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*Minister Richard Bruton, TD,*
*Department of Communications, Climate Action, and Environment,*
*4 July, 2019*

Email only: minister.bruton@dccae.gov.ie

**Renewable Energy Credits: Irish Statistical Transfer Talks with Estonia**

Dear Minister;

We understand that your Department is exploring the potential mechanisms and cost of addressing our renewable energy targets within the framework of EU Renewable Energy Directive 2009/28/EC. In particular, we note your comments that the Irish requirements for statistical transfer purchases are being undertaken against a background of discussions with the EU Commission and relevant Member States.

We have been contacted by the Estonian Fund for Nature, who are concerned that negotiations for statistical transfer between Ireland and Estonia, which they understand to beat an advanced stage, could lead to Ireland paying Estonia for future co-firing of wood with oil-shale, which would allow the country's three oil-shale fired power stations to stay open indefinitely.

Oil shale is one of the world's most polluting and highest carbon sources of energy. It is responsible for around 90% of Estonia's greenhouse gas emissions, and is the country having the highest per-capita $CO_2$ emissions in the EU after Luxembourg.

In recent months, the rising $CO_2$ price has rendered Estonia's three oil shale power stations uneconomic. Hence, they've been largely idle, with the electricity shortfall being met through imports. Instead of investing in a transition to cleaner electricity, the Estonian government wants to keep these oil shale plants and the surrounding oil shale mining industry running. The only way that it sees for preventing them from having to close is to allow - and get funding for - co-firing of wood with oil shale. It plans to finance this through selling Renewable Energy Credits from such cofiring to other EU countries.

Unlike Ireland's co-firing of peat by biomass, which is a transitional measure, the Estonian proposal will not be transitional and used solely to ensure the revitalisation of the shale oil industry at the cost of further devastating Estonia's forests and the wildlife that depends on them. Between 2001 and 2015, Estonia has lost 205,000 hectares of tree cover.

We are advised that the terms of the 2017 Second Agreement on Statistical Transfers of Renewable Energy amounts between Estonia and Luxembourg included a specific clause specifying that the credits transferred cannot be based on co-firing of fossil fuels with biomass.

Will the Minister ensure his Department does not enter into a Statistical Transfer Agreement with Estonia, unless such an agreement includes an exclusion clause for the co-firing of wood with oil shale in auctions of renewable energy certificates bought from Estonia at statistical transfer auctions? What actions is the Department taking to ensure that renewable energy certificates purchased by Ireland do not support the fossil fuel industry? Is there an opportunity for Non-Governmental Organisations to assist in informing these purchases?

We would be grateful for your views on an urgent basis, given what we understand is the advanced stage of discussions with the EU Commission and relevant Member States.

Yours, etc.,

Tony Lowes

REFERENCES
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*Electronically signed on 04/07/2019 in accordance with article 4.2 (Validity of electronic documents) of Commission Decision 2004/563*