



**Chambers  
Ireland**  
Advancing business together



# Chambers Ireland submission to EirGrid on the Call for Input: Shaping Our Electricity Future Version 1.1

September 2022

Chambers Ireland, the voice of business throughout Ireland, is an all-island organisation with a unique geographical reach. Our 40 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.

In September 2019, our Network pledged to advocate for and support the advancement of the Sustainable Development Goals. In doing so, we use the Goals as a framework to identify policy priorities and communicate our recommendations, and we have a particular focus on five of the goals encompassing decent work and economic growth (SDG 8), sustainable cities and

communities (SDG 11), advancements in gender equality (SDG 5), viable industries, innovation, and infrastructure (SDG 9) and progress in climate action (SDG 13).<sup>1</sup>

We use these Goals as a lens for interpreting and prioritising our policy proposals. The issue of offshore renewable energy is particularly important to our Network as it is a critical element to our national climate action response. As Chambers Ireland outlined in its white paper on maximising the benefit of developing the national wind energy industry and the national grid<sup>2</sup>, the Irish business community is deeply interested in our national potential to develop an offshore renewable energy industry, and offshore wind in particular. Therefore, there is a strong demand from across Chambers Ireland's network to be more ambitious with our plans for decarbonising our electricity supply, increasing capacity in the system and meeting the needs of individuals and businesses across the country. This should in turn facilitate economic growth, while ensuring future security of supply.

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<sup>1</sup> The Chambers Ireland SDGs. Available at: <https://www.chambers.ie/policy/sustainable-development-goals/chambers-ireland-sdgs/>

<sup>2</sup> Chambers Ireland white paper on maximising the benefit of developing the national wind energy industry and the national grid. Available at: <https://www.chambers.ie/wp-content/uploads/2021/01/Chambers-Ireland-white-paper-on-maximising-the-benefit-of-developing-the-national-wind-energy-industry-and-the-national-grid.pdf>

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### **What would you recommend as the key areas of change in this vision and what is your reasoning for same?**

Chambers Ireland’s primary observation on the “Shaping our Electricity Future” plan is that it needs to be more ambitious. While our business members were most supportive of the ‘demand led approach’ (where large energy users were directed by government policy to develop new activities in areas where there is an abundance of electricity) there is a strong sense across our Chamber chief executives and policy teams that such a strategy will not be sufficient to facilitate economic growth while securing supply. This is because there are a wide range of factors – other than the availability of electricity – which considerably affect the site location decisions that are being made. Also, a major confounding factor for this approach is the obligation to connect customers which undermines the policy as it diminishes the weighting of the electricity availability component of the risk analyses of sites when they are being selected. Even if Russia’s actions had not triggered the existing energy crisis, it is unlikely that the initial version of “Shaping our Electricity Future” would have been sufficient to meet our collective needs. The expansion of government ambition for renewables and Russia’s war on Ukraine make this review of “Shaping our Electricity Future” a timely action, and Chambers

Ireland hopes that it will lead to a step change in the activity we need to deliver a network which can deliver decarbonisation of our electricity at the pace which we need.

A second related concern which our network has regarding “Shaping our Electricity Future” is that the plan takes a minimalist approach; aiming to accomplish only exactly what is needed to achieve stated government policy aims. This decision has meant that Shaping our Electricity Future was always at risk of being superseded by events. It was always clear that government policy aims for the onboarding of renewable energy would not remain fixed at the 2019 levels. While this consultative process is in part in response to the changes in policy that Government has proposed through both the Climate Action Plan, and the increased renewable energy ambitions that are related to the Carbon Budgeting strategy, the ultimate reason for this review is that the scale of the efforts which Ireland needs to take if we are to decarbonise our electricity network, and the very narrow timelines available for achieving that, were not adequately internalised Within “Shaping our Electricity Future”.

There are two critical problems that this update needs to address; firstly that government policy will continue to shift over the course of this programme out to 2030 (where the direction of travel will be every more ambitious delivery of renewables at an ever-greater rate). Secondly, there is likely to be a significant rate of attrition in the proposed renewable energy projects which means that unless EirGrid’s programme seeks to be ‘overcapacity’ for 2030, there will not be sufficient capacity to connect alternative projects to the grid should there be issues with any single major project.

There is a trade-off between efficient operation of the network and effective delivery of the aims of the climate action plan, an over-optimised network will always have single points of failures. We are aware of the constraints that the regulator places on the TSO regarding the efficient use of infrastructure, however the regulator must look towards us having the most efficient transmission network we can have, which also maximises the onboarding of renewable energy. These priorities are in conflict, but it is vital that much

more weight is placed on the onboarding of renewable energy than maximising the potential of the existing infrastructure. To get to where we need to be will require both the efficient use of existing infrastructure, but also the addition of considerably more transmission infrastructure than we currently have. EirGrid needs to prepare for connecting a much greater volume of renewable energy than “Shaping our Electricity Future” presently affords, and the regulator will need to accommodate the fact that in certain parts of the country there may be an excess of capacity during the process of introducing new (to market) renewable generation capacity.

The biggest risks to renewables projects in Ireland is institutional/judicial/planning risk (which is beyond the control of both the grid operators and the developers). An over optimised grid development plan will inevitably undershoot the policy targets which government desires, unless there is a significantly higher target which EirGrid is aiming for (which creates the headroom to allow for the attrition).

That ‘overshoot’ will not go to waste as future RESS/ORESS schemes can deliver projects for locations where spare capacity may exist. Such a stance will facilitate a rapid acceleration of project delivery.

EirGrid also needs to prepare for a continuous increase in the expectations for the grid regarding the quantity of renewables energy it will need to transmit. We have seen Government ambition for offshore wind has doubled to 7GW since 2019, it is hoped that solar power will deliver 5.5GW by 2030 (up from 2.5GW in 2021, and 1.5GW in 2019), and there has also been the introduction of targets for new technologies like Green Hydrogen (2GW capacity). This shift was always likely, and is likely to continue. The extra capacity that was an element of the Technologically led approach was why Chambers Ireland advocated for that plan.

Even without Russia’s war on Ukraine significant changes would have been needed to the initial Shaping our Electricity Future plan. That we are now dealing with that crisis means we will have to move even more quickly that we would otherwise have done.

**What are your thoughts on the renewable generation mix for Ireland and Northern Ireland – specifically assumptions for onshore wind, solar and offshore wind? What is your reasoning for this?**

EirGrid needs to plan for the most recent targets to at least double as the policy space evolves, and then deliver such capacity by 2030.

The greatest risk for delivery of EirGrid Projects is the planning risk that also undermines the developer's projects, however with the REPowerEU decision on 'overriding public interest' the strengthening of the grid can circumvent that problem. Given that the planning space is so much more amenable to the delivery of critical infrastructure the capacity of the grid should not be a bottleneck for the delivery of projects by 2030, whether those be renewable generation projects or consumer projects.

Furthermore, Ireland should be preparing to become a net-energy exporter at the earliest opportunity with significant floating offshore generation fuelling a Green Hydrogen/Ammonia export industry that facilitates the decarbonisation of our European peer nations. Hybrid connections at existing thermal plants should be facilitated and national transmission capacity must be increased to allow for Atlantic windfarms to be developed.

**What recommendations have you on how we maximise the use of the existing grid / develop the existing grid in the context of an already extensive network capital investment programme?**

The planned capital infrastructure programme is insufficient and should be expanded, at a minimum the High Voltage Direct Current projects should be added to the suite of projects that are to be delivered. However, EirGrid should be working towards maximising the capacity of the grid by 2030 to ensure that we have a robust and resilient network that can absorb higher quantities of renewable energy that are currently being targeted.

With coastal thermal plants having significant existing infrastructure connecting them to the network more should be done to facilitate their role as hybrid units that can co-locate solar, offshore wind, hydrogen electrolysis and thermal generation onsite.

With 5.5GW of solar to be added to the grid, an equivalent quantity of onshore wind and a commensurate battery/Green Hydrogen energy storage capacity needed the network reinforcement plan will need to become much broader than EirGrid initially anticipated.

### **What are your thoughts on the networks workstreams Ireland Networks Plan and Northern Ireland Networks Plan?**

The multi-year plan is insufficient to cope with the likely rate of attrition and project delays if we are to meet the existing policy targets. EirGrid needs to approach the Decarbonisation process of our economy with all the urgency of a campaign of war and the goal needs to be to accomplish our aims of a carbon free society at the earliest opportunity. Our net-zero targets are not going to remain at 2050, they are likely to shift towards 2040 within the next two or three years, perhaps even sooner than that. EirGrid's programme implicitly defers much of the significant works which we will need to accomplish to the period beyond 2030. Given the pace of the change in national and European policy that assumption is looking increasingly less sustainable. A late shift towards an accelerated timeline is likely to make the delivery of our decarbonisation infrastructure more difficult and more expensive than an early implementation of the decarbonisation plan.

The targets that are part of our Climate Action Plan and our Carbon Budget are not sufficient to deliver the greenhouse gas emissions targets that we have for 2030. We can expect that there will need to be savings of many more millions of tonnes of CO<sub>2</sub> equivalent emissions than is feasible under the current plans. Therefore, government policy will become more ambitious and so EirGrid must prepare for this inevitability.