



Rialtas na hÉireann
Government of Ireland

Regulatory Impact Analysis

European Union (District Heating) Regulations 2022

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1. Summary

Summary of Regulatory Impact Analysis (RIA)	
This RIA examines the proposal to transpose Article 15(4) of the Renewable Energy Directive (RED II) to apply to the Building Regulations to permit minimum requirements for renewable energy to be fulfilled through efficient district heating and cooling as defined in the Energy Efficiency Directive .	
Department: Department of Housing, Local Government and Heritage	Title: European Union (District Heating) Regulations 2022
Stage: Public Consultation	Date: June 2022
Related Publications: https://www.seai.ie/data-and-insights/national-heat-study/	
Available to view at: www.housing.gov.ie	Contact for enquiries: Buildingstandards@housing.gov.ie
The following options have been considered: <ul style="list-style-type: none">• Do nothing• Implement this proposal Preferred option: Implement this proposal	

2. Policy Context

2.1 Climate Action Plan 2021

The Climate Action Plan 2021 provides a detailed plan for taking decisive action to achieve a 51% reduction in overall greenhouse gas emissions by 2030 and setting us on a path to reach net-zero emissions by no later than 2050, as committed to in the Programme for Government and set out in the Climate Act 2021.

It will put Ireland on a more sustainable path; cut emissions; create a cleaner, greener economy and society; and protect us from the devastating consequences of climate change. It is a huge opportunity to create new jobs and grow businesses in areas like offshore wind; cutting-edge agriculture; and retrofitting, making our homes warmer and safer.

The Plan lists the actions needed to deliver on our climate targets and sets indicative ranges of emissions reductions for each sector of the economy and makes Ireland one of the most ambitious countries in the world on climate.

Section 13: Measures to Deliver Targets includes a commitment to facilitate District Heating. District heating offers the potential to supply low- and zero-carbon heat to homes, businesses and public buildings from a central source. Work is underway to inform the development of district heating policy, including the completion of the comprehensive assessment to support the rollout of district heating in Ireland, and the finalisation of the National Heat Study. In addition, there are two district heating projects in development in Tallaght and Dublin City.

Action 189 of CAP 2021 provides that Article 15(4) of RED II should be transposed for Building Regulations to permit minimum requirements for renewable energy to be fulfilled through efficient district heating and cooling as defined in the Energy Efficiency Directive.

This document assess the Regulatory Impact of the transposition of Article 15(4) of RED II.

The District Heating Steering Group, established and chaired by the Department of Environment, Climate and Communications, is working to ensure that the benefits of efficient district heating and cooling systems for both the environment and for the consumer are realised in accordance with Climate Action Plan 2021.

3. Identification of Options

3.1 Do Nothing

Failing to transpose the requirements of the EPBD would leave Ireland open to enforcement and potential fines by the EU Commission. The Directive does not permit member states discretion to derogate from these measures in their national building regulations and therefore this is not considered a viable option.

Not introducing this proposed change would have adverse implications for sustainable development and would inevitably lead to necessary consideration by Government of alternative interventions to make up the resultant shortfall against existing commitments.

In addition, Government have already committed to these measures under the Climate Action Plan 2021.

3.2 Preferred Option: Implementation of this proposal

Given that doing nothing has the potential to leave Ireland exposed to an infringement action by the European Commission, the preferred option is to transpose the requirements of the Directive and delivering on our commitments as outlined above.

The proposed Regulations and associated Technical Guidance Documents Part L will ensure that these minimum requirements of the directive are adopted in line with Climate Action Plan 2021.

4. Impacts

4.1 Construction costs

Recognising waste heat as renewable energy results in reduced construction costs as it provides additional alternatives to meet the renewables requirements for NZEB.

4.2 Emissions

These regulations apply to new buildings only, so do not result in direct reduction in emissions. These regulations will enable District Heating, which is a low-carbon technology.

4.3 Operating Costs

Operating Costs are not currently available but will be considered by the Steering Group which has been established by the Department of Environment, Climate and Communications.

4.4 Skills and Materials

While the capacity of the market to deliver is limited as there is a skills shortage, it is expected that the normal skills requirements for heating and water infrastructure can meet the needs of District Heating (e.g. plumbers, engineers, civil works). Skills requirements and market issues will be considered by District Heating Steering Group led by DECC.

4.5 Regulation

Consumer Protection and Regulations have been identified as deliverables in the Climate Action Plan 2021 and will be considered by DECC led District Heating Steering Group.

A Steering Group that will oversee research to inform the development of district heating and that will make recommendations as to how the sector may be financed. The Steering Group will also make recommendations as to appropriate targets for district heating expansion, based on the National Heat Study.

4.6 Consultation

Transposition of Article 15(4) will undergo public consultation as part of this Regulatory Impact Assessment. A calculation methodology for inclusion of district heating systems in DEAP and NEAP is under development and will undergo a separate public consultation. The DECC led District Heating Steering Group will consult with stakeholders as required.

4.7 Enforcement and Compliance

These regulations will be enforcement by Building Control Authorities under the Building Control Act 1990.

