



Nicholas Tarrant

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23 November 2021

Our Ref: D/21/25842

**Re: Data Centre Grid Connection – CRU Direction to maintain security of supply**

Dear Nicholas,

On 27 May 2021 EirGrid wrote to the Commission for Regulation of Utilities (CRU) in relation to its concerns arising from the continued growth in data centre demand and applications for connection in confluence with a number of other system events. This followed on from a series of engagements between the CRU and EirGrid over a number of months. A copy of this letter is attached to the Appendix to this Direction. EirGrid has highlighted the background and context for its concerns, and the nature of the engagements that it has had, and continues to have, with industry and customers.

On foot of this engagement, including EirGrid's letter of 27 May 2021, on 8 June 2021 the CRU published a consultation paper CRU/21/060 "*CRU proposed Direction to the System Operators related to Data Centre grid connection*", which sought engagement from the data centre community, relevant stakeholders and the wider public, on a selection of measures from which the CRU proposed to choose to address this challenge.

Having considered the responses received, on 23 November 2021 the CRU published its decision paper CRU21124 CRU Direction to the System Operators related to Data Centre grid connection processing Decision Paper (the Decision), and this Direction is intended to give effect to the determinations set out therein.

Pursuant to Section 34(1) of the Electricity Regulation Act 1999 (the Act), the CRU directs ESNB as distribution system operator (DSO) to assess applications for the connection of data centres by reference to the following assessment criteria to determine whether a connection offer can be made within the system stability and reliability needs of the electricity network:

- The location of the data centre applicant with respect to whether they are within a constrained or unconstrained region of the electricity system.
- The ability of the data centre applicant to bring onsite dispatchable generation (and/or storage) equivalent to or greater than their demand, which meets



appropriate availability and other technical requirements as may be specified by the relevant SO, in order to support security of supply.

- The ability of the data centre applicant to provide flexibility in their demand by reducing consumption when requested to do so by the relevant SO in times of system constraint through the use of dispatchable on-site generation (and/or storage) which meets appropriate availability and other technical requirements as may be specified by the relevant SO, in order to support security of supply.
- The ability of the data centre applicant to provide flexibility in their demand by reducing consumption when requested to do so by the relevant SO, in times of system constraint, in order to support security of supply.

The CRU further directs ESNB to monitor the implementation of the above measures and to notify the CRU if those measures sufficiently address the challenges outlined in the Decision.

The CRU will review the Decision and the ongoing need for further Directions as and when it considers it necessary to do so.

Yours sincerely,

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Jim Gannon

Commissioner