

Submission of Chambers Ireland to the Planning Appeals Commission of Northern Ireland on the North-South Interconnector

Chambers Ireland is the largest business network in the Republic of Ireland, representing 47 member Chambers across the country. In our view, security of supply and affordable energy are key issues which make development of the Interconnector an immediate requirement for both Northern Ireland and the Republic of Ireland. Chambers Ireland is strongly supportive of the development of the North South Interconnector.

Energy Supply & Security

Increasing the level of interconnectivity between Northern Ireland and the Republic of Ireland is of strategic interest to the future energy security of the entire island of Ireland, which also supports energy objectives at both national and EU level. Among such objectives is the requirement to interconnect our electricity network with that of other European countries to create a Single Electricity Market. By increasing our level of interconnection, the entire island will become more energy secure. At a time of increasing global instability and the potential for disruption of energy supply lines, the importance for increased security of supply for the island cannot be overestimated.

The reliance on a single interconnection between Northern Ireland and the Republic of Ireland which is at risk of outages from one disruptive event also poses serious risks for energy supply and security. As heavy energy users, business is reliant on a steady and secure supply of energy. Any failures in energy supply for industry sectors such as ICT, manufacturing or data storage would be catastrophic from a reputational point of view for Northern Ireland and the Republic of Ireland.

Meeting the demand for business

In our view, the primary need for developing the island of Ireland's electricity grid is to facilitate sustainable economic growth. Unless we develop the capacity of the grid and improve our security of supply, we risk facing a situation where the electricity network cannot meet demand from businesses and domestic consumers. This would undermine the ability of businesses in Northern Ireland and the Republic of Ireland to prosper and to attract new business and investment in both countries. In this way, a reliable electricity supply is intricately linked to the national competitiveness and economic growth prospects of the entire island of Ireland.

As recently pointed out by the Electricity Association of Ireland, the island of Ireland's remote geographical location and its small size, topography and distributed population make electricity prices structurally more expensive.¹ This means there is a strong need for policy and planning which promotes cost efficiency in all aspects of the sector in support of competitiveness.

¹ http://eaireland.com/wp-content/uploads/2016/03/20160308-EAI-Presentation-to-N_S-Oral-Hearing-FINAL2.pdf

Northern Ireland is one of the least competitive regions internationally when it comes to energy costs. Northern Irish electricity prices rank among the highest across the EU-15. The North-South Interconnector is required to address these issues faced by both jurisdictions and will benefit consumers and businesses across the island of Ireland.

Operating the transmission and distribution grid networks on an all-island basis has been proven to be in the strategic national interests of both Ireland and Northern Ireland as a means to removing the extra costs that arise from both jurisdictions acting in isolation on energy policy.

Energy Sustainability

As both the Republic of Ireland and Northern Ireland are in the process of progressing to a lower-carbon economy and energy supply system in line with various international, European and national policy plans, an ever-greater need for interlinked energy emerges between these two jurisdictions in order to maximise efficiency of resources and infrastructure. Moving to a lower carbon energy mix and facilitating the increased use of renewable and lower carbon energy sources is no longer a choice for Ireland and Northern Ireland, it is an obligation.

As we live in post COP 21 world, this increased interconnectivity will help bring renewable energy on stream and into the energy mix and will enable both jurisdictions to meet their international obligations in terms of decarbonisation and mitigate or avoid severe financial penalties.

Investment and regional development

Energy capacity is a pre-requisite for local economies to be able to compete for investment and attract new companies to establish in an area. Energy intensive industries have a strong presence in the economy providing many jobs in Northern Ireland and the Republic and must be facilitated with sufficient capacity to meet their energy needs. The FDI sectors which have typically established bases on the island of Ireland, i.e. pharmaceuticals, manufacturing, ICT, data centres, are all heavily reliant on sustainable and secure energy supply. Increased interconnection will also allow for indigenous industry to scale up and create new jobs.

For Northern Ireland and the Republic of Ireland to remain attractive destinations in which to do business and to invest, it is imperative that energy costs can be maintained at an efficient level.

Concluding Remarks

A report by the Irish Government in 2012 on the Strategic Importance of Transmission and Other Energy highlighted the importance of the North South Interconnector as a means to secure electricity supply, enabling sustainable economic growth and new jobs in the regions.²

The report outlined the benefits as including security of future electricity supply for homes, businesses, farms, factories and communities, underpinning sustainable economic growth and new jobs in the regions, and enabling the renewable energy targets to be met.

The Memorandum of Understanding between the UK and the Republic of Ireland on the Single Electricity Market Arrangements intends that the SEM will work to “promote, where possible, a harmonised approach on an all-island basis to security of supply issues” and to “incorporate a

² <http://www.merrionstreet.ie/en/News-Room/Releases/minister-rabbitte-publishes-government-policy-statement-on-the-strategic-importance-of-transmission-and-other-energy-infrastruce.45544.shortcut.html>

harmonised approach to transmission connection policy”³. The North-South Interconnector is the optimum way for the SEM to progress in such a way and to increase all-island energy supply, cost-effectiveness and more sustainable energy provision.

In summary, we consider the completion of the North-South Interconnector to be of immense importance for the economy of Northern Ireland and the Republic of Ireland. The interconnector as proposed will increase the capacity, reliability, sustainability and resilience of the island’s electricity market to the benefit of both domestic and business energy consumers.

There is widespread support from the business community on both sides of the border for this initiative. The Interconnector is needed to give a further infrastructural underpinning to the Single Electricity Market which serves the island of Ireland. While both Northern Ireland and the Republic of Ireland have seen benefits from the all-island market already, a lack of interconnection curtails the full benefits of that market being realised. The North South Interconnector will remove the constraints and bottlenecks which currently restrict the most efficient flow of energy within the SEM.

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³ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/272399/7002.pdf