



Rialtas na hÉireann
Government of Ireland

Terms and Conditions for the First Competition under the Renewable Electricity Support Scheme

*Supplementary Note in Relation to
Citizen Investment*

February 2020

Background

Citizen Investment and community participation in renewable energy is a central pillar of Ireland's climate transition as set out in the All of Government Climate Action Plan 2019. One of the aims of RESS is to encourage and facilitate greater community and citizen involvement in renewable electricity.

RESS-1 will provide a pathway for community projects through the community preference category and a mandatory Community Benefit Fund for all projects successful in the auction. Together, these aspects of the scheme provide a major boost to communities in contributing to Ireland's renewable energy and climate goals.

A proposed national citizens' investment scheme, the Renewable Electricity Participation Scheme (REPS), was included in the consultation for the first RESS auction (RESS-1) terms and conditions. The proposed REPS model allowed for citizens to invest but not 'own' a renewable electricity project. The investor would rely on project revenues to deliver his/her return. A significant amount of feedback was received on this proposal through the public consultation and a series of three Community events.

These included concerns about the regulatory burden and appropriate consumer protections applicable to such an investment offering to retail investors. Moreover it was felt that REPS would result in a complex administrative burden for developers and could therefore result in inflated bid prices.

Notwithstanding the feedback above, a lot of support was received for citizen investment from key stakeholders including Community Enterprises, developers and across Government.

While there was significant support from across Government (and from the EU Commission in the context of the EU's Green Deal) for the concept of REPS, based on discussions with colleagues in relevant Departments and agencies, DCCAE is concerned that REPS may unduly expose citizen investors to financial risks and further consumer protections are required to mitigate this.

In light of the above, it is not proposed to mandate REPS on RESS-1 projects. It is noted that citizens will be provided with opportunities to invest in Community Projects through the inclusion of the Community Projects preference category in RESS-1.

Next Steps

DCCAE believe that increased participation by citizens in renewable electricity projects will bring about significant support for climate action as citizens become personally invested in their delivery. DCCAE will continue to investigate opportunities to deliver on these investment opportunities and further develop the overall package of community participation and benefits in future RESS auctions in line with Ireland's climate ambitions and the European Green Deal. The next steps are as follows:

- Examine further a range of options for delivering citizen investment in renewable energy generation through subsequent RESS auctions including through further support for community projects and enhancing the community benefit fund.
- Consider further international examples of community investment including equity models and tailor solutions to Ireland and the specific objectives of future RESS auctions.
- Continue to engage with statutory stakeholders on the range of investment options.