 60% of the employment and value added value created in the marine sector is located outside the most developed regions of the country. Although the fishing restrictions imposed under the reform of the Common Fisheries Policy will pose a challenge to the fishing industry, they will also help to ensure the survival of the fish stock and of the fishing industry in the future. The key challenge for the fishing sub-sector will be to manage the transformation required in the fishing fleet to achieve a desirable balance between fleet capacity and the maintenance of economically and environmentally sustainable levels of sea-fishing. The key to the success of the industry as a whole will be the differentiation of Irish seafood products from the international competition in an increasingly discerning market place, both at home and abroad.

Drawing on the recommendations of the Seafood Strategy Review Group<sup>10</sup>, the vision for the Irish seafood industry by 2013 is one where all sectors can be described as a “competitive, profitable, market focused industry, capable of sustainable economic growth and recognised as making the maximum economic contribution to coastal rural communities and to Ireland as a whole.”

The achievement of this vision will require a set of integrated, market led actions to improve competitiveness and profitability across all the sectors of the industry – sea fishing, aquaculture, processing and marketing – by targeting investment so as to achieve the highest possible level of value generation within the Irish seafood industry. The key recommendations of the Seafood Strategy Review Group are:

1. Significant State financial support for marketing, market lead innovation and new product development;
2. Significant restructuring of the processing sector;
3. Implement new and industry lead quota management arrangements;
4. Amalgamation of existing representative bodies to support a single organisation for the fisheries sector.
5. Fleet restructuring with the permanent removal of 45% of the larger whitefish fleet;
6. Strong emphasis on the sustainable development of aquaculture for both finfish and shellfish.

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<sup>10</sup> The Seafood Strategy Review Group was established by the Minister and the Minister of State at the Department of Communications, Marine & Natural Resources in June 2006 with the objective of consulting with all stakeholders to devise a strategy for the 2007-13 period for the delivery of a sustainable and profitable seafood industry in Ireland. Its recommendations have informed the strategic investment priorities identified here.



### **Key Immediate Issues**

- Complete decentralisation move to Clonakilty and establish effective links with parent Department, Dail and key stakeholders from new location.
- Negotiations of 2008 TAC and quotas will start in early autumn and be finalised at the December Fisheries Council.
- Continued delivery of programme to strengthen controls as Ireland facing EU Commission infringement proceedings for general control failures.
- Monitor High Court challenge to Ministers policy of “offender pays” on pay back of illegal undeclared mackerel into Scotland and address as required outcome of case.
- Effective delivery of the Cawley report “Steering a New Course” including submission of national plans and programmes to EU Commission.
- Delivery of decommissioning programme for whitefish fleet;
- Negotiate estimates for 2007 for BIM, including budget for Cawley implementation, and for the SFPA.
- Submission of BIM’s 2006 Annual report to Government.

### **Medium to Longer Term Issues**

- Delivery of a long-term strategy for the sustainable development of the seafood industry (Cawley report);
- Secure funds as set out in NDP for strategy (2007-2013)
- Decentralisation of BIM, to Clonakilty, Co. Cork.
- Implement new arrangements involving industry lead approach for quota management
- Need to take prominent role in EU conservation negotiations especially in new discard ban policy and promotion of environmentally friendly fishing methods;
- Continued efforts at EU level to deliver level playing field on EU controls to compliment efforts at national level to deliver effective control
- Promote strengthened management and conservation measures for inshore stocks.

### **Agency**

Bord Iascaigh Mhara/The Irish Sea Fisheries Board (BIM)

Chairperson: Rose Mc Hugh, Telephone No: 021 4539800

Chief Executive: Jason Whooley, Telephone No: 01-2144223 (takes up appointment from 1 July)

(There are five members on the BIM board with xxx vacancies at present).

Sea Fisheries Protection Authority:

Chairman: Mr Peter Whelan, Telephone No:

### **Key Industry/Stakeholder Groups**

- Killybegs Fishermen's Organisation
- Irish South & West Fish Producers Organisation
- Irish Fish Producers Organisation
- Irish South & East Fishermen's Organisation
- Irish Fishermen's Organisation
- Irish Fish Producers and Exporters Association
- The Irish Salmon Growers Association
- The Irish Shellfish Growers Association

## ***Sea fisheries Administration Division***

***Head of Division: Paschal Hayes, Principal Officer***

### **Functions of Division**

- To ensure the development and upgrade of fishery harbours and related facilities around the coast
- To address priority coast protection works and for research into the cause of coastal erosion
- Management, operation and development of the Fishery Harbour Centres at Castletownbere, Dunmore East, Howth, Killybegs, Ros an Mhíl and An Daingean
- Licensing and registration of sea-fishing boats, in accordance with national and EU legislation and policy directives issued by the Minister. EU rules require that there be a stable and enduring balance between fishing capacity and fishing opportunities and in this regard lay down maximum capacity limits for member States' fishing fleets. Entries and exits from the fleet must be managed in such a way that the entry of new capacity into the fleet must be compensated by the previous withdrawal of at least the same amount of capacity. Detailed reporting on the fishing fleet to the EU is also required.

### **Sectoral Profile**

#### **Fishery Harbour Development Programme**

The National Development Plan for 2007 -2013 provides for an investment of €203 million under the Fisheries and Coastal Infrastructure Sub-Programme to ensure the future viability of the fishing industry, to bring the Fishery Harbour Centres up to international practice, to reduce congestion at the harbours and to improve safety for the fisheries sector.

In order to capitalize on location and to attract a greater proportion of EU landings we must develop our harbour infrastructure to facilitate increased landing and downstream activities at the harbours. It will also be necessary to develop other industries such as aquaculture, tourism and the leisure industry to provide alternative means of employment for these communities. The development of port infrastructure and port service facilities will be necessary to accommodate these industries. Improved harbours and landing facilities will be vital for the sustainability of rural communities.

The main harbour developments which are expected to arise during the period 2007-2011 are Castletownbere, Greencastle, Dunmore East, Ros an Mhíl, An Daingean, Knightstown and Cromane. The upgrade & modernisation of Port Oriel, Clogherhead, Co. Louth has recently been completed. Total project cost of approximately €11 million (€1.012 million in 2007).

### **Coast Protection Programme**

The Coast Protection programme is designed to address the problem of erosion along Ireland's coastlines. The Irish coastline provides economic opportunities and other benefits in the areas of fisheries, aquaculture, tourism and residence to the economy. Erosion can destroy these benefits by damaging the coastline and destroying beaches and infrastructure. The overall goal of coastal protection is to ensure the sustainable development and management of the marine coastal zone by addressing priority coast protection requirements. These requirements are addressed via a programme of individual public works carried out on coastlines around the country. These projects can range from the large-scale "hard" engineering solutions such as using rock revetment or the construction of concrete walls to protect the coastline to "soft" solutions such as beach nourishment, dune stabilisation and other methods that seek to work in unison with the natural elements.

€23 million is provided under the Coast Protection Measure of the National Development Plan 2007-2013.

### **Management of Fishery Harbour Centres**

The Department owns and directly manages six Fishery Harbour Centres (FHCs). The employees at the Harbour Centres are Department employees. The FHCs are managed and operated in accordance with the provisions of the Fishery Harbour Centres Acts 1968 – 2006. Section 4(1) of the 1968 Act requires the Minister to manage, control, operate and develop each of the Harbours. Section 6 places specific responsibility on the Minister in relation to maintenance, repair, improvement, extension and modification of the harbours including buildings and road access. The six Fishery Harbour Centres are located at Howth, Dunmore East, Castletownbere, Ros an Mhíl, Killybegs and An Daingean which has only recently been designated (14<sup>th</sup> May 2007) as an FHC.

While all the harbours are governed under the same legislation and the primary activity is associated with the fishing industry the business profile at each of the harbours differs greatly. Killybegs, as well as being Ireland's premier fishing port, has significant potential for commercial traffic, e.g. reefer vessels (fish exports) and serving as a base for vessels servicing the offshore industry. A €50 million development was completed at Killybegs in 2004. A marketing initiative to promote Killybegs Harbour is currently underway. Ros an Mhíl is the primary point of departure for access to the Aran Islands (200,000+ passengers per annum) and Howth has significant leisure activity and a valuable property portfolio. Property management is a significant administrative function of the Division.

The operation and management of the harbours is administered by way of the "Fishery Harbour Centres Fund" which is provided for in Section 9 of the 1968 Act. All income received by way of harbour dues, rents, etc. are paid into the Fund and outlay in respect of the management of the harbours is paid from the Fund. Excluding Capital and Current Grants the income derived from the FHCs in 2006 amounted to €9,703,980. Expenditure (excluding capital works) amounted to €2,658,737. Historically, the FHCs had an operating deficit. The 2006 figures are probably a once-off due to the fact that substantial monies were obtained from the tendering of three development sites in Killybegs FHC.

## **Sea-Fishing Boat Licensing and Registration**

The Fisheries (Amendment) Act 2003 introduced a new fleet licensing policy to ensure equity, transparency and an independent appeals process. The Act transferred the function of sea-fishing boat licensing from the Minister for Communications, Marine and Natural Resources to the Licensing Authority for Sea-Fishing Boats who operates on an independent basis subject to criteria set out in section 3 of the Act. For this reason, all applications for sea-fishing boat licences are now considered by the Licensing Authority for Sea-Fishing Boats. As specified in that Act, the Licensing Authority is the Registrar General of Fishing Boats, an official of the Department of Communications, Marine and Natural Resources or, under the superintendence of the Registrar General, the Deputy Registrar General of Fishing Boats.

## **Key Immediate Issues**

### **Fishery Harbour Development Programme**

An investment of €33 million is earmarked for Harbour and Coastal Infrastructure Projects in 2007. Close monitoring of expenditure is required throughout the year to ensure monies allocated are being spent. Key projects this year include the Castletownbere Fishery Harbour Centre development (replacement of the existing pier together with the construction of a 120 metre extension) and the Ros an Mhíl Fishery Harbour development (pontoon ferry berths). These are both Fishery Harbour Centres which are owned and operated directly by the Department (the other 4 Fishery Harbour Centres are at Howth, Dunmore East, Killybegs and An Daingean). Phase 1 of the Greencastle harbour development (construction of a breakwater) is also commencing.

### **Coastal Protection and Management**

The 2007 allocation is €3.037m. The immediate issue is to ensure that monies allocated are spent within the current year. The Coastal Protection Strategy Study commenced in 2003 and is ongoing. It is hoped to publish the results of the Study in the Pilot Area this year. The study when completed will enable a more strategic approach to programme delivery.

### **Management of Fishery Harbour Centres**

#### An Daingean

Integration of new Fishery Harbour Centre into the Fishery Harbour Centre Structure.

#### Implementation of Business plans for harbours

Consultants being taken on to develop business plans for all the Fishery Harbour Centres

#### Howth

Parking management system being developed, to be in place by the end of the year.

#### Marketing Strategy for Killybegs

A steering group set up to progress a Marketing Strategy for Killybegs - chaired by Kevin Bonner. The first meeting is to be held in early June.

### Disability Access Implementation Plan.

Preparation of Implementation Plan to accommodate disability requirements as identified in Disability Access Audits. The Disability Access audits are currently in draft form and are being examined within the Division.

### **Sea-Fishing Boat Licensing and Registration**

- To finalise agreement with the European Commission on the Reference level setting out the maximum size of the Irish fishing fleet.
- To maintain the Irish fishing register in accordance with national and EU regulations and to report to the EU on a quarterly basis.
- To support the review of the Sea fishing Boat Licensing regime as recommended by the Cawley Report.
- To roll out the 2007 programme of fishing boat licence renewals.
- To decentralise the Sea-fishing Boat Licensing and Registration function to Clonakilty in June 2007.
- To support the independent Licence Appeals system.

### **Medium to Longer Term Issues**

#### **Fishery Harbour Development Programme**

The roll out of major capital projects can take longer than anticipated and to speed up expenditure on capital projects it may be necessary to obtain project approval, where possible and appropriate, in advance of the year in which the project is rolled out. With medium term certainty in regard to the capital budgets available under the multi-annual envelopes, the preferred option would be to obtain approval for all significant projects for the years ahead, including Local Authority projects which the Department funds.

The harbour development at Castletownbere, including the provision of a suitable harbour services building, is expected to be near completion in 2008 and the anticipated total project spend to completion is €35 million. At Greencastle Phase I of the harbour development is the construction of a breakwater with an estimated cost of €16.8million and this is to proceed over the 2007-2011 period. Work at Dunmore East is ongoing with site investigation work, surveys and examination of dredging issues in the vicinity in the Syncrolift continuing in 2007. A Cost Benefit Analysis of the planned major project will be undertaken this year and if, on completion of the evaluation, it is decided to proceed with the project the total cost of the Dunmore East is currently estimated at €58 m. Future phases of development at Ros a Mhíl include the provision of a deepwater quay. Development works are also required at Dingle and Cromane, Co Kerry, and Kilmore Quay, Co Wexford. Dredging is also likely to be required in Howth FHC and the provision of a suitable harbour services building.

#### **Coastal Protection and Management**

Part of the financial resources available for coast protection are being assigned to a Coastal Protection Strategy Study. DCMNR allocated €225,000 in funding to this study in 2006 and has allocated €525,000 to phases 2 &3 of the study in 2007. It is expected that when this study is completed a more targeted approach to programme

delivery will enable a greater level of efficiency to be achieved and also inform decision making on coast protection expenditure in the future. A Pilot Study has been completed and it is hoped that the results of the Study will lead to a more targeted approach to coastal protection. This has implications for added Exchequer funding to this programme in the long term.

### **Sea-Fishing Boat Licensing and Registration**

Ensuring that Ireland continues to comply with EU rules on fishing fleet capacity  
Ensuring provision of a high standard of customer service in relation to licensing and registration.

### **Agencies**

The Sea-fisheries Protection Authority.

The Minister has appointed 2 Appeals Officers to hear appeals against licensing decisions made by the Licensing Authority.

### **Key Industry/Stakeholder Groups**

Border, Midland & Western Regional Assembly, Southern & Eastern Regional Assembly, Cork County Council, Clare County Council, Donegal County Council, Dun Laoghaire – Rathdown County Council, Dublin City Council, Fingal County Council, Galway County Council, Kerry County Council, Limerick County Council, Louth County Council, Mayo County Council, Meath County Council, Sligo County Council, Waterford County Council, Wexford County Council, Wicklow County Council.

All fishermen's representative groups, harbour users groups, local community/council groups, environmental groups, leaseholders and local authorities. Other external agencies dealt with include Chief State Solicitors Office, the Valuation Office, RNLI and the Coast Guard.

Other Sea Fisheries Divisions; fishermen; fishermen's organisations; Marine Survey Office; BIM; Revenue Commissioners (Local Registrars of Shipping)

## ***Coastal Zone Management Division***

***Head of Division: John Quinlan, Principal Officer.***

### **Functions of Division**

The remit of CZMD is largely regulatory in character. Its core responsibilities are:

- licensing and regulation of aquaculture in accordance with the Fisheries Acts;
- management of the foreshore through a system of leasing and licensing;
- control of dumping at sea.

These responsibilities also engage the Division in policy development work, legislative initiatives and legal matters arising essentially from case work.

A central challenge for the Department in dealing with Ireland's coastal zone and the wider marine territory is to support and manage their sustainable use and development, so that they can contribute optimally to sustainable and balanced economic development. The role of the regulatory process is to seek to ensure that any development on the foreshore or in territorial waters is founded on sustainable projects, appropriately located and carried on in accordance with high standards of environmental and ecological protection and to ensure, where there is no alternative to dumping at sea, that environmental damage is not allowed to take place. In practice, dumping is now largely limited to spoil arising from ports' dredging operations.

The aquaculture licensing system was considerably modernised under the Fisheries (Amendment) Act, 1997. This included provision for independent appeal against Ministerial decisions on licence applications. Work has been undertaken on developing proposals to improve the systems and processes for monitoring and control of aquaculture operations. Monitoring Protocols and Visual Impact Assessment guidelines were introduced in 2001 as an underpinning for the effective operation of the licensing process.

As most of the foreshore is State owned (the foreshore extends from the High Water mark to the outer limit of the territorial seas -12 nautical miles) regulation of the foreshore (under the Foreshore Acts 1933 to 2005) involves estate management as well as development control functions. The area of the foreshore is approx. 39,000 sq. kms. or c. half the size of the land mass of the 26 counties. The foreshore has continued to experience increasing development pressures over recent years that can give rise to conflict in areas where different activities may be concentrated.

The regulatory processes under the Foreshore Acts must see to it that the appropriate balance is struck between competing demands on the foreshore resource, and between development needs and conservation imperatives. We have streamlined and speeded up the consideration of licence applications under the Foreshore Acts, with particular priority being given to important infrastructural proposals. There are a wide variety of applications received including e.g. bridges, tunnels, sewage schemes, coastal



protection works, marinas, pipelines etc. A licensing framework for offshore electricity generation was published in July 2000. A lease for the first major offshore wind farm on the Arklow Banks was completed in January 2002. Subsequently, a lease was granted in November 2005 for a wind farm at the Codling Bank. There are a number of licences around the coast for site investigation purposes to determine the suitability of particular sites for potential wind farm, projects. Also, following the recent publication of Energy White Paper 2007, the Department has received a number of approaches from companies expressing interest in potential tidal energy projects.

We will, in the immediate term, be engaging consultants to undertake a strategic review of the way in which the foreshore is managed. The purpose of this study is to undertake a strategic review of the legislative framework, structures, and procedures in place to manage the State owned foreshore. The object of the Review is to outline the options, informed by best international practice, for putting in place a modernised legislative framework and improved systems and procedures for Coastal Zone Management, which will best fit the medium to long term requirements in this area. Tenders have been received and are currently under evaluation.

We are moving towards the development of strategies and processes that support a more integrated and coordinated approach to planning for and managing the coastal zone. A key element of this will be improved integration in planning and development matters at the land-sea interface. Another major challenge facing the regulatory system in the coming years will be to adapt the system and legislation to the growing body of environmental legislation emanating in particular from the EU.

The Division is also charged with work relating to Integrated Coastal Zone Management (ICZM), which is focused on supporting the development of more integrated and effective approaches to the management of coastal areas and their resources.


### **Key Immediate Issues**

- Strategic review of foreshore management as mentioned above.
- ECJ Judgement in Case 148/05 due on 14 June. This essentially concerns the issue of the alleged failure by Ireland to designate further areas as shellfish waters within the meaning of the 1979 EU Shellfish Waters Directive. A number of potential areas for further designations have been identified and the Department, through the Shellfish Waters Monitoring Committee, will be engaging consultants to carry out of an Independent Evaluation of the Selected Areas should these current shellfish production/licensed areas be designated as Shellfish Waters in future under Directive 79/923/EEC and come under the requirements of the European Communities (Quality of Shellfish Waters) Regulations 2006. A draft Information Memorandum for Government has been prepared and is understood to be on the agenda for consideration at Cabinet on 6 June.
- Report by the "Sea Lice Monitoring and Control Working Group" to Ministers in early June. This WG is chaired by the Secretary General and was established "to

review, in light of experience, the operation of systems and processes for controlling sea lice levels at marine finfish farms, to identify any necessary changes and set out an action plan with specific timeframes for implementation of such changes". This is a key issue of conflict between aquaculture and wild fisheries interests.

- Responding to cases taken by the European Commission against Ireland regarding the transposition and implementation of a number of environmental Directives relating to:
  - Quality of Shellfish Waters
  - Dangerous Substances
  - Habitats/Nature Conservation
  - Public Participation / Access to Justice Directive (PPD)

Significant resources have been re-allocated from within the Division to seek to ensure that the Ireland does not face further ECJ Court cases and potential fines from the ECJ.

- Defending Department's /State's position in a number of High Court proceedings and other potential legal cases arising from unauthorised developments and activities. These include:
  - 
  - **Atlantic Shellfish:** a case brought by an oyster farmer alleging damage to his business by the Midleton Waste Water Treatment Plant licensed by the Department;
  - **Kieran Thompson (Clew Bay):** a case brought by a wild trout fishery owner alleging damage to his fishery by a licensed fish farm;
  - **Figary:** marina at Figary, Lough Swilly – case taken by the Minister on grounds of non-compliance with terms and conditions of lease.

A full list of legal cases in which CZMD is involved is being compiled.

- Taking action against illegal developments on the foreshore at a number of locations including Bannow Bay, Co. Wexford and Union Hall, Co. Cork.
- Finalising future of jetty at Mornington, Co. Meath (currently owned by the Department and the main import point in the State for explosives).
- Application for a lease to construct an offshore wind farm in Dundalk Bay by Oriel Windfarm Ltd. This application is currently at the public consultation phase to 29 June.
- Bantry Bay Sewerage Scheme outfall pipe – application process almost completed.
- Corrib gas Pipeline – foreshore licence application for initial site investigation (seismic testing) work on feasibility of alternative routing for the proposed pipeline.

- Application by Donegal Co. Council for construction of breakwater at Buncrana as facility for RNLI. The Department is in communication with CSSO regarding specific conditions to be included in lease – these would include a prohibition on uses of the facility by parties other than the RNLI in view of the fact that the Council has requested that the lease be granted at a nominal rent.
- Application by Donegal Co. Council to buy out reclaimed foreshore at Burtonport, Co. Donegal. Application has been considered by the Department in consultation with the Dept. of Finance. The Department has offered the Co. Council a 35 year lease on the land in question.
- Application by IAWS for foreshore lease at Killybegs, Co Donegal for reclamation and coastal protection works to facilitate construction of fishmeal processing plant.
- Develop procedures in relation to appropriate assessment of proposals for EU Habitats and Birds Directive purposes, in response to litigation currently before ECJ.
- Take necessary legislative action to deal with ruling of ECJ on the Dangerous Substances Directive. Tentative draft Regulations have been prepared by CZMD and have been submitted to the EU Commission via the Dept. of the Environment, Heritage and Local Government.
- **Decentralisation:** Transfer of functions and personnel from Dublin to Clonakilty. Foreshore section successfully transferred in 2006.

#### **Medium to Longer Term Issues**

- Work closely with industry to progress the recommendations of the Cawley Report in relation to aquaculture.
- Determination of application by Dublin Port Company for approval for the reclamation of 21 hectares in Dublin Bay.
- Address jurisdictional and other issues raised by the proposed wind farm on the Tunes Plateau, off Lough Foyle.
- Update policy guidelines on the development of offshore energy installations.
- Enhance the processes for monitoring and control of the compliance by fish farmers with the terms and conditions of aquaculture licences.
- Agree an Implementation Plan for aquaculture in Lough Foyle and Carlingford Lough with the Crown Estate and the Loughs Agency. Responsibility for licensing of aquaculture in both Loughs is transferred to the Loughs Agency.
- Develop policy on exploitation of marine aggregates

## ***Engineering Division***

***Head of Division: Dr Gerard Farrell, Chief Engineer***

The Division is organised on a regional basis with staff based in Department HQ, East Region, Cork, Tralee, Galway and Ballyshannon.

### **Functions of Division**

#### **Fishery harbour work**

Plan and implement maintenance works, oversee Health and Safety issues at the six Fishery Harbour Centres (FHC) of Howth, Dunmore East, Castletownbere, Dingle, Rossaveel and Killybegs. Project management of harbour developments at the FHCs and selected Local Authority harbours such as Greencastle. Reporting on and assessing and overseeing expenditure at proposed developments at the major Local Authority fishery harbours such as Clougherhead and Kilmore Quay.

#### **Other Harbour Work**

Reporting on proposals at smaller commercial harbours such as Arklow, Wicklow, Westport and Sligo (As requested by Department of Transport). Reporting on activities with a Foreshore, Dredging or Dumping at Sea element at major commercial harbours Dublin, Rosslare and Cork Ports.

#### **Coast Protection Work**

Development of a National Coastal protection strategy for management of the risk represented by coastal erosion and coastal flooding. Work is already well advanced on this fundamental review of national coast protection requirements which takes a more long term strategic, structured approach to the issues arising in this increasingly important area.

Assessing risk of flooding and erosion on national coastline particularly at urban centres Dublin, Wexford and Cork. Assessing and prioritising Local Authority coast protection funding applications. Project management of designs and works at areas with specialised requirements such as Rosslare and Wexford.

#### **Foreshore**

Assessing and reviewing and providing technical advice on Foreshore licence and lease applications on State Foreshore. Providing specialist advice to An Bord Pleanála on local authority sponsored marine developments on State Foreshore.

#### **Aquaculture**

Assessing and reviewing and providing technical advice on Aquaculture applications and developments Assessing and reviewing inland aquaculture (Trout and Smolt) installations.

#### **Inland Fisheries**

Assessing and reviewing and providing technical advice on proposed river developments (dams, water abstractions, discharges, fish passes, drainage works, local authority works in rivers) which could impact on trout or salmon stocks.

**Water Framework Directive**

Represent Department on national Monitoring Committee and River Basin District Steering Groups.

**Strategic Environmental Assessment**

Assessing and reviewing and providing technical advice to Department on SEAs submitted by Local Authorities to Department in relation to its role as a statutory consultee.

**Key Immediate Issues**

Progression of major development contract at Castletownbere FHC.

Progression of Ferry passenger pontoons installation at Rossaveel FHC

Slipway removal at Dingle FHC and continuing liaison with Kerry Co Co regarding development of derelict boatyard site.

Fast-track training of recent staff additions to address serious backlog on Coastal Zone applications.

Complete National Coastal Protection Strategy Study on East and South Coasts.

**Medium to Longer Term Issues**

Extend national Coastal protection Strategy Studies to entire coastline.

Advise and assist with integration of Erosion and Flooding risk information into national planning and spatial strategy systems.

**Development of National Surge Warning System.**

Integrate Effects of Climate Change into National Coastal Protection Strategy Study.

## ***Inland Fisheries Division***

***Head of Division: Frank Sheridan, Principal Officer***

### **Functions of Division**

#### **Inland Fisheries**

- Corporate governance of the central and 7 regional fisheries boards and the Loughs Agency, a North-South body.
- Policy formulation and implementation of all aspects of management, conservation and development of the inland fisheries sector, including management of the wild salmon fishery

#### **Marine Research**

- Corporate governance of the Marine Institute
- Policy formulation on all aspects of marine research in line with the Government approved "Sea Change" a marine knowledge, research and innovation strategy for the period 2007-2013.
- Overseeing implementation of Marine RTDI Measure under NDP 2007-2013

### **Sectoral Profile**

#### **Inland Fisheries**

The Department has overall policy responsibility for the conservation, management, regulation and development of the inland fisheries resource. The Central and Regional Fisheries Boards are responsible for policy advice, co-ordination, services and implementation. The Loughs Agency is an agency of the Foyle, Carlingford and Irish Lights Commission (FCILC), established under the British-Irish Agreement Act 1999 to provide the effective conservation, management, promotion and development of the fisheries and marine resources of the Foyle and Carlingford areas.

The inland fisheries sector is complex, dynamic and highly politicised. The sector is characterised by a regionalised management structure (central and seven regional fisheries boards) with strong involvement by local interests in decision-making, complex issues of ownership, reliance on State funding and tensions between different stakeholders. Over-exploitation of fish stocks is a significant threat to the long-term sustainability of the inland fisheries resource. Fish habitats are under threat particularly from a variety of adverse environmental and water quality pressures.

#### **Marine Research**

The Department has overall responsibility for marine research policy. The Marine Institute is responsible for marine research delivery and is the implementing body for Marine RTDI Measures under the National Development Plan 2007-2013, the main aim of which is to support a strong link between research and innovation and industry in order to promote sustainable economic development.

A new national marine knowledge research and innovation strategy "Sea Change" was launched in February 2007. The strategy emerged from a National Marine Foresight Exercise which involved both Irish and international experts including wide ranging consultation with stakeholders. The strategy aims to ensure that Ireland fully

maximises the economic, social and environmental contribution of its marine resources.

The main challenge for the Department is to ensure that investment is in line with the new strategy, that outputs and performance indicators for the strategy's objectives can be clearly measured, and that the outcome represents value-for-money. It is intended that a full expenditure review of the Marine Institute will be undertaken in 2008.

### **Residual Role in Marine Leisure and Tourism**

Formerly, the Department had a role in promoting marine leisure and tourism. However, following a policy review, it was decided that the development of marine tourism would be best served by being reintegrated into the development and promotion of tourism as a whole. Any new funding for marine tourism projects will be channeled through the main Tourism Measure of the new NDP, which will be implemented by Failte Ireland.

Funding was approved, in principle, for 4 "flagship" marine tourism projects following a Budget Day adjustment in 2000, which have proved controversial. These projects have been the subject of a special audit query by the Comptroller and Auditor General, and have featured in recent report by the Public Accounts Committee. One of these projects, a proposed marina at Roundstone, Co. Galway, is still outstanding. The project does not satisfy the Department's conditions for funding, and a decision is required at Ministerial level as to whether consideration of the grant application can be extended any further at this stage.

### **Key Immediate Issues**

#### **Review of Inland Fisheries**

Constraints on public funding have meant that there has been a significant cut in the funding allocation for the fisheries boards in recent years. As a result, the Minister decided to review the future role of Government in relation to the inland fisheries resource and the adequacy of the current model for the governance of the inland fisheries sector.

In November 2003, independent consultants, FGS Consulting, were appointed to undertake a root and branch examination of the State's role and objectives in the inland fisheries sector. The consultants were required to evaluate the adequacy of the current model for the governance of the inland fisheries sector, to define the current relationship between the Government, the Departments and the inland fisheries sector and recommend a structure that will contribute to the optimum development of the inland fisheries resource.

In November 2005 the FGS Review of the Inland Fisheries Sector in Ireland was published and details announced of the Government's policy on the restructuring of the sector. Under this policy the executive functions of the existing central and regional fisheries boards will be subsumed into a single national inland fisheries authority (NIFA) whose executive functions will be aligned in a regional basis.

It was originally envisaged that the legislation required to facilitate the establishment of NIFA would be in place by the end of 2006. However, due to the complexity of the legislation required and competing priorities on the Oireachtas' legislative calendar this did not prove possible. In the meantime it was agreed that the Department will examine how the existing 17 pieces of legislation (dating from 1959) governing the inland fisheries sector can be modernised and consolidated into a single statute.

FGS Consulting has been re-engaged to undertake Stage II of the Review which will involve full, transparent and comprehensive consultations with all stakeholders during which the principles and structures to deliver the new model will be fleshed out. A steering group is to be appointed to oversee this process.

#### **Funding 2007**

Under REV €27.412m was allocated to cover all the requirements of the Fisheries Boards & Loughs Agency, comprising €26.412 current and €1m capital. The Division highlighted the inadequacy of these funds and sought additional funds of at least €6m (€3m current/€3m capital) to meet Ministerial commitments given in relation to the salmon management regime. Finance Unit has agreed to provide additional funding of €3 million capital and €1million current. The Boards were also told that they may be allocated a further €2million in current funding following a review of their finances.

#### **Fisheries Boards Financial Review**

Corporate Finance & Planning Division is carrying out the review of the Central & Regional Fisheries Boards in the context of a request for additional funds in 2007 by the Boards. At a recent meeting with the Boards it was agreed that employment numbers would be examined to analyse funding requirements and a submission would be made to MC post 14 June.

#### **Water Framework Directive**

The Water Framework Directive is a statutory requirement under which specific monitoring duties have been assigned to the Fisheries Boards and the Marine Institute. These duties came into operation in December, 2006. The additional funding of €4.5 million needed for the discharge of these additional duties by the agencies in 2007 is being provided by the Department of Environment, Heritage and Local Government on an exceptional basis for 2007 only. The Department of Finance has, so far, been unwilling to give any commitment for the necessary additional funding to be made available for the Water Framework Directive in 2008 and beyond.

#### **Salmon management**

In introducing conservation measures for the management of the wild salmon fishery in 2006, the Government reaffirmed its intention to introduce measures to fully align the management of the fishery with the scientific advice for 2007. To honour this commitment, a number of conservation measures were introduced for the management of the wild salmon fishery in 2007. The Wild Salmon and Sea Trout Tagging Scheme sets out the quotas on a river by river basis, the mechanism for allocation overall quotas between commercial fishermen and anglers and individual fishermen's quotas. The regulations specify the quotas for each of the rivers that are open for fishing in 2007.

#### **Commercial salmon fishing/Drift netting**



The Independent Group was set up to examine the implications for the commercial sector of aligning the management of the wild salmon fishery with scientific advice for 2007 and beyond. The scientific advice called for the complete cessation of all indiscriminate mixed stock fishing for salmon and the cessation of harvesting of stocks that are below the conservation limit.

The Salmon Hardship Scheme of some €25 million recommended by the Group is intended to provide a measure of relief to individuals in line with the level of hardship likely to be experienced based on their recent catch history.

The scheme is administered by BIM and the Regional Fisheries Boards. The closing date for receipt of applications was 27 April, 2007. Letters of offer have been prepared by BIM and will issue shortly.

An additional €5 million is being provided under a Community Support Scheme. Discussions are ongoing with the Department of Community Rural and Gaeltacht Affairs on how best to administer the scheme.

### **Medium to Longer Term Issues**

#### **European Regulation on the Recovery of Eel Stocks**

A detailed regulation for the recovery of European eel stocks is due for at the Fisheries Council on 10-11 of June. Ireland has resolved most of the main concerns affecting management of the resource.

The final version of the agreement extends the deadline for completion of eel management plans to 31 December 2008.

#### **Loughs Agency**

Engagement with new procedures following the restoration of the institutions in Northern Ireland. A new series of sectoral meetings will be scheduled following the first plenary session of the North South Ministerial Council.

#### **Marine Research**

A full expenditure review of the Marine Institute is planned for 2008.

#### **State Agencies under the aegis of the Division**

Marine Institute

Central Regional Fisheries Board

Eastern Regional Fisheries Board

Northern Regional Fisheries Board

North Western Regional Fisheries Board

Shannon Regional Fisheries Board

Southern Regional Fisheries Board

South Western Regional Fisheries Board

Western Regional Fisheries Board

Eastern Trout & Coarse Fisheries Development Society

Western Trout & Coarse Fisheries Development Society

Southern Trout & Coarse Fisheries Development Society

Northern Trout & Coarse Fisheries Development Society  
North Western Trout & Coarse Fisheries Development Society  
South Western Trout & Coarse Fisheries Development Society  
Upper Shannon Trout & Coarse Fisheries Development Society  
Lower Shannon Shannon Trout & Coarse Fisheries Development Society  
Foyle, Carlingford & Irish Lights Commission (Loughs Agency)  
National Salmon Commission (Statutory Advisory Body).

## ***Marine Policy Division***

***Head of Division: Stjohn O'Connor, Principal Officer***

### **Functions of the Division**

The Maritime Policy Division is responsible for the advancement of two core policy goals, these are:

- To safeguard the quality of the Marine Environment
- To prepare and submit a national response to the EU Commission Green Paper on maritime policy

### **Strategic Objective ONE**

*To facilitate the introduction of a Framework Directive for Community Action in the field of Marine Environmental Policy*

During 2006 negotiations commenced at a European level on a proposed Framework Directive for Community Action in the field of Marine Environmental Policy. The Directive is intended to establish a framework for the development of Marine Environment Strategies designed to achieve good environmental status in the marine environment by the year 2021 at the latest, and to ensure the continued protection and preservation of that environment and the prevention of deterioration.

### **Progress to Date**

The Directive continues to be progressed in the Environment Working Group. The Department of Communications, Marine & Natural Resources has ensured that appropriate input has been provided to the Department of Environment, Heritage and Local Government in respect of the areas for which the Department is responsible.

Discussions have taken place between the DMCNR and the Department of Environment with a view to identifying ownership and appropriate implementation strategy. It is envisaged that further discussions will take place once the Framework Directive has been introduced.

### **Strategic Objective TWO**

*To prepare and submit a national response to the EU Commission Green Paper on maritime policy*

The European Commission launched a Green Paper on Maritime Policy in June 2006, initiating a European-wide consultation process that will run until June 2007. The Green Paper suggests that European policies on maritime transport, industry, coastal regions, offshore energy, marine environment, socio-economic cohesion and in other relevant areas have developed separately and that no attempt has been made to take a holistic approach with a view to enhancing these policy areas. The Green Paper deals with all the above policy areas as well as employment, trade, immigration and security policy. In addition, it examines the governance framework through which management of the maritime sector can be regulated. As such, the Green Paper represents a first step towards the establishment of an all-embracing EU Maritime Policy.

- Undertake work on Integrated Coastal Zone Management taking account of the EU Recommendation on the matter - draft national coastal “stocktaking” to be finalised. (This work is linked to strategic review of foreshore management).

### **State Agencies**

The Division deals with the appointment of the Chairman and members of the Aquaculture Licences Appeals Board, an independent statutory body that deals with appeals against Ministerial decisions on aquaculture licence applications. The Chairman is appointed by the Government, and the ordinary members are appointed by the Minister from among the nominees of prescribed organisations.

The current Chairman is Conleth Bradley, BL. There is one vacancy on the Board at present. Nominations have been received from the physical planning and development sector.

### **Key Industry/Stakeholder Groups**

Irish Salmon Growers Association (IFA)

Irish Shellfish Association (IFA)

An Taisce

Environmental NGOs

Wild fisheries/angling interests

Community and other interest groups

(Public bodies not included)

### **Progress to Date**

The DCMNR established an Inter-Departmental Steering Committee to oversee the drafting of Ireland's response to the Green Paper. The Committee was chaired by the DCMNR and included the Departments of Transport, Defence and Environment, Heritage & Local Government. All Departments were invited to submit observations on the Paper in early 2007. A national public consultation process was launched in February 2007; the highlight of which was a stakeholder conference in March 2007 at which Commissioner Joe Borg gave the keynote address. A national response was subsequently prepared and submitted to Government on 5 May 2007 and submitted to the Commission on 15 May 2007.

The Commission will bring forward an Action Plan, including an outline for proposals, following the conclusion of the Europe-wide consultation process in autumn 2007.

### **Sub-Seabed Co2 Sequestration**

#### **Background**

The capture and storage of carbon dioxide (CO<sub>2</sub>) in sub-seabed geological formations is considered one option to tackle the challenges of climate change and ocean acidification. CO<sub>2</sub> storage in sub-sea geological formations is currently prohibited under OSPAR but Norway, supported by France, the Netherlands and the UK have submitted a formal application for Annex II and III of the OSPAR Convention to be amended to allow and regulate the 'storage' of CO<sub>2</sub> in sub-sea geological formations. Should these amendments be accepted by OSPAR storage of CO<sub>2</sub> in sub-sea geological formations will be permitted.

At the Council Environment Working Group on 24 May Ireland expressed support for the use of CO<sub>2</sub> sequestration in tackling climate change.

Concurrently, the European Commission is one of 16 Contracting Parties and is seeking a competence to negotiate on behalf of Member States at OSPAR. This move is being made through Council Environment Working Group and is being resisted by Member States.

#### **Domestic Situation**

The Dumping at Sea Acts 1996 and 2004 Act prohibit *any deliberate disposal in the maritime area of a substance or material from or in conjunction with a vessel or aircraft or offshore installation* where the maritime area is classed as the *territorial seas of the State, and the seabed and subsoil beneath those seas*. The 1996 Act gives effect to the Paris Convention for the protection of the marine environment. The Oslo (1972) and Paris (1974) Conventions were combined into 1992 OSPAR Convention and all measures adopted under the Oslo and Paris Convention continue to apply.

Section 5(1)(b)(ii)(I) of the Dumping at Sea Acts allows the Minister to issue a permit for any of the exceptions listed in the second Schedule to the Acts, which in effect mirrors that of the OSPAR Convention. Section 5(10), (11) and (12) allow the Minister to amend the second Schedule by Ministerial Order.

The GSI and the SEI are currently involved in two research projects testing the theoretical validity of Co2 sequestration.

### **Research**

The SEI (“Sustainable Energy Ireland”) has, to date, published two works on conceptual geological storage options, each also including indicative cost benefit analyses.

There are two projects under the remit of the Department that are involved in Carbon Sequestration research, these are:

#### ***All Island Assessment Of Co2 Geostorage Potential***

The GSI along with Petroleum Affairs Division and the Geological Survey of Northern Ireland are collaborating in an SEI led 12 month project to undertake an all island study of Ireland’s onshore and offshore geology to determine the island’s potential for geological CO2 storage. The goal of the project will be to identify all potential geological formations suitable for carbon storage with due consideration of storage integrity and to identify all large scale point emissions of CO2 which may be appropriate for carbon capture and storage.

In the process, the study will identify the optimum and most cost effective capture, delivery and storage routes for each point source. In this way, a series of estimates for the island’s carbon storage potential will be generated beginning with theoretical potential and arriving at a viable potential.

It is anticipated that this study will identify storage potential options, which will however, require a far more rigorous, intensive and detailed assessment in order to better define their geological and commercial viability or otherwise.

#### ***West Clare Co2 Geostorage Potential***

With the support of c. €1m to be provided by the EPA from its SSTI funded Climate Change Research Project, GSI, in collaboration with Petroleum Affairs Division, has proposed to undertake an integrated geological, 2D seismic and deep drilling programme to test for the existence, or otherwise of hypothetical deep saline aquifers in the in the onshore portion of the “West Clare Basin” in the vicinity of Moneypoint, Co. Clare. This region has been selected in order to contribute towards identifying potential geostorage reservoir capacity in proximity to Moneypoint, the State’s single largest point source CO2 pollution source.

Tender specifications for management and technical services have been provided to EPA which will manage the placement and award of the consultancy service. This 18 month project will provide an indicative assessment of saline aquifer geostorage potential in the study region. If such storage capacity is found to exist, then this study will need to be followed up by a far more extensive and elaborate investigative programme to more fully define and quantify the potential storage capacity, as well as provide a rigorous cost-benefit analysis.

## Natural Resources

## ***Petroleum Affairs Division***

***Head of Division: Ciarán Ó hÓbáin, Principal Officer***

### **Function of Division**

The Division is responsible for the promotion, licensing and monitoring of exploration and production of petroleum in the Irish offshore and onshore.

### **Sectoral Profile**

#### **Production:**

- Kinsale Head Gas Field which is nearing end life provides approximately 15% of Ireland's demand for natural gas;
- There have been delays in the development of the Corrib Gas Field which is now expected to begin production in late 2009 or early 2010;
- While there have been some oil discoveries, no such discovery has been declared commercial as yet.

#### **Exploration:**

- Investment in exploration in Ireland is very low when compared with other oil and gas producing provinces such as the UK or Norway;
- In recent years there has been a modest upswing in the level of interest in exploration which is evidenced by both an increase in the number of exploration authorisations awarded and in major international companies buying into existing licences;
- The cost of exploring offshore Ireland is high because of its remoteness and deep water depths (in the Atlantic Margin water depths are 7-8 times greater than that of the North Sea);
- Limited infrastructure (pipelines, terminals, platforms) due to absence of production which in turn makes the development of a discovery expensive;
- While Ireland's fiscal terms are attractive the low success rate has had a negative impact;
- Exploration investment has been encouraged through active promotion of the opportunities by the Department and the holding of regular licensing rounds;
- While recent research and surveys have added to the knowledge of Ireland's petroleum potential, it is through active exploration (in particular the drilling of wells) that the potential will be proven.

### **Key Immediate Issues**

#### **Licensing Terms for Petroleum Exploration and Production**

A review of both the fiscal and non-fiscal terms has been completed, including an independent study conducted by Indecon Economic Consultants. In relation to the fiscal terms Indecon suggested that there is scope for a marginal increase in the take for more profitable fields. A change to the tax treatment of profits on petroleum production will require a Government decision and an amendment of the Finance Acts. An early decision is desirable otherwise uncertainty in relation to the future



shape of the licensing terms is likely to have a negative impact on the level of investment in exploration.

### **Medium Term Issues**

#### **Corrib Pipeline**

The developers of the Corrib project are consulting at present in relation to a possible modification of the route of the Corrib pipeline. This is likely to give rise to an application later this year for consent of the Minister for a new pipeline route onshore (perhaps including some modification to the offshore route). Any new route will require the approval of the Minister along with an approval from An Bord Pleanála under the Strategic Infrastructure Act.

#### **Petroleum Safety Bill**

Draft Heads of a Bill have been prepared to transfer responsibility for "public safety" in relation to both exploration for and production of petroleum, from the Minister for Communications, Marine and Natural Resources to the Commission for Communication Regulation. It is unlikely that legislation will be enacted before the expected application relating to the Corrib pipeline is received.

#### **Porcupine Basin Licensing Round**

From time to time areas of the Atlantic basins are opened up for licensing rounds. Plans are in place to hold a licensing round over the Porcupine Basin in the second half of this year. It would be important that there is certainty regarding the licensing terms in advance of applications for the round being invited at the end of August

### **Key Industry/Stakeholder Groups**

The Division liaises with both the Irish Offshore Operators Association (IOOA) which is the industry's representative body, and with individual companies.

## ***Exploration and Mining Division***

### **Functions of Division**

The principal legislative provisions governing Exploration & Mining are the Minerals Development Acts, 1940 to 1999. Minerals within the meaning of the Acts exclude stone, sand, gravel and clay, over which the Minister has no jurisdiction.

- Policy Development:
  - Domestic only minerals within meaning of Acts, i.e. excl stone, gravel, sand & clay;
  - EU, including representation for the whole extractive industry (mining and quarrying);
- Promoting inward investment
- Regulation of exploration and mining
  - Administration of Leases/Licences & Prospecting Licences
  - Monitoring of compliance
- Mineral owner – State owns estimated 60% of all minerals and has exclusive right to work most of the remainder resulting in revenue to the State from Royalties and Prospecting Licence fees:
  - €3.3m in 2004
  - €3.4m in 2005
  - €6.1m in 2006
  - Income expected to rise to about €7m per annum by 2007/8, but may decline thereafter if metal prices decline as generally expected
- Fulfilling Minister's role as Statutory Consultee EIA/Planning Process
- Liability for old "orphan" mine sites (i.e. where operators no longer exist).

### **Sectoral Profile**

#### **Mining:**

- Undertaken by private industry under State Mining Facilities (Leases or Licences) from the State. There are currently 16 valid facilities. Main focus is on zinc/lead deposits.
- Three major zinc/lead mines currently operating – Boliden Tara Mines Ltd. at Navan (largest in Europe), Lisheen, operated by Anglo American, in Co. Tipperary and Galmoy Mines Ltd., a subsidiary of the Lundin Mining Group, at Galmoy Co. Kilkenny.
- Mine output exported as concentrates for smelting abroad. Ireland accounts for 42% of European zinc output, 4% of world production of zinc and is ranked 8<sup>th</sup> in the world.
- Ireland accounts for 2% of global mine production of lead concentrates.
- Zinc prices currently doing very well, owing to low metal stocks partially driven by Chinese demand, and further fuelled by speculative pressures. All three mines making large profits and paying royalties. Prior to 2004, however, industry suffered over 3 years of record low zinc prices and unfavourable exchange rates which threatened viability of all 3 mines. Mines survived crisis

only due to shareholder support, financial restructuring and deferral of royalties in the case of Galmoy & Lisheen.

- Industrial minerals also important, especially Knocknacran and Drummond gypsum mines in Co. Monaghan. These are run by Gypsum Industries, main supplier of gypsum and plasterboard to the building industry in Ireland.
- Other minor operations produce marble, dolomite, fireclay and coal.
- 1300 directly employed in minerals sector with output worth about €305m. in 2004 (latest figures available from CSO). Value of production has risen significantly since then as a result of boom in metal prices.

#### **Exploration:**

- Conducted by private sector, under exclusive Prospecting Licences from State.
- Currently about 336 Prospecting Licences held each covering an area of approximately 35 sq. kms.
- One offshore licence being processed over the Kish Bank Basin. Licensee interested in coal gasification.
- As with mining, main focus on zinc/lead but interest also in gold.
- Recovery in metal prices has led to a substantial increase in exploration activity.
- Availability of exploration data, free of charge and on-line, using GIS, assists in attracting investment.

#### **Key Immediate Issues**

**Revision of Legislation:** Heads of new Minerals Development Bill, to consolidate and update existing legislation, approved for drafting in June 2006. Drafting had not been completed by Parliamentary Counsel when Dáil was dissolved. This was a commitment in the last Programme for Government.

**Galmoy Mines Ltd:** Closure plan and financial surety currently under review, through the terms of the Integrated Pollution Prevention & Control Licence granted by the EPA.

**Boliden Tara Mines Ltd:** Tara Mines Ltd: New State Mining Lease required for major extension to the south west of the Navan ore body. Terms are currently under negotiation and Lease is expected to be issued shortly.

**Silvermines:** Govt. agreed in 2005 to fund rehabilitation of old mine site and waste facilities at Silvermines at estimated cost of €10.6m. Former leaseholder, Mogul of Ireland, being pursued to honour obligations. Works are being undertaken by North Tipperary CC, as agents of the Department, and are being funded by this Department

**Avoca Former Mine Sites:** Large scale mining ceased here in 1982 with only minimal remediation undertaken, leaving extensive site with safety and environmental issues, including acid drainage to Avoca River. Major consultancy study under way, managed by GSI with EMD involvement, to develop management plans for site costed to feasibility study level. High expectations that such plans will be implemented in light of Silvermines and because State is owner of most of lands involved. Study expected to be completed mid 2008. Major stakeholder, such as

local residents, fisheries and heritage interests, have strong, sometimes incompatible views about future of site.

**New Extractive Industry Waste Directive:** Important EU initiative for which this Department had lead role for Ireland to set common standards across the Union. Directive adopted in 2006 – to be implemented by 2008. Dept. of Environment, Heritage & Local Govt leading on drafting regulations with major input from EMD.

### **Medium to Longer Term Issues**

**Mining Board Proceedings:** Working of privately owned minerals by holders of State Mining Licences is subject to payment of compensation, paid by the Minister but recouped from the Licensee. In default of agreement, mineral owners can apply to the Mining Board to determine the amount – one such appeal before the Board at present. If upheld, will have serious implications for economics of Tara Mines, will set an unacceptable precedent for other mines and deter potential investors in exploration here. No date set for hearing yet but may be imminent.

**High Operating Costs for Mines:** Industry maintains that operating costs in Ireland are high with implications for competitiveness. Comparative international data this is overstated and that Irish costs are comparable with major mines in Canada & Australia.

**Old Mine Sites:** In addition to Silvermines, and Avoca, remediation/rehabilitation issues exist for other sites such as Tynagh. Environmental impact of such sites coming under increasing scrutiny at European level. Cost of remediation of pre 1990s and earlier worked out mines likely to be in the €millions. Current mines have closure plans and bonds in place sufficient to ensure orderly and proper closure.

### **Key Industry /Stakeholder Groups**

**Irish Mining & Exploration Group (IMEG):** This is a division of IBEC.

**Institute of Geologists of Ireland:** Professional body for Irish geologists. Membership gives competent person status to sign off reports.

**Irish Mining & Quarrying Society:** Mainly represents the aggregates and construction materials sector but also has mining company representation.

## ***Geological Survey of Ireland***

*Head of Division: Dr Peadar McArdle, Director*

The Geological Survey of Ireland (GSI), as the national geoscience agency, contributes to sustainable national development and environmental protection by providing decision-makers and stakeholders with best available geological information from comprehensive and up-to-date national geological databases. GSI adds value to the data it acquires by integrating it with its other databases, interpreting it to meet the needs of customers and providing it in an easily accessible way.

A National Geoscience Programmes (2007-2013), prepared jointly by GSI and the Royal Irish Academy on behalf of the geoscience sector, has set out sectoral goals in the areas of research, services and education. Geoscience was identified as a priority area in the Strategy for Science, Technology and Innovation (2006) and subsequently received capital funding of €33 million through the National Development Plan (2007-2013) and €10 million through the recently launched Griffith Geoscience Research Awards. These initiatives are designed to ensure that geoscience makes a wider contribution to the knowledge economy in the coming years.

Two key developments are likely to have a major impact on the future development of GSI. One is the increasing cooperation between it and the Geological Survey of Northern Ireland (GSNI), whereby a number of activities and projects are jointly undertaken. At present preparatory joint work is being undertaken on a Statement of Strategy (2007-2010). The second development is the decision to make all GSI data available to all users free of charge and on a web-enabled basis. This will be achieved on a phased basis by end 2008.

*GSI has five major long-term goals:*

1. To provide easily accessible and accurate geological information.
2. To support sustainable development, environmental protection, and the National Development Plan.
3. To map Ireland's Earth resources.
4. To promote better public understanding of the role of the GSI and geology in Irish society.
5. To provide a stimulating, motivating and rewarding work environment for GSI staff.

These goals will be achieved through the programmes and activities of the Statement of Strategy (2007-2010). More detailed plans and milestones for each programme are contained in the annual Business Plan which takes account of the operational constraints under which GSI works. The GSI programmes are briefly described below.

### **Information Management Programme**

This programme is responsible for managing and developing all data within an increasingly integrated and digital database. It will manage the process of making all GSI data available to users free of charge and on a web-enabled basis. This will impact especially on GSI's first goal.

**Bedrock and Quaternary Programme**

These contribute most directly to the second and third goals, providing essential geological maps for a wide variety of customer needs. They also make accessible maps and books which are widely marketed and so assist with the fourth goal.

**Geotechnical and Minerals Programme**

These programmes are aimed at primarily fulfilling the second goal, with the focus on providing information for infrastructural projects and land use planning, but they also comprise a key component in ensuring the third goal is accomplished.

**Marine Programme**

This programme has responsibility, jointly with the Marine Institute to undertake the INFOMAR Programme which has the task of completing measuring of inshore areas of Irelands seabed. This will contribute to the third goal.

**Groundwater Programme**

Its key activities contribute to the second and third goals, assisting with the sustainable management of water resources through preparation of county-based Groundwater Protection Schemes and through support for implementation of the EU Water Framework Directive.

**Minerals Programme**

This programme undertakes Aggregate Potential Mapping, manages a range of project inputs relating to mine wastes and abandoned mine sites, and supports exploration and mining databases, all contributing to the second and third goals.

**Heritage and Geotourism Programmes**

The activities of this programme are fully aligned with the fourth goal. Heritage and tourism products reach a wide public and support important national objectives at the same time.

**All Programmes and Support Services:** contribute to the fifth goal. Consultation and partnership with staff is key to all that GSI achieves. Training and development of staff is central to this.

## Annexes

## **Annex to Introduction to the Energy Sector**

### **Energy Policy White Paper – Key Directions**

The Key directions set out in the White Paper are set out here. A full list of Actions in relation to the 2007/08 period is included in the Appendix to this Brief.

#### **Electricity Market**

Particular priority is given to ensuring that electricity supply continues to meet growing demand. This entails

- Raising the standards of availability and performance of the existing power generation plant in the short term;
- Providing a “fast build” option over the next 12 months should this be needed for security of supply;
- The competitive provision of additional mid-merit/flexible plant of at least 240MW over the next 12-18 months to address demand and capacity constraints, and
- Delivery to schedule of the new 430MW plant at Aghada (ESB) and 400MW plant at Whitegate (BGE) by 2009.

New market entry will be facilitated by making three serviced ESB sites available this year (2007), and the planned divestment of 20% of the existing ESB conventional plant portfolio by 2010 under the CER-ESB Agreement.

A landbank of ESB owned sites will be developed by EirGrid by 2008 in consultation with CER to facilitate independent power generation investment up to 2020. Other suitable State Owned sites (for power generation) will also be identified by EirGrid, which could augment the ESB sites.

Ownership of the transmission assets will be transferred from the ESB Group to EirGrid by the end of 2008, establishing EirGrid as the Transmission Grid Owner and Operating Company. This will bring Ireland into line with the norm for transmission ownership and operation in Europe.

This will create a more favourable environment for new market entry by instilling real confidence in the treatment of access to the transmission system, improved perception of equity in terms of transmission system planning and information provision.

From 2008, the distribution networks business, which is a natural monopoly, will be operated under a risk-related rate of return sufficient to remunerate debt and retain capital to finance network investment requirements up to 2013. The resultant savings, through reduced network tariffs and a lower shareholder dividend from the networks business, will be passed on in full to electricity customers.

#### **Fuel Diversity**



The White Paper confirms the policy of diversifying our energy sources, with the aim of meeting 33% of our electricity needs from renewable energy by 2020, with a commitment to increased Combined Heat and Power and the full development of our ocean energy potential. In the area of fossil fuels, diversifying gas supply into LNG and using clean coal technology are also important components of a diverse overall fuel supply for the long term.

The National Bioenergy Action Plan, which was incorporated in the White Paper, sets out a strategy for developing our indigenous bioenergy capacity to the greatest practical extent. It contains a commitment to using 10% biofuels in transport by 2010.

### **Renewable Energy**

The White Paper makes a strong commitment to the further development of renewable energy. The White Paper sets out ambitious and achievable targets for renewable energy in the electricity, transport and heating sectors. Those commitments and targets include:

- 15% of electricity consumption to come from renewable sources by 2010 and 33% by 2020;
- at least 400MW by 2010 and 800MW by 2020 from Combined Heat and Power;
- at least 500MW installed capacity from the ocean by 2020;
- a target of 20% energy savings by 2020 with a 33% target in the public sector and
- use of 10% biofuels in road transport by 2020.

### **Energy Efficiency**

The energy intensity of the economy as a whole has fallen by over 40% since 1990, reflecting both changes to the structure of the economy and improvements in energy efficiency already achieved.

There is, however, a need to significantly raise awareness of the benefits of improved energy efficiency among individual consumers and across all sectors of the economy including the transport sector and the public sector. The White Paper commits to achieving a 20% saving in energy by 2020 and, by way of setting an example, commits the Public Sector to reducing its energy demand by 33% by 2020.

The National Energy Efficiency Campaign (“Power of One”) is a multi-dimensional campaign running from 2006 – 2008 targeted at consumers as well as at individual sectors of the economy. Particular focus is being given to SMEs and the public sector.

## Glossary of Terms

AER	Alternative Energy Requirement
AES	Advanced Environmental Solutions
BAI	Broadcasting Authority of Ireland
BCC	Broadcasting Complaints Commission
BCI	Broadcasting Commission of Ireland
BER	Building Energy Rating
BGÉ	Bord Gáis Éireann
BIM	Bord Iascaigh Mhara
BL	Bachelor of Law
BMW	Border Midlands West
C&AG	Comptroller and Auditor General
CCGT	Combined Cycle Gas Turbine
CEO	Chief Executive Officer
CER	Commission for Energy Regulation
CERN	European Organisation for Nuclear (Partial Physics) Research
CHP	Combined Heat and Power
CO	Clerical Officer
CO <sub>2</sub>	Carbon Dioxide
COE	Council of Europe
ComReg	Commission for Communications Regulation
CPI	Consumer Price Index
CWU	Communications Workers Union
CZMD	Coastal Zone Management Division
DCMNR	Department of Communications, Marine and Natural Resources
DETI Northern Ireland	Department of Enterprise Trade and Investment
DoEHLG	Department of Environment Heritage and Local Government
DSFA	Department of Social and Family Affairs
DSO	Distribution System Operator
DTI London	Department of Trade and Industry
DTT	Digital Terrestrial Television
ECAP	Electronic Communications Appeals Panel
ECJ	European Court of Justice
ECTA	European Competitive Telecom Association
EFT	Electronic Fund Transfer
EMP	Exploration and Mining Division
ENISA	European Network Security Agency
EO	Executive Officer
EPA	Environmental Protection Authority
ESB	Electricity Supply Board
ESIOP	Economic and Social Infrastructure Programme
ESOP	Employee Share Ownership Scheme
ESOT	Employee Share Ownership Trust
EU	European Union

EWIT	East West Interconnector
FCILC	Foyle, Carlingford and Irish Lights Commission
GBS	Group Broadband Scheme
GSI	Geological Survey of Ireland
GSM	Global System for Mobile Communication
GUDP	Grid Upgrade Development Programme
HR	Human Resources
IAWS	Irish Agriculture Wholesale Society
IBEC	Irish Business Employers Confederation
ICZM	Integrated Coastal Zone Management
IDA	Industrial Development Authority
IEA	International Energy Agency
IERC	Irish Environmental Researchers Colloquium
IMEG	Irish Mining & Exploration Group
INPC	Irish National Petroleum Corporation
IOOA	Irish Offshore Operators Association
IPIA	Irish Petroleum Industry Association
IPU	Irish Postmasters' Union
IT	Information Technology
JOC	Joint Oireachtas Committee
LLU	Local Loop Unbundling
LNG	Liquid Natural Gas
LPG	Liquid Petroleum Gas
MANs	Metropolitan Area Networks
MD	Managing Director
MMDS	Multipoint Microwave Distribution System
MSE	Managed Services Entity
MW	Mega Watt
NBS	National Broadband Scheme
NBS	National Broadband Scheme
NDP	National Development Plan
NGN	Next Generation Networks
NIFA	National Inland Fisheries Authority
NORA	National Oil Reserves Agency
OECD	Organisation for Economic Cooperation and Investment
OPW	Office of Public Works
OSPAR	Oslo and Paris
PES	Public Electricity Supplier
PMDS	Performance Management Development System
PSO	Public Service Obligation
R&D	Research and Development
REFIT	Renewable Energy Feed-in Tariff
REIO	Renewable Energy Information Office
REV	Revised Estimates Volume
RNLI	Royal National Lifeboat Institution
RTDI	Research & Technological Development & Innovation
RTÉ	Radio Telifis Éireann

S&E	South & East
SEI	Sustainable Energy Ireland
SEM	Single Electricity Market
SFPA	Sea Fisheries Protection Authority
SI	Statutory Instrument
SPA	Sale and Purchase Agreement
TAC	Total Allowable Catch
TIF	Telecoms Industry Federation
TPES	Total Primary Energy Supply
TSO	Transmission System Operator
TVWF	Television Without Frontiers
UK	United Kingdom
USO	Universal Service Obligation
VFM	Value for Money
VRT	Vehicle Registration Tax