

Services sector in Ireland urged to take immediate action as energy expenditure exceeds €1 billion

Services sector now responsible for 8 million tonnes of national CO₂ emissions

Energy expenditure in the services sector, also known as the buildings sector, now exceeds €1 billion, and urgent action will need to be taken if it is to improve its performance and reduce its exposure to the proposed carbon tax. That is according to Kevin O'Rourke of Sustainable Energy Ireland who was speaking in Limerick today at a special conference on achieving energy sustainability in the built environment.

The services sector in Ireland consists mainly of commercial buildings such as retail, hospitality and financial services, and public buildings such as health, education, central government offices and local authority premises. The sector is responsible for almost one fifth of national energy use and a similar proportion of energy-related CO₂ emissions, equivalent to over 8 million tonnes.

Speaking at the conference in Limerick, Kevin O'Rourke, Manager - Built Environment, Sustainable Energy Ireland, said " After transport, the services sector is the fastest growing sector in terms of energy use and greenhouse gas emissions in the Irish economy, with energy demand growing by 30% in the four-year period 1998 - 2002. Of the total €1 billion energy expenditure in the sector last year, €300 million was on fuel for heating and over €700 million on electricity for lighting, heating ventilation and power".

Heaviest energy use is in operation intensive buildings such as hospitals and hotels, while swimming pools, leisure centres and modern shopping centres are also heavy energy users.

Mr. O'Rourke continued, "Analysis and experience in Ireland and elsewhere shows that significant economic, environmental, operational and other user benefits can be achieved by improved design, specification, construction and operating practices in such buildings. It is possible that improvements of up to 20% in the energy performance of buildings

could be secured using proven technologies which are cost effective. Going forward, it is imperative that the services sector in Ireland improves its energy performance - if it is to make its contribution to meeting our Kyoto protocol commitments, but also if it is to reduce its exposure to the proposed carbon tax measure".

Under the proposed carbon tax, increased costs of €59 million per annum (in the form of tax) are expected to be imposed on the services sector, based on 2002 levels of energy usage. Over time, this price signal would yield an annual reduction of 340,000 tonnes in CO₂ emissions.

The Government's consultation document in July 2003 indicated the possible introduction of the tax at a level of €7.50 per tonne of CO₂, rising to €20 per tonne of CO₂. While it does not propose to tax electricity in this way, since electricity will be subject to the EU emissions trading scheme, a carbon tax rate of €20 per tonne of CO₂ represents a price increase of approximately 13% for natural gas and 21% for oil.

The one-day conference in Limerick is part of SEI's ongoing public sector programme. Over the past two years the public sector programme has encouraged public bodies to lead by example in including both innovative and best practice technology solutions in their building projects leading to energy and environmental savings for the organisations concerned. The Limerick County Hall, which was the location for the conference, is an exemplar of such a development.

Sustainable Energy Ireland is a statutory authority charged with promoting and assisting the development of sustainable energy. Sustainable Energy Ireland is funded by the Irish Government under the National Development Plan 2000-2006 with programmes part financed by the European Union.

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For further information please contact:

Diarmuid O'Neill

Edelman

01-6789333 / 087-6699933