



# Host In Ireland

6 July 2021

Commission for the Regulation of Utilities  
The Exchange  
Belgard Square North  
Tallaght  
Dublin 24

To Whom it may concern -

In regards to the “CRU proposed Direction to the System Operators related to Data Centre grid connection”, we would like to provide the following feedback, on behalf of the undersigned partners of [Host in Ireland](#). After reading through the proposal, we understand the final recommendations after this open consultation process is likely to be based on Scenario 3.3. With that being the case, for some of the proposed measures, we would need clarity on many technical and practical implementation questions generated by this proposal.

## **Data in Ireland, 70 Years of Growth and Opportunity**

When you consider the history of technology companies in Ireland - from the original foreign direct investment (FDI) investment by IBM in the 1950s, Microsoft in the 1990s to data centres today - there is a long, deep heritage of data affinity and expertise. What started as punch cards and floppy disk exports has now evolved into data in Irish data centres. The industry is a critical part of Ireland's largest export “ICT and Related Services” which currently stands at [€132 billion](#) in computer service exports and underpins more than 115,000 [jobs](#). All of which provides direct and indirect economic benefits for Ireland including [€7 Billion in 2013-2020 construction output](#) and assists in positioning Ireland positively in the ever more competitive FDI market.

In 2000, according to the OECD, Ireland was the [largest exporter of software in the world](#) with \$3.29B in exports. Over the last 20 years Ireland has not only consolidated its position as a leading software/data exporter, it has grown in both stature and relevance and is now well established as a global Tier 1 global data hosting location. This sustained growth has not happened by chance, but by intent starting with the design, building and private funding of a world class fibre optic metro backbone, known as the T50, which circumnavigates the Greater Dublin metro region.

The T50 provides the optimum level of fibre network infrastructure needed to support a Tier 1 data centre cluster. This includes abundant diversity, redundancy, resilience to and from the EU/UK and US fiber networks, network density connections, interconnection points, on-ramps for cloud exchanges, pico/nano speed proximity to each other, etc. At an estimated cost of \$1.56B for the T50, a similar level of investment and planning will need to be considered for any future developments outside of the Greater Dublin Area. This is why, despite the continuing planning, power and policy challenges in Dublin, Amsterdam, Frankfurt, Singapore and other Tier 1 locations, it is for “Data” reasons the “Centres” have these location preferences.

## **Building a Sustainable Future**

We understand and fully support that continued and sustainable growth of the data centre industry in Ireland needs to be achieved without comprising the 70% annualised national renewable electricity target set in Ireland's [Climate Action Plan](#).

The question that emerges is, can our growing global dependence on data truly be sustainable? To that, we believe the answer is yes.

Firstly, Host in Ireland and many of our partners have signed onto the [Climate Neutral Data Centre Pact](#) earlier this year. The Climate Neutral Data Centre Pact was agreed upon by more than 52 data centre operators and 23 national associations. Its objective is to make data centres climate neutral in Europe by 2030. This initial step is bringing together the European data centre industry, to actively play its part in addressing the serious climate challenges we face as individuals, an industry and society. Host in Ireland's partners are also working with the European Green Deal and playing a role in making [Europe fit for the digital age](#). The EU's digital strategy aims to make this transformation work for people and businesses, while helping to achieve its target of a climate-neutral Europe by 2050. The data centre industry and the digital transformation it enables is at the forefront of helping Europe achieve its economic and sustainability goals in the coming decades.

Secondly, Ireland has the potential to [generate far](#) more renewable electricity than will be needed for national consumption. Research by MaREI's EirWind Project states that offshore [“wind power could transform Ireland into a net energy exporter”](#). The short term infrastructure for offshore wind would be built on the East Coast in proximity to the Greater Dublin Metro and adjoining counties. Does it make sense to move large scale power consumers away from that available renewable power source?

Thirdly, in relation to on-site generation - EirGrid's Long Term Adequacy Assessment states: *“New dispatchable resources are needed to ensure that the generation portfolio continues to meet reliability standards and that demand can be met on low RES output days. Gas-fired generation is expected to continue to play an important role, replacing retiring conventional plant and providing the multi-day capacity required to ensure security of supply during prolonged periods of low wind. This capacity is especially important when large continental-scale weather patterns affect the availability of RES in Ireland and in neighbouring electricity systems”*. – Extract from *Shaping Our Electricity Future Technical Report*



The national renewable energy priority and target should not be sacrificed when it comes to on-site electricity generation. It makes little sense to have a long term plan for putting non-renewable resources on to the grid, via on-site electricity generation, unless it's part of a national plan to decarbonise the grid, including the build out and decarbonisation of the gas network (Green Hydrogen / BioGas). The short term benefit seems to work against the long term gain. The ideas proposed in the CRU scenarios regarding on-site power generation need more comprehensive guidelines from Eirgrid. Such proposals need a coherent, policy integrated framework that works for all data centre operator types - hyperscale, retail, colocation, wholesale, etc.

Finally, We believe it is not the intention of the CRU to destroy or undermine a part of Ireland's largest export industry, as it looks to chart a course to achieving our national decarbonisation targets. Post-covid, more than ever, we as a nation need to be collective in our approach to the societal, economic, wellness and environmental challenges we face.

At Host in Ireland, we talk a lot about unintended consequences. No matter how good the intentions, jumping into something without having the right conversations with the right people, about the right topics can unintentionally undermine trust. It is going to require a greater level of collective purpose, between the Regulator, DSO, TSO, electricity producers and the emerging data-led industries to not only co-exist, but benefit from each other this decade. We welcome the opportunity to be part of those discussions.

We have intentionally not addressed all the technical, environmental and practical implementation questions of Scenario 3.3 from a data centre operator perspective. We respectfully request a meeting with the CRU to progress, as a collective, in addressing these concerns. We are confident we can find solutions that are in the best interest for all parties involved.

Sincerely,



Garry Connolly  
Founder  
Host in Ireland



Eddie Kilbane  
CEO and Co-Founder  
Dataplex Group



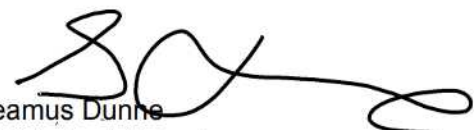
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