

Assessment of country performance and opportunities from the Energy Union

Ireland shows mixed performances along the Energy Union dimensions.

Energy Security: Power generation in Ireland relies essentially on gas, imported mainly from the UK.

Internal energy markets: Wholesale electricity prices are above the EU average. There is strong potential for competition in the electricity and gas markets. The electricity market design is characterised by high levels of transparency at wholesale level. Ireland is below the 10% electricity interconnection target for 2020, despite progress needed for the further development of renewable energy. Ireland is proceeding with the roll-out of smart metering systems for both electricity and gas, which could link to Ireland's strong ICT sector.

Energy efficiency: Ireland is on track to meet its EU 2020 target. However, additional efforts are needed to lower the primary energy consumption further and then keep it stable when GDP increases again during the next five year period.

Decarbonisation: Ireland has put in place effective environmental taxation measures including an emissions-based vehicle registration tax and a carbon tax. However, the country is expected to miss its greenhouse gas emission target, due to stable emissions in agriculture, increasing emissions in transport and restricted roll-out of renewables. Ireland is close to its interim target as set out in the Renewable Energy Directive, but the existing regulatory framework appears to be insufficient to enable the step-wise achievement of its 2020 target. Ireland's potential for renewable energy is underexploited.

Research, innovation and competitiveness: Ireland is below EU average in terms of public support share allocated to research and innovation in the field of energy and environment.

Against this background, the **Energy Union Strategy can provide potential benefits** for Ireland:

- *Energy Security:* Diversification of European gas sources, suppliers and routes and better coordination of emergency response mechanisms among Member States will further strengthen Ireland's energy security situation. This should also contribute to driving down gas prices, and thereby, electricity prices.
- *Internal energy market:* Market integration of renewables and regional cooperation among Member States is needed for the development of Ireland's renewable sector. Electricity interconnections (implementation of Projects of Common Interest) and enhanced cross-border trade will help control electricity prices and increase Ireland's security of electricity supply.
- *Decarbonisation:* The stimulation of renewable energy expansion through the 2030 EU Framework for Climate and Energy will be beneficial to Ireland, as its renewables supply potential exceeds by far domestic demand.
- *Research and Innovation:* The Energy Union's new strategy for Research and Innovation can support Ireland's progress on low-carbon technology development.