

# Northern Ireland's 2030 & 2040 Emissions Reduction Targets & First Three Carbon Budgets & Climate Change Committee (CCC) Advice Report: The Path to a Net Zero Northern Ireland

11<sup>th</sup> October 2023

## Summary of NIFHA View:

- We welcome further engagement from industry experts on how Northern Ireland's emissions reduction targets can be met and how NIFHA members will be supported in reaching these goals.

## About NIFHA

The Northern Ireland Federation of Housing Associations, formed in 1977, is the representative body for Northern Ireland's 20 registered housing associations.

Our members are all not-for-profit organisations. Together, supported by the Department for Communities and the Housing Executive, they provide over 58,000 social and affordable homes.

Housing associations access private finance to effectively double the number of homes they could build with government housing association grant alone.

Housing associations also deliver high quality care and support to help people stay as independent as possible.

Working in partnership with other organisations, they also invest millions each year in community services and facilities.

Our sector employs more than 3,300 people and manages housing assets worth £5.1 bn.

NIFHA welcomes the opportunity to comment on this Department for Agriculture, Environment and Rural Affairs (DAERA) Consultation on Northern Ireland's 2030 & 2040 Emissions Reduction Targets & First Three Carbon Budgets and the Climate Change Committee (CCC) Advice Report: The Path to a Net Zero Northern Ireland.

## Background

DAERA is required to prepare regulations on carbon budgets and interim targets guided by advice from the Climate Change Committee (CCC).

In March 2022, the Northern Ireland Assembly passed the Climate Change Act (NI) 2022 committing the region to an ambitious target of Net Zero emissions by 2050.

With Northern Ireland's climate ambition now set in law, the next step is to determine the path to Net Zero including the pace of our actions and associated milestones. This means setting 2030 and 2040 emissions reduction targets and five yearly 'carbon budgets'. These carbon budgets are legally binding limits on the total amount of greenhouse gases that

can be emitted in Northern Ireland for a five-year period and provide a useful way to benchmark Northern Ireland's progress in meeting climate goals. The Climate Change Act (NI) 2022 places duties on DAERA and all other Departments. DAERA must prepare and publish a Climate Action Plan to meet a carbon budget and set out how the 2030, 2040 and 2050 emissions reduction targets will be met. Individual departments are required to provide DAERA with policies and proposals within their area of responsibility for inclusion in the Climate Action Plan.

## Response to consultation

### Q1. The 2030 Target:

Do you agree that DAERA should follow the current advice provided by the CCC and keep the current 2030 emissions reduction target in the Act of an at least 48% reduction in emissions compared to the baseline?

HA 1 – Yes, the CCC is an independent statutory body who we would assume are looking at this matter through an objective lens.

HA 2 – Yes, a higher percentage would be harder for us to achieve.

HA 3 – Yes.

HA 4 – Yes.

### Q2. The 2040 Target:

Do you agree that DAERA should follow the current advice provided by the CCC and set a 2040 emissions reduction target of an at least 77% reduction in emissions compared to the baseline?

HA 1 – Yes, but what is important is to establish what the pathways could and should be and how that is being properly costed and supported as to ensure this is a deliverable target.

HA 2 – Yes, a higher percentage would be harder for us to achieve.

HA 3 – Yes.

HA 4 – Yes.

### Q3. First Carbon Budget (2023 – 2027):

Do you agree that DAERA should follow the current advice provided by the CCC and set the first carbon budget at a level that has a 33% average annual reduction in emissions compared to the baseline?

HA 1 – Yes.

HA 2 – No, a 33% average annual reduction requires agreement across all our contractors. This figure is only achievable if the target is mandatory across all sectors and suppliers. Annual footprint figure reporting across NI Housing Associations are currently based on Scopes 1 & 2. Support provided to contractors for Scope 3 emission calculations and reductions would be essential to work towards a 33% average annual reduction.

HA 3 – Yes.

HA 4 – Yes.

### Q4. Second Carbon Budget (2028-2032):

Do you agree that DAERA should follow the current advice provided by the CCC and set the second carbon budget at a level that has a 48% average annual reduction in emissions compared to the baseline?

HA 1 – Yes.

HA 2 – No, a 48% average annual reduction requires agreement across our contractors. This is only achievable if the target is mandatory across all sectors and suppliers.

HA 3 – Yes.

HA 4 – Yes.

### Q5. Third Carbon Budget (2033-2037):

Do you agree that DAERA should follow the current advice provided by the CCC and set the third carbon budget at a level that has a 62% average reduction in emissions compared to the baseline?

HA 1 – Yes.

HA 2 – No, A 62% average annual reduction requires agreement across our contractors. This is only achievable if the target is mandatory across all sectors and suppliers.

HA 3 – Yes.

HA 4 – Yes.

### Q6. CCC Advice:

Do you agree that DAERA should follow any updated advice and recommendations from the CCC (as a result of the publication of the Northern Ireland 2021 Greenhouse Gas Inventory) when setting the first three carbon budgets?

HA 1 – Yes.

HA 2 – Yes, NI has high GHG emissions due to farming. It is important to monitor this now to begin detailing how it is addressed.

HA 3 – Yes.

HA 4 – Yes.

### Q7. Impact Assessments

Can you provide any information (relating to the potential financial, economic, social, rural and equality impacts) which will help inform the completion of the relevant impact assessments on the proposed carbon budgets?

HA 1 - If we assume impacts relate to the affect certain policies and operations have on people, communities, industry, sectors etc then a focus from a housing perspective needs to be on how we appropriately fund the delivery of new homes, particularly in a time of housing crisis and rising waiting lists – without additional funding mechanisms available that provide support and assistance how do we meet net zero targets using what are currently costly renewable technologies without additional public subsidy but yet the department have removed that multiplier?

There is also then the sustainability of existing stock and the lack of any subsidy being made available for retrofitting existing stock.

We have seen a significant decrease in social housing budget – how with this oversight on meeting 2050 targets is effective engagement being undertaken across departments that does not lead to the lessening of delivery of new homes.

HA 2 - We can provide a rough estimate of our social housing greenspaces as a carbon sink potential. We can provide a rough estimate of our housing stock EPC ratings as an indicator for funding requirements for retrofitting to standard.

We can provide an estimated number of tenants that are affected by fuel poverty. These tenants would be in most need when funding is released for social housing retrofitting.

HA 4 - An equivalent reduction in residential buildings is possible within the timeframes indicated. With respect to the first Carbon budget, immediate action will be necessary to ensure that this is achieved. The CCC residential pathways are reliant on two technological solutions: (1) increased heat pumps installs and (2) increased district heating connections. Both of which are reliant on the decarbonisation and increased capacity of the NI electricity grid. HA 4 believes that without adequate preparation, social and equality issues will persist by targeting low zero Carbon technologies rather than 'fabric first' energy efficiency.

Measure/technology	2025	2030	2035	2040	2045	2050
Gas demand (TWh/year)	19	14	11	8	4	1
Electricity emissions intensity (gCO <sub>2</sub> e/kWh)	250	150	115	80	45	10
Annual heat pump installations (including hybrids)	15,857	33,000	38,000	36,500	4,903	1,327
Homes connected to district heating networks (annual)	500	1,582	2,267	1,168	748	850

**Excerpt of table 4.1: March 2023 Advice report: The path to a Net Zero Northern Ireland**

Although HA 4 support Carbon reduction budgets to be set to these ambitious levels, we do not agree that the technological solutions advised by CCC are at a level of maturity to successfully deliver the necessary reductions.

Instead, we support prioritising other elements of the decarbonisation pathway: (1) *“ramp up in improving the energy efficiency of existing residential and public buildings.”* & (2) *“delivering the near-term actions will be dependent on building up local workforce skills and supply chains and will have implications for supporting infrastructure, such as the necessary strengthening of electricity networks.”*

**Pg 41. Residential sectoral focus - Carbon Budget Consultation Document FINAL**

The two items highlighted above are actions that will enable the adoption of heat pumps and district heating solutions. Residential affordability and operational emissions should therefore be viewed side by side to enable a just transition to net-zero, i.e., for heat pumps to work effectively a home needs to be adequately insulated. If a heat pump does not achieve a coefficient of performance of at least 3, then their affordability does not compete with fossil fuel alternatives. In addition, grid capacity and skills development are critical to practical delivery of these ambitions.

It is HA 4’s position that lower skilled, less technologically dependant steps such as insulation should be taken to allow sectors for heat pumps and district heating to mature. This could be delivered via access to the Social Housing Decarbonisation Fund from the UK government or other private retrofit supports.

## CCC Advice Report: The Path to a Net Zero Northern Ireland

### Q8. Stretch Ambition Scenario to reach 93% reduction by 2050:

Do you think that the Northern Ireland Executive should follow the advice provided by the CCC and choose the Stretch Ambition Scenario?

HA 1 – Yes, in the absence of a working assembly there is a risk that the policy framework in NI is perhaps not as ambitious as it could be - the 2050 target will require focused action within a clear and properly costed framework.

HA 2 – Yes, it is important to reach Net Zero 2050 to reduce weather related climate impacts on our housing stock. However, our contractors need to be working under the same principles to ensure our Scope 3 emissions are also being addressed.

HA 3 – Yes.

HA 4 – Yes.

### Q9 (a). The Speculative DACCS Option to reach Net Zero by 2050:

Do you think that the Northern Ireland Executive should choose the Speculative Direct Air Capture with CCS (DACCS) option to reach Net Zero?

HA 1 – Yes, in relation to DACCS we do need to recognise that this could be a costly option and there will be challenges to the deliver however we cannot simply discount a blended approach across all of the speculative options outlined below.

HA 2 – No, this is new technology it will take time to upscale, and there is no indication the technology alone will support sufficient global GHG reductions. Create incentives for farmers to move to dual land use whilst reducing livestock numbers. Managing land use and designating south facing agricultural land as top priority for solar arrays that can be maintained alongside livestock. Offsetting livestock reductions whilst contributing to Net Zero 2050 targets. A calculation of suitable south facing agricultural land can provide an estimated indication of the solar farm value available.

HA 3 – No, this doesn't seem like an economically viable option. Time and focus needs to be put into R&D of alternative solutions rather than investing now in a solution which is not an affordable solution.

HA 4 – Yes.

### Q9 (b). The Speculative Agriculture Option

Do you think that the Northern Ireland Executive should choose the Speculative Agriculture Option?

HA 1 – Yes, the CCC report makes clear that the decision by the assembly to limit the reduction in methane emissions, mostly produced by farming, to 46% has had a real impact on any chance of getting properly close to net zero but we cannot ignore that residual emissions from the agriculture sector in NI have a significant impact as this area is more economically significant in Northern Ireland than elsewhere in the UK and will require due care and consideration as well as costing out what a reduction of a third of the livestock may mean for the agricultural sector.

HA 2 – Yes, alongside dietary changes implemented together with domestic meat production to prevent increased demand internationally. Subsidies/ Grants for farmers to change land use to solar farms where possible creating multi-use land areas for both grazing and solar farming.

HA 3 – No, the agricultural sector in NI provides many jobs and has a cultural significance that needs to be considered.

HA 4 – Yes.

### Q9 (c). Other Speculative Options:

Do you think that the Northern Ireland Executive should consider other speculative options such as (1) enhanced rock weathering and (2) addition of biochar to agricultural land?

HA 1 – Yes, there is a wide range of research ongoing in relation to these types of alternatives and it would be important that we do not rule out any approach at this stage.

HA 2 – Yes, Enhanced rock weathering will move the burden to another ecosystem.

Biochar decreases soil nutrients, decreasing crop yields. Given population growth will continue, more land will be required for crops, biochar is a short-term fix that will create larger issues downstream.

HA 3 – Yes.

HA 4 – Yes.

#### Q10. Agriculture Sector Contribution to Net Zero:

Do you think that the Northern Ireland Executive should diverge from the CCC sector advice to deliver the required outcomes for the first carbon budget period and that these can be achieved through the actions outlined in the Agriculture sector summary?

HA 1 – Yes, see comment above.

HA 2 – No, – different sectors need to contribute to the carbon budget. Leaning on agriculture as the singular sector for overall reductions doesn't address the underlining issues. Issues such as population behaviour need addressed to reach overall sector budgets.

HA 3 – Yes.

HA 4 – No, all sectors in Northern Ireland should be making sufficient strides to conform with the CCC advice. The reduction pathway for NI has already made significant provisions for protecting methane producing activities. Further concessions will reduce the efficacy of Northern Ireland's commitment to net-zero.

#### Q11. LULUCF Sector Contribution to Net Zero:

Do you think that the Northern Ireland Executive should follow the LULUCF sector advice provided by the CCC?

HA 1 – Yes.

HA 2 – Yes, reporting yearly on direct land-use change.

HA 3 – Yes.

HA 4 – Yes.

#### Q12 (a). Buildings Sector Contribution to Net Zero:

Do you think that the Northern Ireland Executive Should Consider the CCC advice on residential buildings, and develop a plan to improve energy efficiency and reduce reliance on fossil fuels, taking account of the capacity and capability of the low-carbon heating sector in Northern Ireland?

HA 1 – Yes, this is a fundamental requirement for our sector – see comments at Q7 above as to impacts – we are in a housing crisis – as a sector we recognise and support the need to move forward in a more sustainable way but there must be a recognition that there are other infrastructure issues that may affect pace at which this can be achieved.

However, this cannot be a silo approach and will require careful consideration as to what are the alternatives in terms of provision – how robust is our network to support electrification of heat sources for homes? How safe is hydrogen? What about follow up servicing and support with these alternative heat sources – is the supply chain in place and sufficiently skilled to address and not place social housing providers in breach of our statutory landlord duties.

HA 2 – Yes, the government needs to provide support for funding-ready areas that can demonstrate the need for support within their assets, such as retrofitting properties with an EPC rating of 'C' and below.

HA 3 – Yes, but concerted effort needs to be made to focus Social Value in public procurement on addressing the skills shortage in the low-carbon heating sector, as well as training in fabric-first interventions (e.g. NZEB or Passive House standard). Aside from this, the Building Control Regulations need to be urgently revised more in line with Britain to focus housebuilders on taking Net Zero seriously and building energy efficient homes. As it stands, the current BC Regulations in NI are producing homes that will require retrofitting well before 2050 in order to meet the Net Zero targets. Additionally, social housing providers should be supported in driving forward this change, however they have had these incentives removed with the recent termination of supplementary grant funding for building to NZEB standard.

HA 4 – Yes.

#### Q12 (b). Buildings Sector Contribution to Net Zero:

Do you think that the Northern Ireland Civil Service (NICS) should lead by example in the government estate and phase out the use of fossil fuel boilers as per the CCC advice?

HA 1 – Yes, this could potentially assist with some of the queries raised in Q12 above.

HA 2 – Yes.

HA 3 – Yes, but only as part of a wider strategy to improve fabric energy efficiency of their buildings.

HA 4 – Yes.

#### Q13. Energy Sector Contribution to Net Zero:

Do you think that additional measures (over and above those in the Energy Strategy) should be taken to ensure alignment with the CCC's advice?

HA 1 – Yes.

HA 2 – Yes, A push toward low carbon food growth, community allotments, urban green space development and dietary behaviour changes.

HA 3 – No.

HA 4 – No.

#### Q14. Transport Sector Contribution to Net Zero:

Do you think that the Northern Ireland Executive should follow the transport sector advice provided by the CCC?

HA 1 – Yes, – this is critical in terms of how we provide a fit for purpose infrastructure into the future.

HA 2 – No, 'CCC Advice Deployment Rates' should have a section on hydrogen vehicles, we are pushing for this in public transport. Hydrogen is a cleaner long-term fuel and should sit alongside electric vehicles. This will ensure flexibility in the vehicle decarbonisation phase, give ongoing 'rare earth element' shortages.

HA 3 – Yes.

HA 4 – Yes.

#### Q15. Business and Industrial Processes Sector Contribution to Net Zero:

Do you think that the Northern Ireland Executive should follow the Business and Industrial Processes sector advice provided by the CCC?

We would agree that the Northern Ireland Executive should follow the Business and Industrial Processes sector advice provided by the CCC.

#### Q16. Waste Sector Contribution to Net Zero:

Do you think that the Northern Ireland Executive should follow the Waste sector advice provided by the CCC?

We would agree that the Northern Ireland Executive should follow the Waste sector advice provided by the CCC.

#### Q17. Fisheries Sector Contribution to Net Zero:

Do you think that the Northern Ireland Executive should follow the Fisheries sector advice provided by the CCC?

We would agree that the Northern Ireland Executive should follow the Fisheries sector advice provided by the CCC.

ENDS

Clára Robinson  
Policy and Research Executive  
Northern Ireland Federation of Housing Associations  
crobinson@nifha.org