



Joint Committee on Environment and Climate Action

Leinster House

Dublin 2

D02 XR20

[By email to: climateaction@oireachtas.ie]

16th October 2023

Dear Members of the Committee,

Thank you for your letter on the 20th of September seeking information on the recent decision to grant permission for a large-scale gas power plant at a data centre and the potential for future licences being granted to effect Ireland's ability to remain within the legislated carbon budgets. The Council has considered the Government's Statement on the Role of Data Centres in Ireland's Enterprise Strategy (27th July 2022) and the earlier Commission for Regulation of Utilities (CRU) Direction to the System Operators related to Data Centre grid connection processing (23rd November 2021).

The Government has stated that 'Islanded' data centre developments, that are not connected to the electricity grid and are powered mainly by on-site fossil fuel generation, would not be in line with national policy. These would run counter to emissions reduction objectives and would not serve the wider efficiency and decarbonisation of our energy system. Growth in 'Islanded' data centres could result in security of supply risk being transferred from electricity to gas supply, which would be a significant challenge given Ireland's reliance on gas importation. On this basis, the Minister for the Environment Climate and Communications (on 28th July 2022) wrote to Gas Networks Ireland (GNI) indicating it would not be appropriate for the organisation to sign any more contracts to connect data centres to the gas network where the data centre would be powered mainly by on-site fossil fuel generation. It is the Council's understanding that GNI responded to say that it was mandated under the Gas Act to supply connections to third parties.

In the light the Government's Statement on the Role of Data Centres in Ireland's Enterprise Strategy, the Council recommends that;

- a) CRU should direct GNI not to sign any more contracts to connect data centres to the gas network where the data centre would be powered mainly by on-site fossil fuel generation under Section 10A of the Gas Act to reflect the Government Statement. If there is a legislative barrier, the Government should take immediate action to revise the Gas Act in line with national policy and the principles set out in the Government statement.
- b) Each system operator should work with large energy users to facilitate accurate hourly emissions reporting, grid carbon-intensity transparency, and allow data centre to optimise computing loads to maximise use of renewables and minimise carbon emissions (as per Action 99 of Climate Action Plan 2021).
- c) All relevant public body objectives should be immediately aligned with and support the achievement of the National Climate Objective. Government should review and revise the legal mandate of relevant state agencies and public bodies to ensure these are consistent with delivering Climate Action Plan measures, as well as the legislated Carbon Budgets.

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Connecting new data centres before we have the renewable capacity to accommodate them makes it significantly more difficult to remain within the legislated carbon budgets. In addition, the recent growth in 'Islanded' data centres is of particular concern due to their potential to increase gas demand and associated carbon emissions. The Council considers that data centres should preferentially be powered by renewable electricity, including renewable electricity stored in batteries. When renewable electricity is not available, it would constrain emissions and be economically more desirable if the backup was provided centrally with a large Open Cycle Gas Turbine. Backup provision through diesel generation should be strongly discouraged.

The Council recommends that planning permission for all data centres should require;

1. Corporate Power Purchase Agreements for renewable electricity, the volume of which exceeds the maximum electricity demand of the data centre, be connected to the grid in advance of commissioning the data centre, in line with the principle of renewables additionality.
2. New data centres and other large energy users to build in heat export ability at the time of initial construction, for simple potential connection to future district heating networks.

Should you wish to clarify any of the points above, please contact the Climate Change Advisory Council at info@climatecouncil.ie.

Yours sincerely,

A handwritten signature in black ink that reads "Marie C. Donnelly". The signature is written in a cursive style with a large initial 'M' and 'D'.

Marie C. Donnelly

Chair of Climate Change Advisory Council