

Commission for Regulation of Utilities (CRU)
The Exchange,
Belgard Square North,
Tallaght,
Dublin 24.

4th April 2025

To whom it concerns,

Cork Chamber welcomes the opportunity to contribute to the public consultation on the Review of Large Energy Users Connection Policy by the Commission for Regulation of Utilities (CRU).

Cork Chamber represents 1,200 members together employing 130,000 people throughout the city, metropolitan area and county. Our vision is to lead a transforming and ambitious Cork City and County, and our purpose is to unite, represent and support our members and community. Our direction is guided by our formal pledge to uphold the United Nations Sustainable Development Goals. Cork Chamber has also been designated an SDG Champion by the Department of the Environment, Climate and Communications for 2024 – 2025.

Cork Chamber's advocacy efforts are guided by the views and priorities of our partners, and are shaped by our continuous engagement with members, our Board and key stakeholders in Cork City and County. Energy security is a growing concern for many in the business community, and indeed those looking to invest in Ireland.

We have a once-in-a-generation opportunity at present to integrate our economic development with our sustainability and environmental goals. It is vital that we act to maintain and drive economic growth in Ireland, while prioritising future-proof development insofar as possible. Many Large Energy Users (LEUs) play a critical role in Ireland's economy, across sectors such as pharmaceuticals, manufacturing and ICT. This is particularly evident in the Cork region, which is home to a number of LEUs. Managing and providing for this energy demand is critical in the short term to bolster Ireland's economic competitiveness.

Yours sincerely,



Conor Healy

CEO

Feedback on the proposed decision paper on the Large Energy User connection policy:

Introduction

Cork Chamber welcomes the opportunity to provide feedback on this timely and important proposed decision paper. Recent figures demonstrate that the share of electricity consumed by data centres in Ireland has risen steadily in recent years, from 5% of national demand in 2015 to 21% by 2023.¹ The increase of 20% between 2022 and 2023 is particularly notable, highlighting the rapid growth of this industry in Ireland and the importance of future-planning for further development.

Indeed, data and data centres play a critical role in underpinning many elements of our economy and our everyday lives, providing for the ICT services that we have come to rely on in so many sectors in recent years. In this regard, acknowledging the growing role played by data in our economy is critical, and it is vital therefore that clear guidelines are established with regard to the connection of new data centres.

While this decision paper proposes to establish plans for the connection of LEUs in the shorter term, it is worth also considering the long-term impacts of the policy. Actions taken to facilitate connections in the short term can have a lasting impact on the utilisation of energy resources and should be considered with a forward-thinking mindset, ensuring that climate targets set for 2030 remain on track, for example.

Q1. Comments are invited from interested parties in relation to the topics covered in Section 2 Constrained regions of the electrical system and security of supply.

Cork Chamber believes the connection of LEUs to the grid should be facilitated where appropriate as this sector makes significant contributions to the Irish exchequer at present, supporting employment directly and indirectly, while also providing for the data services that underpin much of the rest of the services economy.

Supporting and maintaining existing investment in the country, particularly in the face of increasing economic headwinds globally, must be prioritised at present. It is vital that Ireland seeks to maintain and enhance its reputation as an attractive location for foreign direct investment (FDI), and an increasingly important element of this relates to our ability to provide swift new connections to the grid and ensure that energy supply can be guaranteed.

Ireland has long enjoyed a reputation as a world leader in facilitating FDI, including major operators in the pharmaceutical and tech sectors, particularly in the Cork region. This reputation has been enhanced by the stability of the grid and swift access to reliable utilities. However, these utilities have come under increasing strain in recent times as economic and demographic growth continues apace.

¹ CSO, [Data Centres Metered Electricity Consumption 2023](#)

According to EirGrid’s All-Island Resource Adequacy Assessment 2025 – 2034, demand for electricity is predicted to increase sharply as a result of the electrification of the heat and transport sectors in line with targets set out in the Climate Action Plan 2024. Capacity deficits are also forecast as some older generators are closed and the performance of others remaining in the system declines over time. Overall, electricity demand is forecast to increase by 45% in the period to 2034, with data centres accounting for 31% of all electricity demand by 2030.²

While it is vital that we support new connections in the shorter term, it is even more important that long-term strategies to improve energy system efficiency and reliability are prioritised to provide certainty for investors and other stakeholders. In this regard, Cork Chamber welcomes the CRU’s commitment to liaising with relevant Departments to support the delivery of development plans in a coordinated manner.

It is essential that significant progress is made on the generation of renewable energy in the coming years to provide for future demand, which is ever-increasing, while also filling deficits left by fossil fuel generators as they are taken out of the system.

Ireland’s ability to guarantee security of supply for those seeking to invest or scale up operations in Ireland is a critical strand of our economic competitiveness globally. Particularly for regions like Cork where there is growing uncertainty regarding the capacity of the local grid to facilitate more and more new connections, greater certainty is needed to assure potential investors that adequate steps are being taken to secure supply into the future.

Q2. Comments are invited from interested parties in relation to the topics described in Section 3 Proposed decision on electricity connections.

Although the CRU’s proposed decision states that current provisions under the Climate Action Act do not provide a sufficient legal basis to allow the CRU to explicitly mandate specific emissions reduction and offsetting measures, it is crucial that key climate targets set out at national and EU level be kept in mind when making decisions on new connections.

The CRU’s provision to take account of renewable energy policy in the development of electricity connection policy is welcome in this regard, and Cork Chamber believes that the CRU should continue to promote the use of renewable energy to LEUs seeking new connections as far as possible, so long as this does not have a significant adverse effect on economic development.

Cork Chamber acknowledges the previous consultation paper published in June 2021 by the CRU in this regard, which set out three options in relation to the role of data centres and security of supply, namely: to do nothing, to impose a moratorium on data centre connections, and to introduce connection measures. The decision to introduce connection measures rather

² EirGrid, [All-Island Resource Adequacy Assessment 2025 - 2034](#)

than either of the other two options is welcome in the context of facilitating and encouraging economic development.

In relation to the CRU's provisions regarding onsite or proximate dispatchable generation for LEUs, Cork Chamber welcomes the positive impact this will have on safeguarding security of supply. Renewable energy sources should be favoured where possible in the context of progressing our climate targets. The growth of the renewable energy sector to help support the connection of additional LEUs will also bring about economic benefits by supporting the growth of Ireland's emerging green energy sector.

In addition, the CRU's statement that a plan-led approach can help coordinate the required investments, utility and infrastructure needs to match demand from LEUs with future ambitions for renewable energy deployment is particularly welcome. Alignment across the development plans of Government Departments, state and semi-state agencies should be prioritised to accelerate necessary development and growth. This should include clarity on demand flexibility, dispatch generation, and any future changes to MIC levels. However, it is important that the level of regulation imposed does not inadvertently discourage innovation and entrepreneurship on the part of those involved in the development of data centres infrastructure and sites.

The CRU's proposed decision paper also notes that data centres are having a "unique impact" on the Irish electricity system, not comparable to any other sector or industry. In this regard, it is prudent to consider planning provisions related to the development of data centres and to prioritise a national approach to planning and development guidelines for data centres, in collaboration with local authorities. Given the considerable impact of the sector in terms of electricity usage, developments should be considered with a national lens, while also respecting regional concerns and priorities.

In this regard, Cork Chamber welcomes the CRU's proposal to use the criteria of "class of energy user" in defining the category of user on the electricity system to which this policy will apply. The CRU's consideration that applying the policy to a broader scope of LEUs could create a barrier to electrification of existing LEUs is also welcome, and Cork Chamber is of the view that electrification of other sectors should be prioritised insofar as possible to help meet our climate targets in the coming years. Other LEUs who operate with different demand models should therefore not be subject to the same provisions on connection as data centres.

Q3. Comments are invited from respondents as to whether there should be a minimum level in terms of MIC below which this policy, or elements thereof, should not apply and, if so, what would be a reasonable minimum level of MIC?

The establishment of any minimum level of MIC should be at a carefully considered level to ensure that smaller energy users, particularly SMEs, are not bound by some of the more prescriptive and costly elements of the connection policy. Any minimum MIC should be set at

a level that does not include smaller scale energy users who do not pose a significant concern for the grid in terms of electricity consumption.

Q4. Comments are invited from respondents on the proposed approach of providing the System Operators with the ability to require demand flexibility from data centres on the local system as deemed necessary on a case-by-case basis.

Cork Chamber welcomes the proposed approach of providing the System Operators with the ability to require demand flexibility from data centres on the local system as deemed necessary on a case-by-case basis. Each region across the country has a unique profile in terms of existing network capacity and demands, and in most cases, it is System Operators who are best placed to assess and respond to this demand.

The CRU's statement that effective demand flexibility is a key element in supporting the electricity system and supporting a higher proportion of renewable energy in the system is welcome; greater flexibility in the storage and distribution of energy will be critical to maximise the benefit of renewable energy sources as they come onstream.

In this regard, a more flexible demand profile from data centres can contribute to the creation of a more sustainable, flexible energy system as a whole. Given the proposal to mandate data centres to bring onsite or proximate dispatchable generation capacity which, at a minimum, matches the site's MIC, it is prudent not to put in place a blanket requirement for demand flexibility from all data centres at this time.

However, future planning for development should continue to examine the possibility of introducing additional requirements for demand flexibility, particularly as more and more renewables and energy storage solutions become available. Therefore, it is critical that System Operators, regulators, energy off-takers and other relevant stakeholders collaborate on innovative solutions that will facilitate demand flexibility. Increased demand flexibility will also play a key role in driving investor confidence in Ireland by providing enhanced certainty around security of supply in terms of increased flexibility.

That being said, it is likely that the introduction of demand flexibility requirements could have additional and potentially significant cost implications for businesses. Potential supports for businesses to mitigate this cost burden should be considered by the CRU if these provisions were to be made mandatory.

Q5. Comments are invited from interested parties in relation to the topics described in Section 4 Gas connections.

In relation to Section 4: Gas Connections, Cork Chamber agrees with the CRU's statement that a coordinated approach is needed for connections to the electricity and gas networks to ensure that policies introduced for electricity do not inadvertently result in an unintended consequence of increased connections to the gas network, and vice-versa. System constraints

and capacity issues should be considered in this regard and balanced with the importance of ensuring security of supply.

An influx of LEUs in the form of 'islanded data centres' could exert significant pressure on the gas network, thereby increasing the urgency of investment in our gas infrastructure to meet this increased demand. Although the plans of some islanded gas LEUs to migrate into the electricity system once it can facilitate new connections should be considered in this regard, these LEUs should continue to be considered islanded LEUs for the purpose of planning in the immediate term and in the context of this proposed decision on new connection policy.

Due consideration should be given to emerging energy sources, particularly biomethane and green hydrogen, which have the potential to supplement and replace existing energy sources in the future, which can often be achieved through the repurposing of existing gas network infrastructure. It is therefore prudent to ensure that infrastructure and connections to data centres are future-proof and adaptable where possible to allow for potential repurposing. In future policy and planning, the CRU could examine possible incentives that could be offered to businesses who transition to more efficient energy sources.

An aligned approach across government Departments, state and semi-state bodies will be required to ensure a coordinated approach to planning for future developments. Cork Chamber notes the CRU's statement that it does not believe there is a sufficient legal basis for the Commission to intervene in relation to islanded data centre gas connections and emissions provisions. CRU's ongoing work with GNI to develop a separate gas capacity product for LEUs is also noted and welcome in this regard.

Q6. Comments are invited from interested parties in relation to the proposed approach described in Section 5 Proposed direction to System Operators.

The proposed decision paper notes correctly that data centres are heavily concentrated around the Dublin and Meath area at present, exerting significant pressure on the local electricity network.

While some multinational firms have indicated an interest in investing in data centres in the Cork region as an alternative to further Dublin-based expansion, concerns around the capacity of the local grid to absorb this additional demand have so far had a significant impact on developments in the region. It was recently reported that planning permission for data centre infrastructure in Cork had been extended following a "significant delay" in reaching an agreement regarding connections to the electricity grid.³

Delays and uncertainty around security of supply and timely grid connections remain a key limiting factor impacting the development of data centres and related infrastructure outside the greater Dublin region. Facilitating such developments will be essential to ensure that

³ Irish Examiner, [Council extends planning permission for two data centre buildings in Cork](#)

excessive demand in the Dublin region is mitigated insofar as possible, while also providing for economic development and growth in a more balanced manner across the country.

Ireland is already a hub for the European tech sector, and facilitating the further growth of the sector in the form of data centres and other investments should be supported to maintain Ireland's reputation in this regard, while also sustaining employment and economic growth. Data centres represent a critical element of the provision of tech services, enabling the delivery of many key services and platforms on which millions of people rely every day.

With this in mind, the CRU's proposal for System Operators to take into account the location of requested data centre connections and associated generation in respect of whether it is in a constrained or unconstrained region of the electricity network is to be welcomed. However, it is vital that work to enhance and build out the network is prioritised in the medium term and that any areas deemed to be constrained are not excluded entirely from new developments and the economic benefits they may bring. Building out the network in these constrained areas should be a key focus of work for System Operators in the first instance, enabling balanced regional growth and development where possible.

In addition, there is a need to account for growth in other areas which may impact on the capacity of the electricity network. With sustained population growth projected for the coming decades, balancing the electricity demands that result from industrial and commercial growth with those coming from much-needed residential developments must also be considered.

Cork Chamber therefore welcomes and supports the proposed decision requiring System Operators to publish regular and up-to-date locational information in relation to the availability of capacity on the network and network constraint. This reporting will provide vital information, which can be used to inform development plans and decision-making at all levels of government, particularly local government.

The proposal to consider the ability of LEU applicants to self-report to System Operators on emissions and the use of renewable energy on an annual basis is welcome. A higher frequency of reporting could also be considered in the future to help maintain momentum and track progress towards renewables targets, particularly as the level of energy consumer by data centres in Ireland increases as projected in the coming years.

Energy costs should also be considered in this regard and System Operators could seek to liaise with LEUs in relation to their costs in the context of reporting mechanisms. As some decisions taken by System Operators have an impact on LEUs in terms of potentially raising operational costs, provisions for financial supports and incentives should be considered in the context of any future policy decisions in this regard, particularly supporting those LEUs seeking to transition to green energy sources.

Q7. Comments are invited from interested parties in relation to Section 6 Future potential evolution of LEU policy.

The proposed decision paper acknowledges the need to decarbonise our electricity generation by increasing our use of renewable energy and reducing reliance on fossil fuels. The acknowledgement of the need to match demand with the scaling up of renewable energy sources, in line with the EU's twin transitions of digitalisation and decarbonisation, is welcome.

It is vital that progress on the delivery of renewable energy continues to be accelerated over the lifetime of this Government, in line with objectives set out in key documents such as Powering Prosperity – Ireland's Offshore Wind Industrial Strategy, which sets out a target of 5GW of installed ORE by 2030.⁴

Cork Chamber's members have identified renewables and energy system integration as a key priority for progress. In 2024, Cork Chamber established the Cork Offshore Renewable Industry Forum (CORIF) to bring together representatives of the energy industry in Cork to identify and advocate for the key policy and infrastructure enablers needed for Cork to become Ireland's first hub for offshore renewable energy.

CORIF and Cork Chamber will continue to advocate for the development of the renewable energy sector in Cork, particularly offshore wind, which will also help to position the Cork region as a more attractive and viable location for investment in data centre infrastructure. The colocation of energy generation, industry stakeholders and important off-takers – in this case, data centres – can provide for more efficient grid connection and help to support security of supply. In this regard, the grid and related infrastructure should be developed and enhanced in the Cork region to ensure that Cork is considered a viable alternative to the Dublin region when it comes to the establishment of new data centres.

Coordinated and careful spatial planning will be crucial to achieve this, and it is vital the national development plans, the development plans of utilities providers and local development plans are all aligned to accelerate infrastructure improvements and, as a result, economic development.

The proposed decision's acknowledgement of the potential future benefits of further flexibility products and markets is also welcome. Additional storage and flexibility solutions should be explored as much as possible in order to increase efficiencies, and this should be facilitated by System Operators.

⁴ Department of Enterprise, Trade and Employment, [Powering Prosperity – Ireland's Offshore Wind Industrial Strategy](#)

Cork Chamber also particularly supports the CRU's consideration of transitioning to real-time requirements for net-zero energy use in the future. Decarbonisation and net-zero ambitions should be scaled up in tandem with the growth in our renewable energy generation.

Conclusion

Cork Chamber notes and welcomes the CRU's stated expectation that Government policy, regulatory policy, changes to legislation, renewable energy generation and grid infrastructure developments in the coming years will support the future evolution of LEU connection policy. Cork Chamber calls on the CRU to take account of evolving climate goals in particular, in order to support the development of a sustainable, future-proof, and long-term strategy for LEU connections. In the meantime, it is vital that clear and comprehensive guidelines are set out in relation to new connections to the grid, with a view to encouraging and facilitating investment and economic growth in a balanced manner.