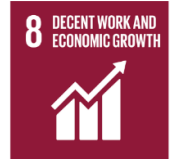




**Chambers
Ireland**
Advancing business together



ESB Networks Investment Plan Approach for Price Review 6 (PR6)

Submission by Chambers Ireland

12th September 2024

About Chambers Ireland

Chambers Ireland is an all-island business organisation with a unique geographical reach. Our members are the Chambers in the cities and towns throughout the country – active in every constituency. Each of our member Chambers is central to their local business community and all seek to promote thriving local economies that can support sustainable cities and communities.

Our Network has pledged to advocate for and support the advancement of the United Nations Sustainable Development Goals (SDGs). As SDG Champions, we use the Goals as a framework to identify policy priorities and communicate our recommendations. We have a particular focus on five of the goals encompassing decent work and economic growth (SDG 8), sustainable cities and communities (SDG 11), Gender Equality (SDG 5), Industry, Innovation and Infrastructure (SDG 9) and climate action (SDG 13).

In consideration of the feedback in this submission we have provided we consulted with our network of 36 Chambers and their members. We organised the feedback under the questions asked in the consultation document.

Questions

Q1: Do you agree with the strategic outlook and strategic environment set out that is shaping the direction of the PR6 Investment Plan?

There is much to be considered in for the PR6 investment Plan including change in work practices, macro-economic factors and climate action. Broadly ESB Networks has considered all the important future factors.

Future work practices could be an area to take a greater focus on. For example, the growth of AI and its use in business and the storage requirements for data will be a major consideration for grid providers. AI is likely to lead to a growth in job creation in R & D and the IT service area and this will create a demand for extra data storage. The area of data storage and the data centres currently needed to service the IT and other business sectors is already a strong consideration for the grid in Ireland and even more important in the future.

Q2: Do you agree with the proposals to improve resilience, safety and reliability of the network that we set out to support our PR6 Investment Plan?

Ensuring a stable security of supply of energy is vital for the economic growth of the Irish economy. We have highlighted areas we would consider important to consider in preparation of PR6.

- Some of Ireland's existing windfarms will be reaching the end of their planning permission over the coming years. If such permitting is not extended and if the assets are not given the opportunity to be repowered or redeveloped, then many will be decommissioned, resulting in a significant drop in Ireland's wind generation capacity and representing a blow to our decarbonisation targets. Many of these windfarms are also large ratepayers, meaning Local Authority income will be detrimentally impacted where permitting is not extended.
- The delivery of 2 GW of new flexible gas-fired power generation has been identified in the Climate Action Plan 2024 as being a key measure in flexibility of our electricity system and we welcome that ESB Networks will focus on the connection of these plants during the PR6 period of 2025-2030.
- While renewable energy represents an important cog in our national decarbonisation efforts, ensuring a secure and stable energy future is also a key priority. Our long-term security of supply will require a combination of renewables and hydrogen storage, significant grid development and reinforcement, as well as substantial investment in key technical skills required for the sustainability and digital transitions. Integrating our energy networks with the EU, particularly through electricity interconnectors, offers enormous opportunities.
- The National Hydrogen Strategy, in addition to making general reference to the role renewable gases will play in cross-sector energy system integration, specifically calls out the development of renewable hydrogen as a potential future driver for electricity grid

reinforcement requirements. We would suggest the impact of green hydrogen production be considered in assessing future power system requirements. Such consideration may include the following aspects:

- Hydrogen as a potential driver for demand growth on the distribution power system
- Green hydrogen production and storage as a potential means to limit constraint and curtailment of wind generation feeding the distribution power system. The National Hydrogen Strategy notes this.

Q3: Do you agree with the proposals to decarbonise electricity and to develop a more flexible and integrated energy system to support our PR6 Investment Plan?

Ireland is on track to only deliver a 29% reduction in greenhouse gas emissions by 2030, compared with our international commitment of 51%, and almost all sectors are set to exceed their 2021- 2025 and 2026- 2030 sectoral emissions ceilings. While some sectors are performing better than others, these statistics indicate that there are fundamental flaws in either the level of ambition of the Climate Action Plan or a lack of capacity in the system for delivering at the pace of change that is needed.

Chambers Ireland continues to emphasise the economic opportunity on our doorstep in the form of renewable energy and, in particular, offshore wind. We have the potential to not only ensure a sustainable and secure energy future for the country, but to become a net exporter of excess energy to Europe. Capitalising on this opportunity requires a rapid acceleration of plans, tackling fundamental development obstacles in the planning system and grid network, and investing in the innovative technologies and skills needed to drive forward this progress.

Reinforcing Grid Infrastructure for Renewable Energy

Upgrading the grid infrastructure with front-loaded investment is crucial to harnessing the full potential of renewable energy sources. Grid upgrades need to be scaled to meet anticipated demand in future years based on expected population growth and increasing demands from industry. Investing in battery storage at all generation sites will ensure that the potential impact of interconnector outages or downtime in energy generation is minimised. By enhancing the capacity and resilience of our grids, we can facilitate the integration and transmission of clean energy, enabling us to seize the benefits of renewable energy.

Grid reinforcements and upgrades need to scale to meet anticipated demand in future years based on expected population growth and increasing demands from industry. So much of our necessary infrastructure development over the next 15 years is dependent on our continued strong investment in grid infrastructure.

Sustainable Energy Transition

This involves increasing investment in EV vehicles, their support network and electrifying trains and buses. By promoting sustainable alternatives, we actively contribute to reducing emissions and fostering a cleaner and greener transportation sector.

Strategic Investments and Offshore Wind Energy

By developing suitable ports, we can support the growth of the offshore wind sector and strengthen Ireland's position as a leader in renewable energy. This should be factored in for consideration in PR6.

Q4: Do you agree with the proposals to further empower and support our customers to shape our PR6 Investment Plan?

In the PR6 Investment Plan provision must be made to protect customers from increasing costs. While we appreciate macro-economic factors such as the ongoing war in the Ukraine and Russia exerts pressure on energy prices an effort must be made to protect business customers who are under constant pressure of inflating costs in their day-to-day operations. As investment in the grid should lead to a more secure and self-developed renewable supply of electricity and a more stable price market, we hope stable costs for electricity will be passed on to customers.

Q5: Do you agree with the proposals to address the enabling structures and capabilities required to deliver on the PR6 Outcomes and Objectives and which are being considered for our PR6 Investment Plan?

Finding and retaining talent has become a challenge within our member businesses across the country over the past number of years, consistently ranking in the top three issues for our members. PR6 should consider ways to ensure they have a consistent pipeline of talent within the organisation to deliver the objectives of PR6. This will be particularly important while the Irish economy has unemployment levels between 6 and 4 percent.

Q6: Are there any other considerations, benefits or outputs that ESB Networks should consider as we develop our Investment Plan for PR6?

Having the support of stakeholders is vital in delivering the objectives of PR6. Maintaining a strong relationship with representative bodies such as Chambers Ireland will be important to ensure PR6 is a success.

Government, department and organizational change within government may feature in the lifetime of PR6 and ensuring government support for PR6 while this is ongoing is important.