

## **EP UK Investments Response to Review of Large Energy Users Connection Policy**

EP UK Investments (**EPUKI**) welcomes the opportunity to respond to this consultation paper. The design of an effective connection policy for Large Energy Users (**LEUs**) is critical for the energy transition and for ensuring Security of Supply. This consultation paper includes a large volume of detailed questions on elements of the connection policy. EPUKI's response does not address each of these questions but instead addresses high-level points raised in the consultation paper.

### Location of LEUs

EPUKI considers the proposal to encourage LEUs to locate near renewable generation sites to be sensible. It is essential that the connection of LEUs does not undermine Security of Supply and any locational element of the connection policy should reflect this. EPUKI understands that the greater Dublin area is the preferred location for data centre LEUs. However, this will likely impede the connection of New Capacity, which is needed to support Security of Supply.

In 2022, the System Operators (**SOs**) introduced a modification to the Capacity Market Code to enable locational constraints for maximum capacity quantities in the Capacity Auction. The SOs stated that this measure was necessary due to the high risk of capacity clearing in auctions but subsequently being impossible to utilise due to network constraints. In the 2027/2028 T-4 Capacity Auction a maximum locational constraint was applied in the Dublin locational region, reflecting the limited ability of the Dublin network to support New Capacity. EPUKI has significant concerns that enabling further connections of LEUs in this area will exacerbate this challenge, making it even more difficult for New Capacity in Dublin, while simultaneously increasing the local demand requirement.

Over the past three years, the Commission for Regulation of Utilities (**CRU**) has directed EirGrid to procure Temporary Emergency Generation (**TEG**) outside of the recognised markets. Two of these TEG sites are located within the Dublin region (Huntstown and North Wall). Enabling significant demand connections in Dublin, while simultaneously prohibiting the connection of New Capacity in the same region would massively undermine Security of Supply.

The CRU Information Paper on Electricity Transmission Network Allowed Revenues for 2024 (CRU2023103) indicated that by 2024 the cost of providing TEG would be almost €1bn. EPUKI considers it necessary to avoid any further procurement of TEG, or retention of current TEG, both in the economic interest of consumers and from a Security of Supply perspective. While the greater Dublin area may be a preferred location for data centre LEUs, allowing further connections in this area would represent irresponsible policy and would not be in the interest of consumers.

### Treatment of Emissions

EPUKI considers it necessary to ensure equal treatment for all Participants with regard to the treatment of emissions recording. The consultation paper notes that *“there may be a number of factors which may limit LEUs ability at the time of connection to achieve net zero emissions”*. The paper also notes that Ireland has a legally binding target of a reduction in emissions of 51% by 2030 (compared to 2018 levels), and that consequentially *“this may prompt the need for slightly different criteria or requirements when connecting projects depending on the characteristics of the connecting projects”*.

EPUKI considers it important that the LEU connection policy is cognisant of legally binding requirements and is designed in a manner which is compatible with achieving these targets. EPUKI is strongly opposed to any separate treatment for different technologies with regard to emissions targets. In order to ensure fairness and transparency, LEUs should not be treated with different criteria

from an emissions monitoring perspective. If separate treatment were to be introduced to how emissions are considered, it would be more appropriate to provide alternative criteria for generators, given that they will contribute to Security of Supply, rather than LEUs.

Similarly, to the locational issue raised above, EPUKI believes that designing a connection policy which is contradictory to Ireland's legally binding requirements under the Climate Action and Low Carbon Development (Amendment) Act 2021 would represent irresponsible and ineffective regulation. EPUKI acknowledges the CRU's twin goals of decarbonisation and digitalisation, however it is clear that Security of Supply and legal obligations should take priority.