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## **General Scheme of the Climate Action (Amendment) Bill 2019**

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On Monday (6 January 2020), the Government published the Draft General Scheme of the Climate Action (Amendment) Bill 2019 (the "General Scheme"), which contains the proposed heads of amendment to the Climate Action and Low Carbon Development Act 2015 (the "Principal Act"). This update was co-authored by Isla Stewart, senior associate, and Freda McGeough, trainee, from Matheson's Corporate Department.

The General Scheme contains 16 heads of amendment ("Heads") that set out how the Government intends to enshrine the Climate Action Plan into law and will be a priority piece of legislation for the Dáil term. A detailed summary of each of the heads contained in the General Scheme is provided below:

• National Transition Objective (Heads 2 and 3): These Heads set out the principle for Ireland to have a net-zero climate resilient and environmentally sustainable economy by 2050 (to be known as the "national transition objective") (the "2050 target"). The Government will be required under law to evidence its efforts and commitment to the Climate Action Plan through a national long-term climate strategy (the "Strategy"). As part of this, the Government will be obliged to prepare an adaptation framework (to ensure a timely and economic transition to the 2050 target), revisions to the Climate Action Plan (where necessary) and a series of carbon budgets. The 2050 target has not been set out yet in the General Scheme on the basis that the target will be subject to a consultation with the Climate Change Advisory Council and be subject to further research.

The Strategy (see Head 3) will replace the process for developing and submitting a National

gation Plan but will retain much of the process currently provided in the Principal Act. Matheson envisaged that the first Strategy will be published for the period 2021 to 2035 and each equent Strategy will:

- detail the anticipated carbon budgets for the next 5 years;
- have a 15 year outlook; and
- include a longer term perspective of at least 30 years.

The Strategy will be the Government's framework to achieve the 2050 target and will outline the specific policy measures that will be deployed and the sectoral mitigation measures that will be used. Each Strategy may be updated from time to time by the Government and the Government will be required to take into account a number of matters when setting the Strategy, such as sustainable development, economic opportunities, technical and scientific advice, and public health.

- Climate Action Plan (Head 4 and 5): This Head provides that the Climate Action Plan will be updated on an annual basis by the Government and that Ministers may come together to submit collective plans for specific sectors. Each updated Climate Action Plan will provide an updated roadmap of actions needed to support the policy measures provided under the Strategy. The updated Climate Action Plan will also detail Ireland's annual trajectory decarbonisation target range for each sector and the adaptation measures set out under the adaptation framework.
- Climate Action Council (Heads 6-10): The Climate Change Advisory Council will be renamed as the Climate Action Council (Head 6). The format of the previous council will predominantly remain subject to the following (Head 7):
  - the Director of Met Eireann will be included as a fifth ex-officio ordinary member to provide more scientific expertise to the council;
  - as far as practicable, there should be a gender balance on the council;
  - all members will serve a maximum of two terms and such memberships may be staggered so as to retain expertise; and
  - the council will also have an advisory committee in relation to climate adaption.

The Climate Action Council will be given new functions to provide recommendations to the Minister for the carbon budgets (Head 8) and will be required to publish an annual report of the progress made during the preceding year on: achieving reductions in greenhouse gas emissions, the carbon budget performance and the achievement of targets under the 2050 target (Head 9).

• Carbon Budgets (Heads 11-13): These Heads oblige the Government to start a carbon budgetary process for the carbon budgets. The carbon periods for each budget are in five year increments from 2021 to 2035. For any period beyond 2035, the carbon budget must be set at least 10 years before the period commences (Head 11).

The Climate Action Council will play a pivotal role in advising the Government at least 12 months in advance of each carbon budget in relation to the recommended level of carbon budget and the considerations of cost effective mitigation potential. All such recommendations will be published by the council and the Minister must explain the reason for any variations from the recommendation given by the Climate Action Council (Heads 11 and 12).

Minister will also be responsible for setting a decarbonisation range for each relevant Matheson r for the five year period within the ceiling of each proposed carbon budget. The definition and defini adopted carbon budget to cater for a significant change in greenhouse gas emissions, changes to the State's obligations under EU law or international agreements and the requirement to respond quickly to economic and environmental circumstances. The section shall also enable the Minister to bank and carry forward any excess emissions to a future budget or to carry back emissions from a future budget (Head 13).

- Sectoral Climate Reporting (Head 14): The annual transition statement under the Principal Act will be replaced with a new sectoral reporting process. The Minister will detail sectoral progress to the Oireachtas on an annual basis. This will encompass an overview of the implementation of the relevant policy and sectoral mitigation measures, and will also detail any changes in emissions of each sector and any significant deviations from the relevant sectoral target range set within carbon budget ceilings.
- Role of Local Government (Head 15): Local authorities will now be required to prepare climate action plans for their own administrative areas (compared to the previous voluntary contribution under the Principal Act). The local plans should outline all mitigation and adaptation measures that the local authority intends to adopt in line with the Strategy, the adaptation framework, the Climate Action Plan and the national transition objective. The respective climate action plans shall be requested by the Minister within 18 months of the legislation being enacted and the plans should cover a 5 year cycle. In addition, it is also expected that local authorities may look to collaborate with one another to create regional actions.
- Sale of Fossil Fuel Cars (Head 16): A Head of Amendment is being prepared that will ban the sale of new fossil fuel cars from 2030 and to stop the grant of NCT certificates from 2045. This will enshrine in law previous commitments made under the National Development Plan and Climate Action Plan.

The General Scheme is available at this link.

Matheson's Energy and Infrastructure team will be following the progress on the General Scheme and the forthcoming Parliamentary bill so please look out for further updates.

If you would like to discuss how to ensure your business can navigate the changes that will arise from the General Scheme, or indeed discuss any other matters, please contact Garret Farrelly or your usual Matheson contact.

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