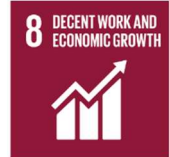




**Chambers
Ireland**
Advancing business together



**Consultation regarding Member State Options in the
transposition of DIRECTIVE (EU) 2024/1711 OF THE
EUROPEAN PARLIAMENT AND OF THE COUNCIL of 13
June 2024 amending Directives (EU) 2018/2001 and (EU)
2019/944 as regards improving the Union's electricity
market design**

Submission by Chambers Ireland

November 2024

Contents

Key Points	3
About Chambers Ireland	4
General Observations	5
Relevant findings from the Eurochambres Economic Survey 2025.....	6
Affordable access to clean energy and streamlined regulations for a successful green transition	7
Key EES2025 messages relevant for energy policy:	8
Perspective on the Electricity Market Design Directive	9
Questions	11
Article 4 - Free choice of supplier.....	11
Article 6a: Flexible connection agreements.....	11
Article 15a: Right to energy sharing	12
Article 66a: Access to affordable energy during an electricity price crisis	12

Key Points

- Per the Eurochambres Economic Survey 2025, energy costs continue to be a challenge for businesses in Ireland and the continent.
- Improving grid capacity will necessitate investing and enhancing the grid, strategic investments and advancing offshore wind energy, and progressing a sustainable energy transition.
- The State stands to miss the invaluable economic opportunity secure our energy future and become a net exporter of excess energy, if investment and enhancements to the grid fail to materialise.
- Pilot projects for multiple supply contracts and energy sharing schemes should be considered with the aim of reducing carbon emissions, enhancing grid flexibility, and increasing customer choice.
- Flexible connection agreements are vital to achieving demand flexibility targets and should offer adaptable or permanent solutions based on regional and customer needs.
- An energy sharing pilot should be considered to determine scheme scope, address regulatory constraints, and assess the participation of Large Energy Users while prioritising households, SMEs, and public bodies.
- We support not transposing Article 66a due to Ireland's competitive and liberalised electricity market.

About Chambers Ireland

Chambers Ireland is an all-island business organisation with a unique geographical reach. Our members are the Chambers of Commerce 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.

At the international level, a key focus of our work is to monitor and shape legislation. Our mission is to ensure that Irish businesses have a voice in any regulatory changes and changes in trade policies that could affect them in the future. Given the constantly evolving geopolitical landscape, it is more crucial than ever for Irish businesses to engage beyond our own borders. Accordingly, we have raised the most pressing issues of our membership in answering the most relevant questions listed in the consultation document.

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).¹ In the context of the current consultation, Goals 9 and 13 are the most relevant.

¹ The Chambers Ireland SDGs. Available at: <https://chambers.ie/sustainable-development-goals/>

General Observations

As we stated in our submission regarding ESB Networks Investment Plan Approach for Price Review 6 (PR6),² the State is expected 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 currently performing better than others, this points to fundamental flaws in either (a) the level of ambition of the Climate Action Plan; or (b) a lack of capacity in the system for delivering at the pace of change that is needed. Critical to improving the latter will necessitate investing and enhancing the grid, strategic investments and advancing offshore wind energy, and progressing a sustainable energy transition.

Equally important is the economic opportunity on our doorstep in the form of renewable energy and offshore wind. We have the enviable opportunity to both ensure a secure energy future for the State and become a net exporter of excess energy to the continent. Capitalising on this requires a rapid acceleration of plans, tackling development obstacles in the planning system and grid network, and investing in the innovative technologies and skills needed to drive forward this progress. The Irish Chamber network is united in advancing our members' concerns in relation to these core issues.³

² Chambers Ireland on Price Review 6 (Sept 2024): <https://chambers.ie/wp-content/uploads/2024/09/PR6-Submission.pdf>

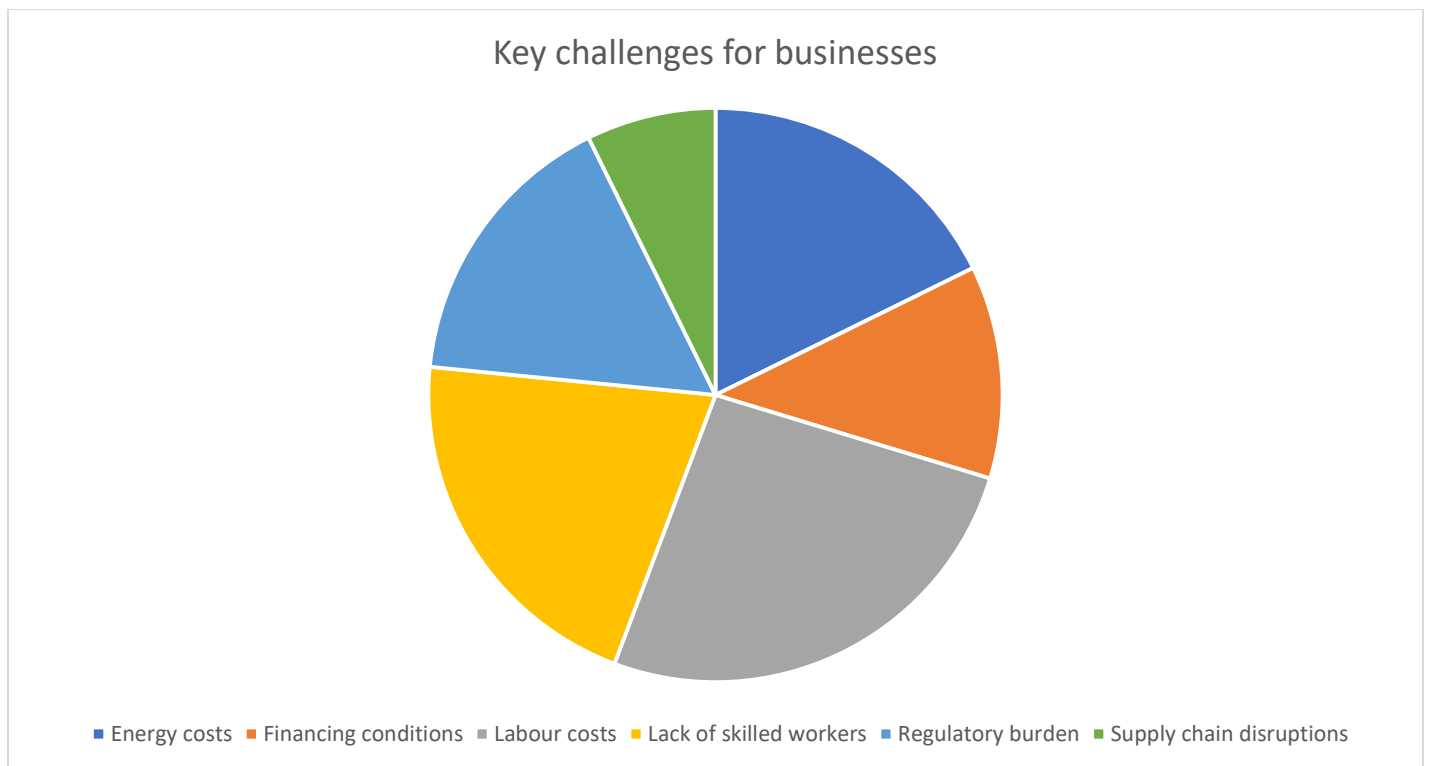
³ Skills, planning constraints, and advancing infrastructure and our NDP targets have been consistently highlighted as priorities of our Network; not only in a general context but especially in terms of renewable energy projects:

<https://chambers.ie/press-releases/chambers-ireland-urges-government-to-pick-up-the-pace-on-renewables/>;
<https://chambers.ie/press-releases/smes-struggle-to-find-talent-with-skills-gaps-across-many-operational-areas/>;
https://chambers.ie/wp-content/uploads/2024/09/Chambers-Ireland_NPF-Review-2024-Submission_Final.pdf;
<https://chambers.ie/press-releases/planning-bill-marks-vital-step-towards-reform/>

Relevant findings from the Eurochambres Economic Survey 2025

Per the Eurochambres Economic Survey 2025 (EES2025),⁴ Irish businesses are approaching 2025 with optimism but despite an increase in business confidence compared to last year, significant challenges remain.

The Irish results show that high labour costs (26%), lack of skilled workers (21%), energy costs (18%) and an ever-growing regulatory burden (16%) continue to be major obstacles in Ireland. Combined, this points to a weakened competitive edge:



⁴ The Eurochambres Economic Survey 2025 is Europe's largest business sentiment survey: <https://chambers.ie/press-releases/chambers-ireland-publishes-irish-results-from-europes-largest-business-sentiment-survey/>

For the first time in three years, affordable access to energy and raw materials is no longer the top challenge for companies and this shift indicates a gradual return to normality in these markets. While energy and raw material costs remain significantly higher than pre-pandemic levels, their overall impact has lessened. European businesses seem to have adjusted to the new energy price landscape, where increased costs have become the norm.

Despite sectoral variations—industries being more affected than services—high energy prices are now viewed more as a predictable risk rather than a core obstacle to operations. Additionally, the extension of EU emergency measures, such as the Market Correction Mechanism (MCM) and gas solidarity initiatives for 2023, has helped bring wholesale gas and electricity prices to more manageable levels throughout the continent.

Affordable access to clean energy and streamlined regulations for a successful green transition

While regulatory burdens have surpassed affordable access to energy and raw materials as challenges for 2025, both remain core concerns for Irish and other European businesses. The findings from the report align with the Draghi report's emphasis on reducing energy costs and simplifying regulations; and while we do not agree with every recommendation made in the report,⁵ we nonetheless agree with those linked to the European Green Deal to strengthen competitiveness:

- Ensure energy security at competitive prices by expanding renewable energy generation and infrastructure as well as by diversifying supply sources.
- Simplify and streamline permitting and administrative processes to accelerate renewables, energy storage, and grid deployment.

⁵ Chambers Ireland's EU priorities, including a high-level overview of our perspective on the Draghi and Letta reports:

<https://chambers.ie/wp-content/uploads/2024/11/Chambers-Ireland-EU-Priorities-2024.pdf>

- Enhance access to finance by simplifying the EU sustainable finance framework and developing effective support measures for SMEs.
- Align the European Green Deal with our competitiveness goals to drive innovation and economic growth while advancing climate objectives.
- Strengthen global collaboration to harmonise climate policies, ensuring a fair international level playing field.

Key EES2025 messages relevant for energy policy:

- Power the future: Invest in modern, renewable energy infrastructure for affordable and reliable access to clean energy.
- Build a skilled workforce: Attract top talent, support lifelong learning, and provide EU-wide funding for upskilling to meet tomorrow's challenges.
- Enable market integration: Capitalise on the single market potential and pursue favourable conditions for international trade.

Perspective on the Electricity Market Design Directive

At a high level, the Chamber network supports the aims of the Electricity Market Design Directive in updating electricity market design, emphasising renewable energy expansion and resolving energy market bottlenecks.

In terms of the Directive, instead of a temporary crisis fix, the aim should be to build a robust market model that is futureproofed, speeds up energy transition and copes with different energy mixes. The market model should be agile to adjust to new technologies and consumption changes, and resilient against potential energy crises.

By addressing energy price volatility and fostering investment in renewable energy, we are hopeful the Directive will further competitiveness, both in the Single Market and in Ireland. Additionally, we hope that the Directive will provide a regulatory environment conducive to creating a more predictable and stable energy cost environment for businesses. Along with reducing exposure to fluctuating fossil fuel prices, the mechanisms of focus in the Directive – namely long-term Power Purchase Agreements (PPAs) and strategic use of Contracts for Difference (CfDs) – should be used appropriately to reduce and align energy costs with the lower, more stable costs of renewable generation.

These measures reduce exposure to risks for businesses, who need to ensure they remain globally competitive in an environment that is becoming increasingly challenging in terms of the regulatory burden it imposes on businesses.⁶

⁶ Chambers Ireland has consistently raised the issue of regulatory and administrative burdens on businesses: Trade policy issues (Nov 2024): <https://chambers.ie/wp-content/uploads/2024/11/Chambers-Ireland-Trade-Priorities-Nov-2024.pdf>; EU Manifesto (Jan 2024): <https://chambers.ie/wp-content/uploads/2024/02/Chambers-Ireland-Manifesto-for-Europe-2024-Final.pdf>; Second National Plan on Business and Human Rights (Sept 2023): <https://chambers.ie/wp-content/uploads/2023/09/Submission-by-Chambers-Ireland-to-The-Department-of-Foreign-Affairs-and-the-Department-of-Enterprise-Trade-and-Employment-regarding-Irelands-Second-National-Plan-on-Business-and-Human-Rights-2024-2027.pdf>; European Sustainability Reporting Standards (July 2023): <https://chambers.ie/wp-content/uploads/2023/07/Submission-by-Chambers-Ireland-to-the-European-Commission-regarding-European->

For Irish businesses, this reform has several advantages:

1. **Cost Competitiveness:** By reducing reliance on volatile fossil fuels, the Directive aims to lower overall energy bills. Renewable energy is expected to cover 70% of EU electricity demand by 2030, driven by annual additions of 48 GW of solar and 36 GW of wind capacity.
2. **Energy Independence:** Dependency should be reduced on external energy sources, shielding industries from geopolitical instabilities and supply chain disruptions. This is particularly welcome considering that energy costs have consistently identified as a top challenge per the Eurochambres Economic survey in recent years, which highlighted the effects of successive geopolitical shocks of the past few years which have impacted supply chains.
3. **Green Transition:** Industries will be incentivised to decarbonise through access to affordable, renewable energy, supporting the broader goals of the Green Deal and the State's climate targets.

[Sustainability-Reporting-Standards.pdf](https://chambers.ie/wp-content/uploads/2023/02/Submission-by-Chambers-Ireland-to-the-Department-of-Enterprise-Trade-and-Employment-regarding-the-Corporate-Sustainability-Reporting-Directive-.pdf); Corporate Sustainability Reporting Directive (Feb 2023): <https://chambers.ie/wp-content/uploads/2023/02/Submission-by-Chambers-Ireland-to-the-Department-of-Enterprise-Trade-and-Employment-regarding-the-Corporate-Sustainability-Reporting-Directive-.pdf>

Questions

Article 4 - Free choice of supplier

There are a range of benefits associated with enabling multiple supply contracts at a single MPRN. This extends to reduced carbon emissions through innovative energy usage and to support the flexibility needs of the electricity grid. These initiatives aim to promote innovation in energy usage. Ultimately it will increase customer choice with respect to:

- (a) energy products; and
- (b) energy consumption patterns.

Given the anticipated scale of change, implementing these initiatives across the electricity system will be a complex process. A pilot project is therefore advisable to allow customers, Market Participants, and System Operators to test energy sharing schemes and multiple meters behind a single MPRN in advance of a national rollout.

Article 6a: Flexible connection agreements

Demand flexibility at both distribution and transmission level will be a key component in delivering solutions that are innovative. Considering the Climate Action Plan target of 15-20% demand flexibility by 2025 with a view to 20-30% by 2030, regulatory guidance and a flexible connection framework will be crucial.

As an example, the framework should provide the necessary regulatory guidance on implementing flexible connections—whether firm, non-firm, or adaptable based on network developments and include having flexible connections as a permanent solution. This should be either in line with customer preference or in regions where network reinforcement is not efficient.

Article 15a: Right to energy sharing

Article 15(a) states that Member States shall ensure that all households, small and medium-sized enterprises, public bodies, and, where applicable as decided by a Member State, other categories of final customers are included.

The energy sharing pilot will be informative in determining the size of the scheme and whether it will be limited to a smaller area than the same bidding zone. It will be important to ascertain the optimal geographical scale and identify the potential regulatory constraints.

The pilot should also examine whether Large Energy Users (LEUs) will be included in the scheme. According to the Directive, if the Member State has the capacity to extend the scheme to LEUs, this option should be considered. However, it is important to note that it should not compromise the provision of energy sharing options to the specified categories as per Article 15a.

Furthermore, LEUs will need to have export capacity to participate in energy sharing. This will need to be considered bearing in mind the forthcoming Large Energy Users connection policy.

Article 66a: Access to affordable energy during an electricity price crisis

We support the non-transposition of Article 66a. This is due to the liberalised and competitive nature of the Irish electricity market.