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ESI Policy Asks

Who We Are

Energy Storage Ireland (ESI) is a representative association of over 80 public and private sector bodies delivering the key energy storage infrastructure to enable a secure, carbon-free electricity system on the island of Ireland.

We work together to promote the benefits of energy storage and engage with policymakers to support and facilitate its development, which is pivotal to decarbonising Ireland's energy system.

The Case for Energy Storage

Energy storage in Ireland is at a critical point. To date, storage technologies such as lithium-ion batteries and pumped hydro have played an essential role in providing backup power and system flexibility.

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As Ireland accelerates its transition to renewable electricity, energy storage must now evolve from a supporting role into a core part of the energy system. The Government's Electricity Storage Policy Framework presents an opportunity for storage to provide clean, dispatchable power to the grid, supporting energy independence and economic competitiveness.

Energy storage directly addresses Ireland's most pressing energy challenges:

Grid constraints and curtailment: Ireland regularly wastes large volumes of wind and solar energy due to limited grid capacity. Storage captures this surplus energy when the grid is constrained and releases it when demand is higher, maximising the value of renewable generation.

High electricity prices: Ireland has among the highest electricity prices in Europe, largely due to its reliance on imported fossil fuels. Energy storage competes directly with fossil generation, lowering wholesale prices and reducing long-term consumer costs.

Climate targets: Storage enables higher penetration of renewables and reduces reliance on fossil fuels, cutting emissions while supporting compliance with national and EU climate obligations.

Energy security: Ireland's dependence on imported gas and interconnectors exposes the system to price volatility and external geopolitical risk. Expanding domestic energy storage increases the availability of indigenous renewable power, strengthening security of supply and system resilience.

Our Asks

1. Establish a clear route to market for energy storage supported by long-term targets

The Issue

The most significant obstacle to energy storage on the island of Ireland is the lack of investment certainty compared to wind and solar. Despite a large pipeline of shovel-ready storage projects, investment is constrained because storage lacks a defined support mechanism, predictable income streams, and clear asset classification within market and tariff structures. If Ireland is to achieve an affordable and secure electricity system powered by renewables, we need to set ambitious targets for energy storage.

Unlike renewable generation, storage currently lacks a clear, measurable deployment goal to guide policy, market design, and infrastructure planning. This lack of a defined target creates uncertainty for investors, regulators, and system operators, leading to fragmented decision-making and slower progress despite widespread recognition that storage is critical to delivering a secure, renewable-led electricity system.

We have climate targets, carbon budgets, and an annual climate action plan. Targets for energy storage should be included as an enabler of reduced emissions.

The Solution

The Government needs to set a clear, national target for energy storage and put in place a route to market for storage that provides long-term revenue certainty and recognises storage as essential national infrastructure.

By introducing a dedicated support framework, policymakers can unlock private investment, accelerate delivery of storage projects already in the pipeline, and ensure storage is deployed at the scale and pace required to meet climate targets and reduce the cost of electricity for consumers.

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Our Policy Asks

- Implement the Electricity Storage Policy Framework actions to determine Ireland's long-term storage needs and have this completed by the end of 2026.

- Develop a cap-and-floor–style scheme or equivalent competitive mechanism for EirGrid and ESB Networks to procure at least 1 GW of long-duration energy storage for delivery pre-2030.

- Ensure the 2030–2040 route-to-market scheme is in place by 2028 to deliver Ireland's long-term energy storage needs.

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2. Reform network charging

The Issue

Under current CRU designations, energy storage projects are subject to Demand Transmission Use of System (DTUoS) charges in the same way as Large Energy Users (LEUs). These charges are based on usage – up to €30/MWh. If energy storage assets store and deploy more energy, they will be charged more. This means that they are only viable when there is a very large gap between the price they buy at and the price they sell at.

Other assets that supply clean energy to the grid, such as wind and solar farms, are charged Generator Transmission Use of System (GTUoS) charges. These are based on the maximum export capacity of the asset, not it's usage, giving the operator of the asset every incentive to maximise output.

The application of DTUoS charges of up to €30MWh on energy imports add significant costs to the operation of energy storage solutions. They create viability issues that reduce energy trading opportunities, disincentivise investors and ultimately result in higher overall costs for consumers. Furthermore, the policy designation runs contrary to EU Commission guidance which states that charging methodologies should not hinder the development of energy storage solutions.

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The Solution

Storage providers must be reclassified as generators rather than demand users for the purposes of network charges so that policy and regulation properly reflect the role storage plays in delivering low-carbon power to the electricity system. Applying generator charges would remove unfair penalties that currently increase costs simply for operating and cycling energy, and would align Ireland with international best practice.

The outcome would be a more level playing field for investment, faster deployment of storage projects, and increased competition in the wholesale electricity market. This would help lower electricity prices for consumers, reduce renewable curtailment, strengthen energy security, and support the delivery of a cleaner, more flexible electricity system at lower overall cost.

Our Policy Asks

- Add a Climate Action Plan action directing the CRU to redesignate storage as generation for network charges.

- Deliver interim reform immediately rather than waiting for the CRU's long-term network tariff review.

3. Enable hybrids and co-location

The Issue:

Ireland's current grid connection, planning, and market rules are still designed around single-technology assets, which create unnecessary barriers for projects that combine wind, solar, and storage on the same site. As a result, developers are often unable to efficiently share grid connections or fully utilise existing infrastructure, even when doing so would reduce congestion and system costs.

This lack of clear, enabling policy discourages investment, slows deployment of flexible renewable solutions, and leads to higher levels of wind and solar energy being wasted. Ultimately, it prevents Ireland from maximising the value of its renewable resources and delays the delivery of a more affordable, resilient, and low-carbon electricity system.

The Solution:

The Government need to introduce clear policy and planning frameworks that explicitly support hybrid and co-located energy projects, allowing different technologies to operate together efficiently at a single site.

By making it easier for wind, solar, and energy storage to share grid connections and infrastructure, the government can accelerate the delivery of projects already in the pipeline and better use the existing electricity network. The outcome would be reduced renewable curtailment, lower system and consumer costs, improved grid efficiency, and a more flexible and resilient electricity system that delivers clean power when it is needed most.

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Our Policy Asks

• Government to update RESS / planning policy to fully facilitate co-location and hybridisation of storage assets and wind and/or solar.

• CRU to implement policies on sharing grid connections, private wires and multiple legal entities behind connection points to facilitate hybrid projects.

• Include a Climate Action Plan directive for the Department of Climate, Energy and the Environment to deliver by 2027 a unified policy and regulatory framework that enables the development of energy storage hybrid and co-located renewable electricity and energy storage projects.

Sources:

Energy Storage Ireland – ESI member briefings, submissions, and policy papers
Energy Storage Ireland official website — industry submissions & policy *(org website with policy material)*

Department of the Environment, Climate and Communications (DECC) – Electricity Storage Policy Framework; energy security statements
Government policy on electricity storage: Electricity Storage Policy Framework for Ireland — **https://www.gov.ie/en/publication/90a72-electricity-storage-policy-framework/**

EirGrid – Shaping Our Electricity Future, Future Power System Pathways
EirGrid's grid roadmap to support renewable integration and system evolution to 2030+: ***https://cms.eirgrid.ie/shaping-our-electricity-future***

Eirgrid - System and Renewable Data Reports
https://www.eirgrid.ie/grid/system-and-renewable-data-reports