



CHAMBERS
IRELAND
IN BUSINESS FOR BUSINESS

**Chambers Ireland Submission to EirGrid on
the Grid Link Project**

05 June 2015

Introduction

Chambers Ireland represents the largest network of businesses in the State. With almost 50 Chambers located in every major town and city in the country, we are uniquely positioned to understand the needs of the business community.

Q1. What are your views on our proposals to develop the electricity grid to support current plans for new investment and jobs?

Chambers Ireland supports the view that the electricity grid must be developed to underpin Ireland's future economic growth strategy. We welcome the objective of the grid having sufficient capacity to connect new generators without being overbuilt.

Our electricity grid is a vital piece of infrastructure for indigenous businesses as well as foreign direct investment. Irish businesses cannot grow or remain competitive unless they have access to an affordable and reliable electricity supply.

Furthermore, grid infrastructure facilitates inward investment. Sufficient energy capacity is a pre-requisite for local economies to be able to compete for investment and attract new companies establishing themselves in the local area. For Ireland in particular, energy intensive industries have a strong presence in the economy providing many Irish jobs and must be facilitated with sufficient capacity to meet their energy needs in order to retain their base in Ireland.

At the same time we must also ensure that we can facilitate new companies setting up in Ireland providing regional employment opportunities. We note the finding of the 2013 Indecon Report on wider economic benefits of grid investment which concluded that 82% of businesses consider investment in the transmissions grid as very important or important to facilitate regional development. Developing the grid should in this regard also be considered a vital project for realising plans for recreating regional jobs lost during the recession.

We strongly support the view that development of the grid must not come at the expense of national competitiveness. For Ireland to remain an attractive destination in which to do business and to invest, it is crucial that energy costs can be maintained at an efficient level. Developing the grid should thus be done through the most cost-efficient approach.

Q2. What are your views on our other reasons for continuing to develop the electricity grid?

We acknowledge that the grid must also underpin national and EU energy policies, specifically by supporting interconnection and low-carbon targets. In our view, increased interconnection with mainland Europe and the United Kingdom is of strategic interest to our future energy security, which therefore should be prioritised.

Equally, increased interconnection offers opportunities for Ireland to export green energy and thus support the expansion of our low-carbon sector. In line with our renewable sector increasing its share in the electricity sector not only will we meet EU targets but we will also make our country less

vulnerable to price fluctuations in international energy markets by reducing our dependence on imported energy.

Q3. What are your views on: Strategy Statement 1 – Optimise the current network in order to minimise requirements for new infrastructure?

In cases where increased capacity and demand can be addressed more cost-effectively through the optimisation of the existing network, we recommend that this approach is taken.

We appreciate that better use of the existing network may also be delivered more expeditiously and have stronger public support.

Importantly, however, the network must first and foremost be able to provide sufficient capacity to meet current and future electricity demand. This core principle should inform the decision on whether to optimise the current network or build new infrastructure.

Q4. What are your views on: Strategy Statement 2 – Consider all practical technology options for net work development?

Chambers Ireland acknowledges the requirement for presenting all practical options for public consultation, which we believe will create more transparency around the decision making process.

Transparent communication and inclusive decision-making is critical for any major infrastructure impacting local communities throughout the country. In our view, transparency improves public support for and understanding of the need for a project's implementation.

While we appreciate the rationale for presenting various practical options, cost implications should ultimately guide the preferred option and final decision. When presenting options for public consideration the cost implications should thus be clearly stated in order to ensure that the most cost-effective solution is reached.

Q5. What are your views on: Strategy Statement 3 – Foster open engagement and inclusive consultation with local communities and stakeholders as a central principle to developing the grid?

Open engagement and close cooperation with local communities and stakeholders affected by investments should be at the forefront of any major infrastructure decisions.

By taking this approach, we believe the project will be less likely to experience significant delays as mutual understanding of the project will be increased.

Q6. What are your views on EirGrid's proposal to meet project needs but with reduced power capacity in the long term?

The key objective for developing the grid should be to secure sufficient capacity to meet Ireland's electricity needs in the future while not damaging the competitiveness of Irish business due to rising energy costs.

Chambers Ireland believes that the most cost-effective option which also meets capacity requirements should be taken.

A project of such scale as developing the transmission network will only be undertaken once in a generation. It is therefore also crucial that sufficient capacity is built in to avoid having to reinvest in medium term.

Q7. Do you have any other comments on this draft review of our Grid Development Strategy? If so, please provide these below.

Secure access to affordable and reliable electricity supply is of vital importance to Irish businesses' ability to generate growth and compete internationally.

We acknowledge the transformation of the Irish electricity network during the past decade, and welcome the opportunity to feed into this consultation on how to further develop the Irish transmission network to secure our electricity supply into the future.