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Dear Sir

Squandering and/or abuse of Taxpayer's Money by the Department of Communications, Energy and Natural Resources / EirGrid.

We are outraged by the incessant and continuous wasting of taxpayer's money by Minister Pat Rabbitte and the Department of Communications, Energy and Natural Resources in its funding of EirGrid. We fail to understand how this has been allowed to go on for so long without the PAC investigating this organisation, dependent as it is on public funds channelled through the Department.

Complaint 1: Despite being told to halt expenditure on wind-produced renewable energy and curtail expenditure on the electricity grid, the Minister and the Department have done exactly the opposite.

In its "Report of the Review Group on State Assets and Liabilities" (April 2011) "Section 5: State Energy Companies and the Policy Framework", the Department of Public Expenditure made the following Recommendations, amongst others, to Minister Rabbitte and his Department:

"Recommendation 19: The Review Group recommends that carbon emission targets should be pursued on a least-cost basis and that current targets for wind penetration in power generation should be revised downwards in the context of the adequacy of existing capacity, the diminished prospects for demand growth and the altered outlook for gas supplies and prices."

The Minister and his department are doing the exact opposite, which is outrageous conduct in this recessionary climate.

The Minister has continued with the Grid25 Project, with a starting budget of €3.8 billion. The primary aim of this Grid25 project is to connect the ever increasing number of wind farms around the country. In 2010, Eurostat, (the EU statistical service) reported that wind

energy represented 39% of ROI renewable energy primary production, easily the largest percentage contribution in the EU. Despite this aggressive current dependence on wind-power, the Department of Department of Communications, Energy and Natural Resources plans to continue to expand this sector. The June 2012 'Renewable Energy in Ireland 2011' report by the Sustainable Energy Authority of Ireland (SEAI) forecast that installed wind energy capacity would rise from just over 1,600 MW to 3,521 MW by 2020.

Minister for Energy Pat Rabbitte T.D. announced on 3 April 2014 a €1 billion capital investment programme for ESB for 2014, which will mainly focus on transmission and distribution electricity network expenditure. This exercise is in direct contravention of Recommendation 19 as set out earlier. In addition, there is nothing to indicate that this allocation of €1 billion to EirGrid was as a result of a transparent procurement process, as required by both national and EU law, to ensure that the most economically advantageous tender is accepted.

“Recommendation 20: The Review Group recommends that an early review, before divestment, be undertaken of the system of energy regulation in Ireland.”

Despite repeated requests from a number of public and private bodies, the Minister has consistently failed and refused to undertake a fully audited cost-benefit analysis of the Grid25 project. Accordingly, there is no accountability to the taxpayer, despite the probability of bad economic practice (see Complaint 5) and possibly the abuse of public funds. On what basis can the Minister describe the GridLink as a €500 million project when it has not been properly costed and when one of the 'preferred routes' is 33% longer than the other?

Complaint 2: The enormous cost of wind power is being passed onto the Irish consumer, already burdened with a raft of new taxes.

The PSO Levy is added to every electricity bill in the country. The initial cost of the Grid 25 Project is to be paid by every electricity customer in this country and this currently amounts to €43 per household, representing an average increase of 54%. This is likely to rise as the customer will be called to not only subsidise the wind farms, but also pay for the costs of maintaining the extended grid necessary to connect all of those wind farms, with a potential cost of €2100.00 per household.

Domestic consumers already pay pre-tax electricity prices at nearly 25% above the EU average before these further 'hidden' costs take effect. Higher network risks can be solved either by constraining already paid for wind-power (i.e. 'dumping') thereby pushing up prices by another 20% and/or by building uneconomic interconnectors to export wind-power to GB or France. This will harm industrial competitiveness and squeeze consumer costs of living. This enormous expenditure of public money does not constitute value for money, and its primary purpose would be to enrich private wind farm owners and further impoverish the Irish consumer, who is already labouring under multiple and new forms of taxation.

Complaint 3: The CEO of EirGrid is paid a salary in excess of the salary cap.

EirGrid is a State-owned company dependent on public funds. The CEO of EirGrid, Mr Fintan Slye, is receiving a salary well in excess of the salary cap announced by this Government. In August 2012 Mr Slye was paid a basic salary of €175,000, which was €16,000 or 10% above Minister Howlin's cap of €158,459 at the time. We are not aware of Mr Slye's current salary, but we call on the PAC to ascertain this.

Complaint 4: The continued employment of RPS Consulting was not as a result of a transparent tender process and happened despite that firm's poor record.

The GridLink Project publicity campaign included the employment and payment of RPS Consultants who produced glossy brochures and 'information sheets' concerning Phase 1 of the GridLink Project. RPS Consultants have been associated with the Grid25 Scheme seemingly from its inception and the payments made to them by the Department and EirGrid must run into the millions, but do not seem subject to any regulation. In addition, despite the involvement of the RPS in the public-relations debacle surrounding the Poolbeg Incinerator, and a similar public relations debacle in the very lengthy delay associated with the North-South interconnector, RPS continue to be involved in subsequent projects. This continued employment in subsequent projects, without a separate and open tender procedure for each project/ additional sections of the project, would appear to be in contravention of national and EU procurement law and regulations, and given the track record of RPS, certainly does not represent good value for public money.

Complaint 5: The employment of CI Arb was not as a result of a transparent tender process

EirGrid have recently employed the Chartered Institute of Arbitrators to conduct a study into EirGrid's purported consultation process, a process already condemned by the Irish public and about which the Taoiseach, and even the Minister himself, has expressed reservations. There does not seem to be any record of this contract being awarded pursuant to an open tender procedure as required by both national and EU law, and accordingly there is no guarantee that it is the most economically advantageous option available to the Irish taxpayer, or indeed is even necessary in the first place.

Complaint 6: The consultation process purportedly carried out by EirGrid and paid for with public money was a farce and a sham

In relation to the GridLink Project, the Department and EirGrid undertook an expensive media campaign inviting people affected by the GridLink Project to make representations

to EirGrid in this regard. EirGrid received in excess of 35,000 submissions and have employed additional staff to process these submissions and to deal with the myriad of public queries from concerned citizens.

This whole process is a sham and a criminal waste of taxpayer's money as EirGrid had already decided both the route and the method for the GridLink Project as early as 2011. This is apparent when one reads an internal GridLink 2011 report entitled "GDC Internal Approval Report" which describes the chosen route and which deliberately excluded the best value for money option in favour of the overhead option (with pylons).

This also negates the value of the Independent Panel which will cost the Irish taxpayer an enormous amount of money. The Panel will be going over well-travelled ground in its investigations and reaching conclusions that have already been reached in 2011 by EirGrid, who will be conducting the research / investigation for the Panel and who will inevitably reach those same conclusions.

Accordingly a fraud has been perpetrated on the Irish taxpayer both in terms of the expense involved in a sham consultation exercise and in the selection of a project option which is not best value for money.

Complaint 7: In refusing to acknowledge the health hazards posed by 440kV electric cables, EirGrid and the Minister are further endangering an already threatened health service in this country and mis spending public funds

There is a wealth of medical evidence and research that very high voltage overhead power lines produce risk of childhood leukaemia, breast cancer in both woman and men; sleep disorders, and clinical depression. It can also cause extreme distress and self-mutilation in special needs children. The European Commission have ruled that the childhood leukaemia risk is robust. These illnesses will need to be treated by the HSE and yet the Department and EirGrid did not factor these expenses into their projected costs, which again will be borne by the taxpayer.

The government commissioned and paid for the 2007 report of an international expert committee on aspects of safety of the proposed overhead lines. This expensive report has been buried as it would restrict EirGrid erecting future overhead lines due to known risks of childhood leukaemia.

The government commissioned and paid for the 2011 report of the Chief Scientific Officer. This report stated the possible mechanisms for a known and robust increase in childhood leukaemia near to very high voltage lines. The report made a calculation of the number of children that will suffer childhood leukaemia due to the lines.

The burying of these two expensive reports and instead announcing the double spend on a new report by the Department of Environment represents a double spend of public funds, and accordingly is a misuse of public funds and not good value for money.

Complaint 8: The Department of Communications, Energy and Natural Resources is not interested in pursuing the best value-for-money option in respect of renewable energy

The Brown-White Reports offered an eminently suitable alternative to Grid25 by suggesting the alternative of converting Moneypoint power station to biomass at a tenth of the cost of Grid25, with the creation of many Irish jobs. The second BW Report showed that converting an existing coal burning station in Ireland to biomass is twice as effective at decarbonising per Euro spent than building a wind farm that will displace gas fired generation at the margin. This policy would be well in line with the Recommendation made by the Department of Public Expenditure referred to in Complaint 1.

The Department (and EirGrid) refuted the Report the day after its publication such was their hurry to reject it. In other words, they were not even prepared to consider an alternative to their plan involving pylon manufacture and private wind-farms. Despite Malcolm Brown and Anthony White being the UK's most eminent energy experts, the Department did not even give them the light of day. Surely this narrowness of vision militates against ever achieving best value for taxpayers' money?

Similarly, David Hughes, who is an award-winning architect in the low-energy and environmental sector and a director of the Passive House Association of Ireland, has showed how retrofitting domestic houses could make it possible to avoid the implementation of Grid25, at a fraction of the proposed costs, and creating many Irish jobs. Again, this suggestion was hastily rejected, and the Department have pursued an extremely limited retrofitting campaign, essentially restricted to new builds.

This is clear evidence that the Minister and his Department are not acting in the public interest or even attempting to secure best value for taxpayers' money.

We respectfully request the PAC to investigate this apparent abuse of taxpayer's money. We look forward to hearing from you at your earliest convenience. Should it be so requested, supporting documentation to these complaints will be supplied.

Yours sincerely

John McCusker

John McCusker

For CAP.

Kath O'Brien

Kath O'Brien

For Carrigeen Against Pylons

Sean Cullinan

Sean Cullinan

For Deise Against Pylons

Paddy Massey

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