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Ireland
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CRU Proposed Decision on Uisce Éireann's Non-Domestic and Trade Effluent Tariff Framework

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 affiliated 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. We are the only business organisation with a truly geographic footprint and as a result are uniquely positioned to assist in the development of critical infrastructure to meet our economy's future needs.

We recognise the essential need for sustained investment in our water and wastewater infrastructure. As we have consistently stated in the past, this must be supported by a fair and transparent funding model that ensures long-term sustainability while maintaining our competitiveness.

Key Points

- Limiting eligibility for transition arrangements to customers moving tariff structure will ensure that transitional support remains proportionate, cost-effective and focussed on structural rather than marginal changes.
- Eligibility criteria must be applied consistently and supported by clear guidance to avoid regional disparities and uncertainty.
- We are in favour of the Mogden-based framework which aligns costs with pollutant load and reinforces the polluter-pays principle.
- The €750 threshold is high and we recommend selecting a balanced figure between €250 and €750 to reflect the broad range of businesses nationwide.
- The determination of the monetary threshold should consider the cumulative impact of rising costs across energy, labour, insurance and regulatory compliance.
- For SMEs, even modest increases in fixed utility costs can undermine their competitiveness and capacity to invest.
- While a defined transition end-date provides regulatory certainty, the proposed timeline should incorporate flexibility considering ongoing economic volatility.
- Capping annual bill increases as a percentage of the cost-reflective bill promotes fairness and predictability across a diverse customer base.
- Caps must be carefully designed to avoid back-loaded increases that could result in sharp bill shocks toward the end of the transition period.
- Clear tariff classification rules and fair estimation methods where data is unavailable should underpin the tariff framework.

Questions

Eligibility

Do you agree with the CRU's proposed decision to limit eligibility for transition arrangements to those trade effluent customers that are moving tariff structure? Please state your reasons why.

Yes. This approach targets support toward customers who face the greatest adjustment challenges and ensures that transition mechanisms remain proportionate and cost-effective. When structural changes occur, particularly those that alter how costs are allocated, businesses require a buffer to adapt, plan and budget.

However, eligibility criteria must be applied with transparency and consistency across the country. Businesses depend on predictable regulatory environments, and any ambiguity in how eligibility is determined could undermine confidence in the process. Clear national guidance, supported by clear communication, would minimise the risk of regional disparities or case-by-case interpretation. Ensuring consistency is particularly important for multi-site operators who must plan for tariff impacts across several locations.

Overall, the proposed eligibility criteria strike an acceptable balance between fairness and targeted support, provided that implementation is uniform and well-communicated.

Threshold

Do you agree with the CRU's proposed decision to set a monetary threshold of €750 to determine whether a customer qualifies for the transition arrangement? Please state your reasons why.

There should be a balance struck between the €250 and €750 thresholds, to reflect the diverse range of businesses around the country. While the €750 threshold for transition eligibility is well-intentioned, this threshold is high and excludes many businesses that may still face significant financial strain from these cost increases.

The business landscape is varied and predominantly made up of SMEs. For these firms, even modest increases in fixed utility costs can damage competitiveness, liquidity and investment capacity. Setting the threshold too high risks providing relief only to the largest customers while overlooking the cumulative burden on smaller operators who have less capacity to absorb even moderate price shocks.

Concerns remain around the compounding impact of rising input costs across energy, insurance, labour and compliance. Further cost pressures in the form of non-domestic water charges risk eroding productivity and may, ultimately, influence investment and location decisions.

We therefore recommend a balanced approach between both thresholds that reflects businesses of all sizes, the realities of SME cost structures, and call for continued State investment in water infrastructure to avoid disproportionate reliance on non-domestic billing.

Duration

Do you agree with the CRU's proposed decision to transition all trade effluent customers to cost-reflective bills by 1st October 2030? Please state your reasons why.

The CRU's objective of transitioning all trade effluent customers to cost-reflective billing by 1 October 2030 must be supported by a clear timeline that provides regulatory certainty and sends a strong signal for long-term investment planning in water and wastewater services.

We encourage the CRU to incorporate flexibility into the framework. The business environment remains volatile, with inflationary pressures, global supply chain uncertainties and increased compliance demands placing significant strain on companies, particularly those in energy-intensive sectors and those whose margins are thin¹. Should economic conditions

¹ <https://enterprise.gov.ie/en/publications/publication-files/expert-group-on-global-value-and-supply-chains-final-report.pdf>

deteriorate or cost pressures intensify, a strict deadline may inadvertently worsen financial vulnerability for businesses already under stress.

A way to extend or pause the transition, based on predefined economic indicators or sectoral risk assessments, would help ensure that cost-reflective charging does not undermine business sustainability. Flexibility would also align with broader national competitiveness objectives².

Design

Do you agree with the CRU's proposed decision to cap annual bill increases as a percentage of the cost-reflective bill? Please state your reasons why.

We support the CRU's proposal to cap annual bill increases as a percentage of the cost-reflective bill. Percentage-based caps are an equitable way to moderate the transition toward full cost-reflectivity while ensuring that customers do not face sudden, unpredictable bill shocks. This approach recognises the diversity of the non-domestic customer base and avoids disproportionately impacting smaller businesses.

However, the design must not unintentionally create steeper increases toward the end of the transition period. A poorly calibrated cap could lead to a situation where customers experience relatively modest increases in the early years, followed by significant spikes later. Any such pattern would undermine predictability and could force businesses to make abrupt operational or pricing adjustments. Therefore, the caps must be structured in a stable, gradually ascending manner, ensuring a smooth, proportional and manageable transition for all customers.

² <https://enterprise.gov.ie/en/publications/action-plan-on-competitiveness-and-productivity.html>

Profile

What profile of caps to annual bill increases do you consider best meets the CRU's tariff principles? Please state your reasons why.

A phased model that balances the need to progress toward cost-reflective tariffs with the need to avoid placing undue financial strain on businesses. The advantage of a predictable profile is that it allows firms to incorporate increases into multi-year business plans, investment cycles and pricing strategies. A structured profile also rewards early behavioural adaptation that gives companies time to adopt efficiency measures, explore cleaner production processes and adjust operational practices to reduce effluent loads.

Perverse incentives

Do you agree with CRU's proposed decision to accept Uisce Éireann's proposal to not have a TAR related to perverse incentives?

There is limited evidence that existing charging structures create behaviours that undermine environmental objectives or system efficiency. Introducing an additional rule in the absence of a clear need would add unnecessary bureaucratic complexity.

The Mogden-based charging system inherently encourages positive behaviour by aligning charges with pollutant load. This ensures that businesses with cleaner effluent face lower costs, reinforcing the 'polluter pays' principle while incentivising improved environmental performance. Maintaining this structure supports national sustainability goals and aligns with EU best practice.

Assigning customers to a tariff class

Do you agree with CRU's proposed decision to accept Uisce Éireann's proposal to amend existing TARs to accommodate trade effluent customers?

The current structure would benefit from greater clarity and consistency, particularly in how businesses are assigned to tariff classes. A transparent classification mechanism is crucial for fairness, dispute prevention and administrative efficiency.

Businesses should have full visibility into the criteria determining their tariff class, with clear definitions and guidance available. Inconsistent classification processes can lead to uncertainty and unnecessary regulatory burden for both customers and Uisce Éireann. Strengthening and clarifying the TARs will therefore help build trust in the tariff system and improve customer engagement.

Mogden charge in the absence of sampling

Do you agree with the CRU's proposed decision to accept Uisce Éireann's proposed approach to calculating the COD and SS values in the absence of sampling?

There is a need for a clear, transparent and fair approach to calculating COD and SS values in the absence of sampling. However, estimated values must not place excessive cost burdens on businesses. Trade effluent customers should not be charged based on assumptions that may not reflect their operational reality, nor should they be required to subsidise more intensive polluters³.

A defined appeals process is necessary, including options for resampling, independent verification or the submission of customer-provided data where appropriate. Any model adopted must protect compliant, low-impact businesses from being penalised due to gaps in data availability.

³ <https://chambers.ie/wp-content/uploads/2024/02/Submission-to-the-Commission-for-Regulation-of-Utilities-regarding-Uisce-Eireanns-Proposals-to-Update-the-Non-Domestic-Tariff-Framework-and-Introduce-a-New-National-Trade-Effluent-Charging-Arrangements.pdf> pg.12

Non-domestic wastewater charge in the absence of a metering solution

Do you agree with the CRU's proposed decision to accept Uisce Éireann's proposed approach to use the "litres per working day" principle to estimate the volume of sanitary wastewater?

While using 'litres per working day' is a practical methodology where metering is absent, it must evolve to reflect modern workplace realities. Hybrid working arrangements have significantly reduced on-site occupancy for many businesses and a calculation based on traditional working patterns risks overcharging businesses.

Incorporating an adjustment mechanism, whether through self-declaration, occupancy estimates or periodic verification, to ensure charges are aligned with actual water use. Ensuring accuracy in these estimations will strengthen the credibility of the tariff framework.

Customer communication

Are there any other specific measures that Uisce Éireann could take in order to better communicate with customers about trade effluent tariffs, customer bills or updated tariff rates?

Investment should be provided for efficient, multi-channel communication to support customers during the transition. The complexity of trade effluent tariffs means businesses require clear, accessible guidance to understand their obligations, manage costs and explore opportunities to reduce effluent loads.

An effective communication programme should include:

- clear explanations of tariff structures and timelines,
- worked examples demonstrating how bills will be calculated,
- early notification of tariff changes,
- online tools or calculators and
- dedicated customer support for complex cases.