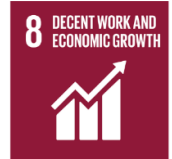




**Chambers
Ireland**
Advancing business together



Price Review 6

Submission by Chambers Ireland

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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. In consideration of the feedback in this submission we have provided we consulted with our network of 36 Chambers and their members.

Key Points

- A financeable multi-year investment framework is essential for both the TSO and DSO to deliver infrastructure of critical importance to the State.
- Keeping the cost of doing business low and providing price certainty are essential. Therefore funding from the exchequer is preferable to price rises in securing the position of energy providers.
- While the reopener process is intended to ensure fiscal accountability, it also introduces uncertainty into the planning and delivery process.
- While we support the increase in resources to baseline funding, it should be ensured that the system retains the ability to respond flexibly to emerging demand pressures.
- Price flexibility should not lead to price uncertainty for businesses.
- To ensure that project momentum is maintained it is pivotal that energy suppliers have sufficient fiscal space to deal with challenges and ensure that problems do not metastasize.
- It is critical that PR6 is designed in such a way that energy providers can maintain an investment grade credit rating.
- Delays in customer connections and grid constraints directly impact the State's ability to compete globally for infrastructure investment and supply chain capacity.
- Without reliable energy, businesses face operational risks, and the State risks losing its attractiveness for foreign direct investment (FDI).
- Given frequent delays with an inordinate process of judicial review and appeals, consideration should be given to adopting legislation where appropriate to actuate and ensure the timely delivery of critical infrastructure projects.

Our Perspective

Financeable multi-year investment framework

A financeable, multi-year investment framework is essential to deliver on the objectives of PR6 and to deliver adequate grid infrastructure that is futureproofed and efficient. Meeting our ambitions regarding housing, climate action and our economic competitiveness requires predictable and sustained funding over multiple years that is accessible.

Multi-year funding allows for the strategic rollout of renewable energy connections and grid flexibility. These investments are not feasible under short-term or fragmented funding models. We are supportive of the explicit link between long-term funding to the delivery of decarbonised electricity and secure, resilient networks in the CRU's draft determination. The PR6 framework introduces the Agile Investment and Monitoring Framework (AIMF), which is designed to accommodate evolving priorities and external shocks (e.g., inflation, supply chain disruptions) however this should be implemented in such a way that infrastructure delivery – at speed – is not held back. Multi-year funding is hence essential as it provides the flexibility and stability required to adjust plans without derailing progress.

Equally, while the CRU should recognise the urgent need for substantial investment in such infrastructure, it is essential that the majority of the funding is met through increased and sustained Government capital investment. It is inappropriate and unfeasible for businesses to be required to assume the financial responsibility for essential national infrastructure that has experienced prolonged underinvestment and is in part driven by other political choices in areas such as stand-alone housing.

Competitiveness

Urgent delivery of core infrastructure is essential to support our competitiveness and our economy. In the context of the current consultation, we are supportive of the €13.4 billion PR6 investment - including IT and cybersecurity upgrades - to futureproof the grid and associated

digital infrastructure. In addition, we support maintaining a strong investment-grade credit rating and an appropriate WACC to ensure access to capital markets and avoid underinvestment.

While we acknowledge that provision for flexibility in pricing is based on ensuring security of supply, this concern must be balanced with the reality that businesses may be faced with increased costs which are simply unmanageable. Given successive geopolitical impacts and inflation in recent years, any increase in the cost of doing business would constitute a major impediment to our overall competitiveness. Certainty is a bedrock for businesses that wish to scale and a major increase in utility prices would detrimentally impact their ability to plan for the future. In addition, a reduction in price certainty would impact business confidence and it is our preference that funding from the exchequer would be increased, rather than have price uncertainty built into the system.

Renewable Energy Infrastructure and Climate Targets

We consistently advocate for grid upgrades and offshore wind development to meet our climate targets and reduce our overall fossil fuel dependence. Delivering climate-aligned infrastructure by investing in renewable energy connections, electrification, and smart grid technologies is essential to that objective. We are therefore supportive of the focus on connecting 4.4 GW of renewables and enabling the electrification of heat, transport, and industry.

Security of Supply

A stable and secure supply of energy is essential for businesses and communities. Delays in customer connections and grid constraints can have broader economic implications, especially as the State competes globally for infrastructure investment and supply chain capacity. Without reliable energy, businesses face operational risks, and Ireland risks losing its attractiveness for foreign direct investment (FDI), particularly in high-value manufacturing and data services. We welcome the creation of 3.1 GW of new transformer capacity to support housing and industrial growth, the aforementioned connection of 4.4 GW of renewables, 2 GW of flexible gas-fired

generation to ensure system flexibility, Hydrogen storage and EU interconnectors to diversify supply and enhance resilience. Combined, these actions will help secure supply.

Planning reform

Relevant to our point regarding delivering infrastructure, while we acknowledge the planning reform¹ that has taken place within the past 12 months the planning system is still a significant barrier to infrastructure delivery.

Despite commitments to developing wind infrastructure,² our ambition risks being derailed by flaws in the planning system. Up to 76 windfarms across Ireland are projected to lose their planning permission between now and 2030 and a critical obstacle to delivery is that the planning system functions in essence as a reactive licensing regime. An Coimisiún Pleanála has a very wide remit and is essentially in charge of the planning system and is structured as a consent authority, not a strategic planner. Its statutory function is to adjudicate appeals and decide on direct applications for strategic infrastructure and other developments. This means that ACP responds to applications rather than shaping where and how infrastructure should be developed. As such the State's planning system is built on negative development control rather than proactive infrastructure planning and cannot provide the type of system which is essential to coordinate grid upgrades, renewable energy integration, and strategic infrastructure investment.

An alternative to this system that has been mooted³ is for state-sponsored infrastructural projects to be structured in legislation and as such they would not be subject to judicial reviews that frequently delay projects and impact their feasibility. When a state-sponsored infrastructure project is structured in this way, it means the project is explicitly authorised by an Act of the Oireachtas. Judicial review typically challenges the process by which a decision was made and

¹ <https://chambers.ie/press-releases/planning-bill-marks-vital-step-towards-reform/#:~:text=Chambers%20Ireland%20welcomes%20the%20approval,Ireland's%20long%2Dstanding%20infrastructure%20challenges>

² For example, the Government has established an All-of-Government Wind Delivery Taskforce and a funding package was announced for off-shore and on-shore wind. Later this year, a second ORE auction, Tonn Nua, will procure an additional 900 MW of ORE capacity.

³ <https://www.oireachtas.ie/en/debates/debate/seanad/2025-07-15/10/>

not the decision itself. As such if a project is grounded in legislation, the decision-making process is fundamentally different, as the Oireachtas has already approved it. Courts are not empowered to overturn legislation unless it violates constitutional rights.

While under the new Planning and Development Act 2024, judicial review applicants must meet stricter criteria, the system is minimally changed rather than fundamentally reformed. Such fundamental reform could be an effective way to solve some of the problems that we currently face in terms of delivering critical infrastructure the State urgently needs but it will equally require both political and public support and used appropriately. If it were the case that the public felt that this was a method being used to impose unpopular projects, then it could have a detrimental impact on future development of major infrastructure projects. However, given the significant shortfalls in delivery, this should be an option for consideration.

Challenges

Annual re-openers

A key feature of the PR6 framework is the introduction of annual re-openers, which require the DSO and TSO to return to the regulator to request additional funding. While this mechanism is intended to ensure fiscal accountability, it also introduces uncertainty into the planning and delivery process. This uncertainty could hinder the ability of both the TSO and the DSO to make proactive investments such as securing transformer slots or mobilising supply chains at the pace required to meet demand.

Regulatory oversight must be balanced to enable certainty

The draft determination under PR6 introduces heightened regulatory oversight, particularly concerning the allocation and access to funding. A central concern is the previously-mentioned mechanism of annual re-openers, which require entities to re-engage with the regulator to secure additional funding. While this structure aims to ensure fiscal discipline, it introduces significant uncertainty for project planning and execution.

It is important to minimise uncertainty and enable strategic decisions that support long-term infrastructure development. The re-opener process itself remains largely untested which raises concerns about its reliability and responsiveness. Nonetheless, the overarching priority is to balance price protection with the imperative of ensuring uninterrupted supply for customers. The best way to ensure that both these aims can be achieved is through ensuring adequate funding from central Government.

The ability to deliver infrastructure at pace is a critical performance metric and is increasingly important given the poor availability of critical infrastructure across the State. Lessons learned from emergency responses, such as Storm Eowyn, highlight the importance of maintaining momentum and operational agility and the need to rapidly mobilise resources, including securing long-lead items like transformer bookings, demands confidence in the funding framework.

However, reliance on annual re-openers undermines this confidence which leads to hesitation in committing to procurement and delivery schedules.

Electricity Demand, Investment Priorities, and Regulatory Challenges under PR6

Over the past several years, there has been a significant surge in electricity demand, driven by population growth, housing development, and the electrification of transport, heat, and industry. As such, delivering additional capacity at pace is vital to maintaining system reliability and meeting our climate targets.

For example, the €10.1 billion baseline investment outlined in ESB's PR6 Business Plan addresses immediate and defined capacity needs. The draft determination issued by the Commission for Regulation of Utilities (CRU) has shifted the funding balance, allocating more resources to baseline infrastructure while reducing support for distribution-level investments. While we support the increase in resources to baseline funding, we also need to ensure that the system retains the ability to respond flexibly to emerging demand pressures.

The regulatory framework under PR6 also imposes more rigorous delivery obligations, particularly on the supply side. While responsibilities for renewable energy integration are clearly defined, there is less clarity around managing demand growth, which complicates strategic planning. We emphasise the importance of agility in responding to unforeseen challenges and the need for a regulatory environment that supports anticipatory investment and rapid problem-solving.

There is a danger that there will be broader economic implications of delayed customer connections. This is particularly relevant in the context of the DSO or TSO competing globally for supply chain capacity. Accordingly the ability to streamline regulatory processes and secure timely funding is essential to maintaining competitiveness and avoiding the economic costs of underinvestment.

Uncertainty

The immaturity of many of the projects being undertaken means that predicting costs is more difficult. There is a high level of uncertainty around where and when new demand for capacity will materialise. There is also a high degree of uncertainty regarding how quickly infrastructure can be delivered in the context of supply chain disruptions, resource constraints, public resistance to new infrastructure and challenges in securing transmission outages. In this context it is difficult to scale with certainty regarding what will be required in 18 months' time.

To ensure that there is momentum in projects, that supply chains are not disrupted and to avoid delays, it is necessary to ensure that there is fiscal space to deal with challenges and ensure that any problems do not metastasize.

An investment framework for a portion of the capital investment programme can be used to ensure that customers do not pay upfront for projects that may not materialise during the Price Review period, but that all of the projects needed to meet customer needs remain in scope.

Financeability

Finally, we welcome the fact that the financial framework under PR6 is designed to ensure that EirGrid and ESB can maintain investment-grade credit ratings, which is essential for accessing capital markets and securing funding for large-scale infrastructure projects. To fund the PR6 programme it is imperative that they maintain uninterrupted access to debt capital markets with the lowest possible rating. It can be an onerous and time-consuming process to request extra funding that may be needed to maintain an investment grade rating and maintaining this rating is crucial to ensuring the delivery of projects that are vital to the Irish economy.