



Environmental Pillar
Working for a sustainable future

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07 July 2021

RE: Response of the Environmental Pillar to the CRU Consultation Paper on a proposed Direction to the System Operators related to Data Centre grid connection

To whom it may concern,

The Environmental Pillar, an advocacy coalition of over 30 environmental NGOs, welcomes the opportunity to respond to the CRU Consultation Paper on a proposed Direction to the System Operators related to Data Centre grid connection.

The Environmental Pillar (Pillar) is concerned that the growth of data centres in recent years has taken place without requisite public debate. Meeting Ireland's challenging GHG emissions targets in the coming decades will require both rapid decarbonisation of our energy systems and a concurrent reduction in demand. The Pillar believes that the planned expansion of data centres risks undermining Ireland's climate policy and the achievement of our GHG emissions targets. In addition, as public buy-in will be essential in achieving these targets, the Pillar believes that the expansion also risks weakening public support for the energy transition.

It is recognised that updating of the connections policy is only element of necessary regulatory analysis and revision with regard to data centre demand and the Environmental Pillar is discuss and engage directly with the CRU on these issues.

Climate Obligations:

The consultation document clearly lays out the projected increase in demand by planned data centres, with current arrangements for 1,800 MW of Maximum Import Capacity and additional requests for up

Environmental Pillar Members: An Taisce. Bat Conservation Ireland. BirdWatch Ireland. CELT - Centre for Ecological Living and Training. Coastwatch. Coomhola Salmon Trust. Cultivate. ECO-UNESCO. Feasta. Forest Friends. Friends of the Earth. Global Action Plan. Gluaiseacht. Good Energies Alliance Ireland. Green Economy Foundation. Green Foundation Ireland. Hedge Laying Association of Ireland. Irish Peatland Conservation Council. Irish Seed Savers Association. Irish Whale and Dolphin Group. Irish Wildlife Trust. Leave No Trace Ireland. Native Woodland Trust. The Organic Centre. The Rediscovery Centre Ireland. Sonairte. Sustainable Projects Ireland, Vincent Wildlife Trust. VOICE. Wildlife Rehabilitation Ireland. Zero Waste Alliance Ireland.

to 2,000 MW.¹ The energy demands from data centres are greater than those from any other sector.² Yet as highlighted by EirGrid in its attached letter to the CRU, these centres primarily serve the global data economy. The increase in energy demand by the expansion could account for 50% of the growth in energy demand over the next decade.³ The 2030 target for share of renewables in electricity is 70%, however, that leaves 30% of use which will be met by gas fired generation. An increase in overall demand will decrease the net impact of increased use of renewable energy. Estimating that electricity demand will be 33% greater in 2030 than now MaREI further estimates that gas fired generation will be reduced by only 20% compared to 2019.⁴ Thus it is clear that the proposed expansion in data centres will seriously undermine Ireland's efforts to reduce GHG emissions. In addition, while an increase in renewable energy infrastructure is a necessary development to decarbonise the energy system, it can put pressure on local habitats onshore and offshore and every care must be taken at the planning phase to ensure that developments do not negatively impact on the environment, i.e. habitats, species, water quality. Increasing demand for energy due to data centres could therefore increase the pressure and threat to habitats.

Public Support and the Public Interest

The mission of the CRU "is to protect the public interest in Water, Energy and Energy Safety" and one of its main objectives in its strategic plan is to "*proactively and transparently place the public interest at the centre of the CRU's policy development. Ensure the customer's voice is heard and reflected in CRU decisions.*" Public support for the challenge of the energy transition and the infrastructure development required to deliver Ireland's renewable targets is vital and this public support would be put in jeopardy were security of supply to be threatened by the rising demand from data centres. The challenge posed by the growing energy demand from data centres is encapsulated by the quote below from the May 27 letter from EirGrid to the CRU:

"The unprecedented growth brought about by the data centre phenomenon, or paradigm shift, has to raise questions about the very design and purpose of the transmission network and centralised power system itself. **Ireland's electricity system was surely not planned to be, nor designed to be planned to be, a system which seeks to serve the needs of the global citizen for increased data supported by an ever proportionately smaller non-data centre commercial, industrial and domestic load.** Whilst not questions first and foremost for EirGrid it surely must as part of this, give rise to consideration and potentially wider national debate as to that which is in the public interest in this regard. Such considerations of the public

¹ CRU 2021, *CRU proposed Direction to the System Operators related to Data Centre grid connection*, p.13

² "Data centres are the largest demand driver out of all the demand connected customer groups" CRU 2021, *CRU proposed Direction to the System Operators related to Data Centre grid connection*, p.12

EirGrid: "It is clear therefore that data centres are having an impact on the Irish electricity system, and on the meeting of the 'reasonable demands' by the system that is not comparable to any other industry, or indeed all other industries combined. In the absence of data centres, Ireland would be experiencing much more modest electricity demand growth, consistent with population growth, general economic development and the general development of industrial demand." CRU 2021, *CRU proposed Direction to the System Operators related to Data Centre grid connection*, p.26

³ MaREI 2021, *Our Zero Mission Future*

⁴ MaREI 2021, *Our Zero Mission Future*

interest are specifically called out in the relevant sections of the statute concerning the granting by EirGrid of connections to the system.”

The 2018 Government policy statement on the role of data centres in the enterprise strategy is outdated and not in line with current Programme for Government commitments on climate action and rapid decarbonisation of the energy sector. Moreover, it does feature not a climate or environmental impact assessment or an analysis of the future energy demand of data centres. In addition, this policy incoherence is compounded by the designation of data centres as ‘strategic infrastructure’ under the Planning and Development (Amendment) Act 2016 and further undermines public participation and debate on the issue.

While the Pillar recognises that it is not the role of the CRU to create or alter Government policy⁵, as the regulator it should highlight the need for greater clarity and coherence in Government policy in order that it can better fulfil its obligation to the public interest. It is equally essential that risks to security of electricity supply are highlighted in the event of continued data centre integration (including when new connection policy rules on local and on-site generation are in place). The issue of policy coherence and potential further risks should be clearly addressed in a future decision paper.

Questions posed in consultation

The consultation document poses three options, (i) do nothing, (ii) moratorium on new connections and (iii) Connection Measures. However, it does not support the first two options but the third, which would place certain conditions on new data centres.

As acknowledged, this would lead to many data centres being located outside of Dublin. It is important to note that this approach is currently being assessed by EirGrid as part of its ‘Shaping Our Electricity Future’ public consultation and stakeholder engagement process. It is important that the CRU decision aligns with EirGrid’s review and the public should be given the opportunity to engage further on this proposed approach.

The Pillar believes that all new centres should be assessed in the context of climate and decarbonisation objectives and only approved where developments are found to be in fully in line with these objectives. The decision paper should set out relevant legal obligations on the CRU to facilitate renewables development and support climate action under (inter alia) the Electricity Regulation Act

⁵ The Environmental Pillar believes that the *Government Statement on The Role of Data Centres in Ireland’s Enterprise Strategy* should be updated to take into account Government climate policy and objectives and consider the statement above from EirGrid which fundamentally questions whose needs should the system prioritise and what is in the public interest. New Government policy on data centres should ensure that (i) relevant public bodies insure that emissions, environmental, network, planning and cost implications of proposed data centre developments in an early and integrated manner in accordance with climate and energy obligations and that (ii) data centre demand is met through new and additional energy efficiency and renewables by the data centres themselves (iii) that network costs are not passed onto consumers (iv) ensure community benefit rules under RESS are also applied to PPAs

and (soon to be amended) Climate Act. The decision paper should also address how the CRU is respecting these legal mandates and functions in the context of data centre demand.

In addition, it is important that gas-fired generation is not locked-in to the system in the context of any new requirement to put in place necessary on-site generation. All new and existing data centres should in the first instance seek to meet demand through renewable generation and storage. This should be new and additional, not merely replacing existing capacity and going beyond what would have occurred with existing policy targets or mandatory requirements for utilities. The decision paper should set out requirements regarding onsite storage, namely prioritisation of zero carbon options and responding to the need for additionality.

Finally, the decision paper should set out a timetable for further review and updating of requirements in the updated connection policy.

Many thanks once again for your consideration and we would welcome the opportunity to meet with the CRU to discuss further.

Yours sincerely,



Karen Ciesielski

Coordinator, Environmental Pillar