
CRU Proposed Decision Paper on Large Energy Users Connection Policy

**Response from the American Chamber of Commerce Ireland
(AmCham) to the CRU consultation on the Proposed Decision Paper
on Large Energy Users Connection Policy.**

April 2025

The American Chamber of Commerce Ireland

The Voice of US-Ireland Business

The American Chamber of Commerce Ireland (AmCham) is the collective voice of US companies in Ireland and the leading international business organisation supporting the Transatlantic business relationship. Our members are the Irish operations of all the major US companies in every sector present here, Irish companies with operations in the United States and organisations with close linkages to US-Ireland trade and investment.

Introduction

The American Chamber of Commerce Ireland (AmCham) welcomes the opportunity to respond to the Commission for the Regulation of Utilities (CRU) Proposed Decision Paper on Large Energy Users (LEU) Connection Policy (CRU/202504). AmCham acknowledges the CRU's efforts to address the challenges of balancing Ireland's economic growth, particularly the role of data centres, with the nation's climate and energy security objectives. AmCham's response builds upon AmCham's submission to the original consultation (CRU2024001) and reiterates our commitment to constructive engagement on this critical issue.

AmCham believes that any policy framework concerning Large Energy User connections, is most productive when done in a manner consistent with supporting sustainable economic growth. Recognising the significant contribution of data centres and other LEUs to the Irish economy, any policy must facilitate sustainable growth and avoid unnecessary barriers to investment and continue to foster a culture of innovation and growth.

Ensuring security of supply by maintaining a secure and reliable energy supply is paramount for all sectors of the Irish economy. Policy measures should enhance Ireland's security of supply in the energy sector, by investing in these areas, greater certainty can be achieved for potential investors.

Decarbonisation efforts and Ireland's climate targets are critical to Ireland's continued growth and competitiveness in the international market. Introduction of supportive policy frameworks should aim to assist in the transition to a low-carbon energy system. This includes the integration of renewable energy sources and the reduction of emissions.

Underpinning these efforts is the target of maintaining, and where possible increasing, investor certainty. This can be achieved through a stable, predictable, and transparent regulatory environment, which is essential to attract and retain Foreign Direct Investment. AmCham welcomes the approach of the CRU to engage in communication with the private sector and relevant stakeholders. It is important that policies should provide clear signals to investors and avoid retroactive measures that could undermine confidence in policy direction.

The introduction of spatial approach to energy demand can assist in efforts to provide greater regional balance and increased investment in the regions.

Proposed Decision Paper Aspects:

Category of Applicant:

The proposed policy applies exclusively to all data centres seeking to connect to the electricity network. While the significant growth in electricity demand from data centres is acknowledged, it is crucial to avoid policies that disproportionately affect or discourage investment in this sector.

AmCham acknowledges the CRU's request for feedback on a potential minimum level of Maximum Import Capacity (MIC) below which the policy may not apply. This could help to ensure that the policy is appropriately targeted and does not place undue burden on smaller data centre operations.

Treatment of Onsite or Proximate Generation and/or Storage

The proposed decision requires data centres connecting to the electricity network to provide dispatchable onsite or proximate generation and/or storage capacity which matches their MIC, and to participate in the wholesale electricity market. AmCham acknowledges the CRU's objective to enhance security of supply and provide a revenue stream for data centres. However, this may incur cost implications, and potential unintended consequences of this requirement. For instance, the requirement for 1:1 dispatchable generation or storage matching MIC may not be technically or economically feasible for all data centre operators. It could also lead to undesired outcomes, such as an over-reliance on fossil fuel generation, which would undermine Ireland's decarbonisation goals and the progress achieved to date in this area.

It is recommended that the CRU explore alternative mechanisms to achieve security of supply objectives, such as demand-side management programs, grid enhancements, and incentivising the development of renewable energy generation.

The moratorium on data centre grid connections encourages distributed generation by natural gas and generators, which does not align with Ireland's 2030 renewable energy target of 80% and the overarching climate objectives set out by Government. While flexible backup generation is an important factor for security of supply, policies should not incentivise this as a primary power provision through new connection agreements.

The 2024 Climate Action Plan sets ambitions to drive Irish renewable electricity sources in the coming five years. Key targets in the 2030 goals include:

- To build offshore wind generation capacity to 5 Gigawatts (GW) – enough power for approximately 3.5 million homes;
- Develop onshore wind power to deliver 9 GW (from 4.5 GW today)
- Develop solar power to deliver 8 GW (currently 1.2 GW)
- And to secure 15% of renewable electricity via Power Purchase Agreements (PPAs).

Demand Flexibility

The proposed decision does not include additional demand flexibility provisions for all new data centre connections but allows system operators to require them on a case-by-case basis. Demand flexibility can play a valuable role in balancing electricity supply and demand and integrating renewable energy sources. Cooperation between the CRU and with industry to develop standardised demand flexibility programs and incentives that are equitable, transparent, and achievable for data centre operators.

Renewable Energy Targets and Emissions Requirements

The delivery and increased supply of carbon-free renewable electricity plays a pivotal role in reaching Ireland's ambitious climate goals. Combining renewable energy generation with accessible and transferable long-duration storage will enable the development of clean energy assets that can provide increased flexibility to the electricity grid. A key step to this goal is the investment in new renewable energy, or other clean energy assets which can provide flexibility to the grid. This can assist in progressing Ireland's climate targets, accelerate the pathway to 15% of load being met by CPPAs, drive down renewable energy costs and help support grid stability.

Emission reduction targets require Government-industry cooperation, with clear policy frameworks and support mechanisms to enable all sectors of the economy, including data centres, to contribute to these goals.

Noting the CRU's recognition of the need for a longer-term, State-led approach to planning for large energy users, encompassing spatial planning, targets-based infrastructure development, and coordination between environmental and enterprise

policy. This strategic approach can provide certainty to investors, ensure efficient infrastructure development, and balance economic growth with sustainability objectives. Cross-Departmental approaches that bring industry together with State agencies and Departments can play an increasing role to help ensure the successful implementation of policy.

Conclusion

AmCham recognises the CRU's efforts to develop a revised LEU connection policy that addresses the complex challenges of balancing economic growth, energy security, and climate objectives. However, certain aspects of the proposed decision require further consideration to ensure that they are effective, feasible, and do not disproportionately impact the data centre sector or businesses that rely on the data centre sector.