

‘Brexit’ – key issues and concerns around the NFLA’s agenda



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Agenda

- **Brexit – where are we now and the Irish ‘backstop’?**
- **Key scenarios – leave on current deal, no deal, general election?**
- **Brexitom – leaving the Euratom Treaty**
- **Irish Single Electricity Market**
- **Issues for renewable energy cooperation**
- **Corollary issues for trade, defence and other areas**
- **Impacts on the NFLA All Ireland Forum**
- **Conclusions**





Brexit – where are we now? The ‘backstop’

- Inconclusive 2017 election – DUP ‘balance of power’
- Tortuous 18 month Brexit discussions
- Draft plan – major compromises and ‘outline’ political agreement
- Parliamentary debate – vote 11th December
- Real risk of Government losing vote – then what?
- Renegotiation / ‘no deal’ Brexit / general election / 2nd referendum?
- Trading / border relationship with Ireland remains major issue
- The ‘backstop’ – if no longer-term agreement NI may remain part of the Customs Union?
- No consensus – can’t even agree on a TV debate presently!





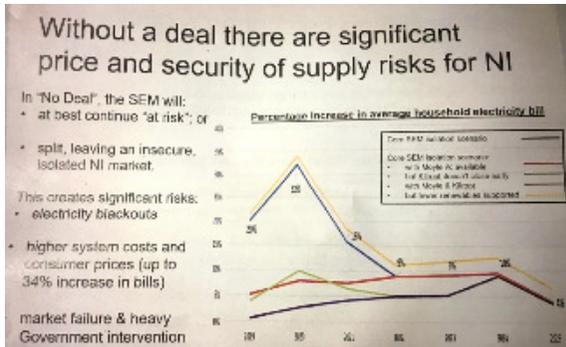
Brexatom – leaving the Euratom Treaty



- Euratom Treaty governs nuclear safety across Europe
- UK membership pre-dates EEC accession
- UK is leaving Euratom due to ECJ connections
- Domestic nuclear safeguards regime overseen by ONR
- Fully funded by UK Government NOT the industry
- Enough staff / IT system works?
- Agreements with US / Japan / Australia / Canada
- Nuclear weapons proliferation – self-policing regime overseen by IAEA monitoring (N Korea / Iran!)
- Euratom also supports nuclear in EU – Ireland should join with Austria etc to challenge it



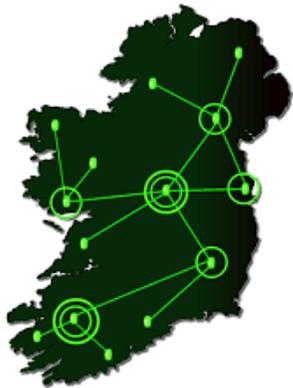
Irish Single Electricity Market



- Presently single market for electricity across Ireland and with British mainland
- Under Brexit deal cooperation will be maintained
- In 'no deal' scenario could lead to NI security and supply risks
- Leaked documents to the Guardian (early Oct 18):
 - NI electricity bills up by £200
 - Local energy companies could collapse
 - Diesel generators brought in for the short-term (2 yrs)
 - UK Government has not talked to NI power stations
 - Potential black-outs possible
- ... Kilroot power station in Co Antrim closed down
- ...but would a deal not be done in this area somehow?



Issues for renewable energy cooperation

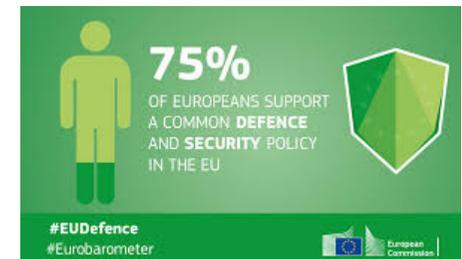


- **Single-IEM also encourages development of renewables**
- **UK renewable exports to EU under threat in ‘no deal’**
- **Ireland – France interconnector may be sped up**
- **UK leaving EU Internal Energy Market could make energy more expensive**
- **Will UK keep to EU low carbon commitments?**
- **Could see stall on renewables cooperation with UK-EU/IRL**
- **NFLA long-standing supporter of decentralised energy – a real need for Irish Councils to be given powers to support it**
- **Ireland needs a lot more renewables but an inertia remains in government to deliver it**



Corollary issues – trade, defence, others

- Whatever deal is done, Brexit will complicate all trading arrangements in the short-term
- Could a lower-tax post Brexit UK undercut low-tax Ireland?
- Increased discussion in post-Brexit EU of defence policy
- UK may develop a more strident defence policy with US
- Irish disagreements over UK nuclear weapons policy may rise
- Economic challenges hinder new low carbon investment
- Council budget cuts could hinder decentralised energy
- What will long-term constitutional effect be on the island of Ireland?





Impacts on the NFLA All Ireland Forum

- NFLA has cooperated with Irish councillors since 1997
- All Ireland Forum launched in 2005
- Fairly unique grouping in local government
- MCC legal advice – depends what type of Brexit occurs
- Would want to continue cooperation post Brexit
- No reason why Forum should not continue in current way
- Perhaps essential such bodies do continue in future
- Nuclear incidents do not care about borders!





Conclusions

- **Brexit creates one of the most confused era of public policy since 1945**
- **‘No deal’ Brexit remains a real possibility – what happens next?**
- **Will some sort of deal eventually be agreed & passed?**
- **New domestic nuclear safeguards regime has challenges with its operation**
- **Real issues over energy cooperation across many areas**
- **At present just 112 days to go to Brexit!**
- **NFLA will keep a close eye on it**
- **New briefing will be developed following next weeks vote**

Conclusions?