
Consultation on an Electricity Storage Policy Framework for Ireland

Consultation Response from the American Chamber of Commerce Ireland (AmCham) to the Department of the Environment, Climate & Communications' consultation on an electricity storage policy framework for Ireland.

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**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.

AmCham welcomes the opportunity to contribute to the Department of the Environment, Climate and Communications' consultation on an electricity storage policy framework for Ireland.

AmCham recognises the unprecedented challenges the global community now faces regarding energy supply and pricing – as a small open economy, Ireland is particularly exposed to the current unprecedented and unstable energy environment. AmCham also acknowledges the complexity of the challenge in meeting energy demand including protecting the most vulnerable in society, as well as Ireland's economy. It is therefore important that the energy crisis is approached with a degree of urgency and thoroughness, whilst keeping in mind the need to reduce Ireland's emissions.

The development of an electricity storage policy framework is a welcome step towards providing businesses with certainty of supply, this is essential for helping businesses to forward plan. In addition, Ireland's electrification is crucial to its decarbonisation. As the use-cases for electricity increase, the demand on the already pressurised grid will enhance. The need for timely action in relation to electricity storage is therefore paramount.

Importance of Energy Security to MNCs

EirGrid recently forecast that Irish electricity supplies will decrease very significantly in net terms over the coming years.¹ This is due to a combination of factors, including obsolete equipment going offline earlier than hoped for, and anticipated new capacity not coming online. Concurrently, demand will increase, driven by already-won industrial projects and policy measures focused on accelerating the electrification of domestic heat, industrial heat, and transport. EirGrid estimates demand for electricity to increase by 37 percent by 2031.² The situation is further exacerbated by Ireland's dependency on gas imports increasing as supply of indigenous gas from the Corrib Gas Field declines. The importance of detecting possible risks and establishing feasible mitigation measures is therefore indisputable.

It is important that Ireland retains its reputation as a destination that encourages and facilitates inward investment. This reputation has been maintained by Ireland's ability to effectively guarantee the generation of sufficient energy for FDI projects and this is needed for the future. The multinational community – and decision makers at corporate headquarters – appreciate the consistent message that Ireland welcomes inward investment – in particular large-scale capital and job-intensive investments. This priority is part of Ireland's global business brand - its promise.

Ireland is fortunate to have, right across the country, some of the largest and most advanced manufacturing facilities in the world, in sectors including medical technology, biopharmaceuticals, semi-conductors, food/beverage, as well as

¹ EirGrid & SONI, 'Ireland Capacity Outlook 2022-2031': [EirGrid & SONI, 'Ireland Capacity Outlook 2022-2031'](#).

² Ibid.

automotive technology. These facilities supply key global supply chains and markets – for example, four out of every five medical stents, saving lives around the world, are created in Ireland; even though Ireland only has 0.06% of the world’s population it was the fifth biggest responder to the demand for key products due to Covid. Many of these facilities operate on a 24/7 basis and very carefully plan their shifts to ensure the people needed have sufficient notice. In addition, most already implement best-in-class energy efficiency as energy is one of the biggest costs they manage. Certainty regarding energy supply is crucial to the success of MNCs in Ireland.

Electrification will be key to Ireland’s energy transition. Ireland’s Climate Action Plan 2021 included a number of ambitious but necessary targets, including a legally binding commitment to net-zero greenhouse gas emissions no later than 2050, and a reduction of 51% by 2030. Businesses also have ambitious carbon targets. A recent survey of AmCham members found that over 40% have committed to reaching carbon neutrality by 2030, with an additional 20% aiming to reach this goal by 2040. The development of an electricity storage policy framework will be critical for achieving the sectoral emissions ceilings for the electricity sector and for supporting renewable electricity targets.

For MNCs the need for a comprehensive framework regarding electricity storage is therefore doubly important- for both security of supply for output, and for the facilitation of reaching their own climate goals.

An Integrated Energy System

As evident in the points made above, electricity storage is an essential part of an integrated energy system. Further, a more holistic approach is needed in order to address the energy issue in an efficient and integrated manner.

AmCham recommends:

- A holistic approach from Government towards what should be an integrated energy system.

Planning Reform and Accelerated Action

AmCham notes the consultation document’s acknowledgement that “*various publications to date outline commitments and actions to invest in the research and development of storage, but a specific government policy framework has been lacking.*” Given the ongoing energy crisis and the need to meet carbon reduction goals, the production of a comprehensive strategy on electricity storage should be completed in a timely manner. This policy framework must contain timeframes against which to benchmark Ireland’s progress in the coming years. This would be beneficial in providing certainty to businesses in terms of when and what forms of electricity storage can be expected to come on-stream in the short to medium term.

Key to accelerating Ireland’s action in this area will be the streamlining of planning processes. Again, AmCham acknowledges the consultation document’s note that *“in order to meet abatement ambitions for the electricity sector, Ireland needs a more rapid build-out of renewable generation capacity, the deployment of zero emissions gas and increased storage capacity including battery storage”* and Government’s commitment to *“examine the case for designating large-scale storage projects as strategic energy infrastructure under planning, regulatory and policy criteria.”* The streamlining of Ireland’s planning process to provide certainty of process and timeframe will be key in supporting the development of projects that can provide sustainable energy to the grid. In a recent survey of AmCham members, 96% of respondents said that reform of the planning system to provide certainty of process and timeframe is important to maintaining FDI employment in Ireland.

AmCham recommends:

- Ireland’s planning processes are streamlined to support the delivery of the infrastructure required to meet Ireland’s sustainability goals, in a timely manner.

REPowerEU

Ireland should take full advantage of the implementation of the REPowerEU chapters in member states’ recovery and resilience plans (RRPs). These provide the opportunity to include new reforms and investments. The enhanced scope will include energy storage and electricity storage projects, as laid out on the REPowerEU plan to *“promote the development of electricity storage capacities, the Commission proposes to consider storage assets as being in the overriding public interest and facilitate permitting for their deployment.”*³ Ireland’s revised RRP should cover energy storage projects.

AmCham recommends:

- Ireland’s revised RRP covers energy storage projects.

Hydrogen

The consultation document proposes hydrogen as one possible form of electricity storage that could help decarbonise the electricity sector. In its question relating to the role of hydrogen it asks how the hydrogen storage industry is likely to develop *“in Ireland over the next ten to fifteen years”*. In doing so the consultation document raises an important point regarding the feasibility of timelines surrounding the rollout of hydrogen as both an energy source, and a storage facilitator. Whilst Ireland has the

³ EUR-Lex, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2022%3A230%3AFIN&qid=1653033742483>

potential to be a leader in the hydrogen space, other EU countries have made greater progress in this area. In this regard AmCham welcomed Government's consultation on a hydrogen strategy for Ireland, and looks forward to the publishing of the strategy in the months to come. An accelerated approach to hydrogen in Ireland would be beneficial if Ireland is to become a viable storage option. Additionally, there is need for greater collaboration between industry, research, and government in order to make best use of the knowledge and opportunities that exist in this area.

AmCham recommends:

- The speedy delivery of a hydrogen strategy for Ireland in the short to medium term.
- Greater engagement with industry to examine potential, feasible mitigation measures.
- The development of a long-term strategy focused on self-sufficiency and exports.
- Greater collaboration between industry, research, and Government.

Communication Strategy

The consultation document further asks how Government should *"communicate and engage with the public regarding the critical role of electricity storage in supporting the energy transition, and the safety measures which are in place"*. AmCham calls for a comprehensive communications strategy from Government in relation to energy security and sustainability. The electricity storage piece should fall under this wider communications strategy. Ensuring clarity in this communication, which should be distributed at both a national and a local level, would work to ensure that the message is received and understood.

AmCham recommends:

- A reinvigorated all-of-government, and all-agency communication campaign to build awareness of available supports, and further build public awareness of the importance of energy efficiency.

Research and Development

Supports to enhance research and development to assist in innovation regarding the storage of electricity will be key in ensuring that Ireland has the best storage options at its disposal. Innovation is fundamental to the fight against climate change; developing the technology necessary to transform our economy. Alignment of research priorities related to sustainability and the green agenda, to the greatest extent possible, at an international level would ensure that domestic research has the opportunity to access the maximum range of funding opportunities. Ensuring the

availability of adequate funding to promote the development of greener technologies and the sharing of best practice in relation to electricity storage is essential.

AmCham recommends:

- R&D into emerging technologies for the storage of electricity is supported.
- Ireland maximises on international funding opportunities in relation to R&D.