Community Energy Federation of Ireland (CEFOI)
http://cefoi.ie

Private Wire consultation submission

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Submitted to
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Consultation:
https://www.oireachtas.ie/en/committees/making-a-submission/public-consultations/20260126-invitations-for-submissions-as-part-of-pre-legislative-scrutiny-of-the-private-wires-bill-2025/

Draft Bill:
https://assets.gov.ie/static/documents/706f8b07/Annex_I_-_General_Scheme_-_Private_Wires_Bill_2025_Amendments_to_Electricity_Regulation_Act_1999.pdf

Introduction to Community Energy Federation of Ireland (CEFOI)

Aware of the barriers to community energy projects in Ireland, and the need for more and better support for community energy to achieve its potential, community energy advocates formed CEFOI and are working to bring the voice of 100% community energy to Government. We represent our membership of 18 community organisations.

Benefits of renewables-based, community-owned microgrids

The Community Energy Federation of Ireland (CEFOI) recognises the potential for private wire legislation to enable 100% community-owned renewables-based microgrids, and the benefits this can bring to communities:

- resilience in the face of extreme weather events and the climate crisis, enabling communities to continue to use their self-generated power during power cuts on the main ESB Networks grid, by switching their microgrid into islanded mode and prioritising the most important energy needs within their community
- energy security at a community level
- empowering communities in the energy transition
- financial savings for households and communities using energy generated on the community microgrid, only drawing from the main grid when needed, and exporting excess energy to the main grid

Benefits for ESB Networks include

- Because the microgrid as a whole balances out supply and demand in the community, using energy storage, the peak demand/supply from the microgrid as a whole to ESB networks is less than the sum of the peaks if each household/business is individually connected.
- Use of microgrid management platforms, which can manage storage and flexible loads on the microgrid, can allow the microgrid to deliver flexibility to the main grid, according to the needs of the main grid.
- These reduce the need for grid investment by ESB networks.

Assessing the draft bill

Private wire legislation could be an enabler of resilient community-owned, renewables-based microgrids, however only if the legislation provides a supportive framework for this. This Bill in its current form does not provide a specific supportive framework to support community energy.

The electricity wires which connect households and communities to each other are a key part of national infrastructure, which should remain in public or non-profit hands. The bill in its current form risks commercial exploitation of communities by private for-profit microgrid owners who create a monopoly of energy distribution in a community, housing estate or apartment block. We are concerned that the legislation is being designed around the needs of corporations such as data centres, and around fossil fuel generation, and not around the needs of communities.

What is needed instead is robust non-profit accountable governance of the electrical infrastructure serving communities. We call for ownership of such infrastructure to be kept in the hands of non-profit community based entities, local authorities, other public and accountable state bodies, or a combination.

Background

See this blog post for background from a global perspective on the need for 100% community-owned renewables-based microgrids, as opposed to private-for-profit microgrid ownership, https://350.org/what-are-microgrids/.

Microgrids in other countries

In different countries different terms are used by regulatory authorities for microgrids

- UK: Independent Distribution System Operators (IDOs)
- Canada: Independent Power Producers (IPPs)
- Australia: Embedded networks

It may be useful to draw lessons from the regulatory regimes for microgrids in other countries. However Ireland should not necessarily follow them exactly, as we should also protect against the private-for-profit ownership of microgrids, which has taken ownership of essential natural-monopoly grid infrastructure out of the hands of bodies accountable to communities, in other countries.

In other countries, microgrids are in widespread use in settings such as housing estates, apartment blocks and even villages.

This allows for community owned centralised generation assets within a single building such as an apartment complex, or within a housing estate, where the community group wishes to distribute the power amongst the individual households in the apartment complex or housing estate. A microgrid also provides resilience to the apartment block or housing estate when there are power cuts on the main grid.

Social housing use case

There are currently almost 100,000 social housing units in Ireland with a significant portion being apartment block based. Less that 10% of this housing stock has renewable generation and no apartment block has a ‘shared energy’ model. This is primarily due to the current restrictions, prohibiting landlords from connecting a private wire behind each meter in the complex to facilitate this sharing/trading.

Our research indicates that a significant number of Approved Housing Bodies (AHBs) are willing and capable of investing in the assets if the legislation facilitated this.

We believe there is significant potential for this legislation to unlock funding for community-owned, centralised roof based solar generation in particular, and delivering this power locally to 'fuel-poor’ tenants.

A similar model could also be delivered in housing estates which include social housing, where centralised renewables could be distributed either behind the meter, connected at a pillar or connected a local transformer connection, again delivering renewable generation to the most vulnerable members of our communities that will benefit most from lower energy costs, as well as providing resilience during power cuts on the main grid.

Feasibility

Global examples exist of technology platforms and models that can deliver the management of power sharing within microgrids, where the country has facilitated microgrids through behind-the-meter private wire legislation.[1][2]

This is Ireland's chance to ‘do the right thing’ and legislate now for community-owned, renewables-based, microgrids.

[1] https://allumeenergy.com/uk/social-housing-uk/
[2] https://nararaecovillage.com/ and https://nararaecovillage.com/nev-power/

Proposals

1. Bill to cater specifically for community-owned renewables-based microgrids

We propose that the legislation contain specific mention of, and supports to, microgrids (which cross public land) which are both community-owned and renewables-based:

a) 100% community owned, by Renewable Energy Communities, Local Authorities, or both (see appendix for full definition of community ownership)
b) Renewables based, ie consist of generation such as solar, wind, sustainable local biofuel from genuine waste, and small hydro, together with energy storage, and do not contain fossil fuel generation

We propose a dedicated scheme for permitting and supporting 100% community owned, renewables-based microgrids, including separate permitting/licensing for *ownership* and *operation* of these grids. Supports for 100% community based, non-profit owners of microgrids should include:

- **grid connection supports:** supportive provisions for prioritisation of connection of 100% community owned, renewables based microgrids to the main ESB network grid at a single agreed connection point, so that the microgrid can import and export to/from the ESB network grid at times through a supplier of their choice, and also disconnect from the ESB network grid and operate in island mode at other times (ie when the community choose to do so, or when the ESB network grid has a powercut).

- **planning requirements:** clear, efficient, supportive planning requirements about installation of wires which cross public land for the purposes of 100% community owned renewables based microgrids. If wires cross only private land, no planning permission needed, only permission from land owner.

- **tax, finance and grants**: supportive tax provisions, financing supports and grants for 100% community owned renewables based microgrids. Community owned microgrids should have access to relevant support schemes for their size, for example Small Scale Generation Support Scheme (SSGS). Sustainable Energy Authority of Ireland (SEAI) enabling grants should be easy to access and include provisions for 100% community owned renewables based microgrids.

- **dual connection**: specific provision to allow a household or business to connect to *both* a microgrid and the main ESB Networks grid, so long as the wiring systems never interact (no appliance or equipment connected to both at the same time, only the ability to switch appliances or equipment from one to the other)

- **operation licensing** - provision that the microgrid owning organisation (which must be 100% community owned) may sub-contract day-to-day operations of the microgrid to a licensed microgrid operating organisation, or may choose to be the microgrid operating organisation themselves. In either case, the microgrid owning organisation can switch from one licensed microgrid operator to another without having to be re-permitted as a microgrid owning organisation.

2. Bill to ensure microgrids are renewables-based only, and do not enable expansion of fossil fuel generation

Head 7 of the Bill states

“The Commission will not grant a licence or permission unless an application sufficiently

demonstrates that:

a. That the private wire will promote the use of renewable, sustainable or alternative forms of energy taking into consideration project-level security of supply concerns”

We propose to make this stricter - to confine private wire licenses only to cases where renewable generation and no fossil fuel generation is connected to the private wire.

Appendix: Definition of 100% community owned in terms of microgrids

We are proposing the following arrangements, in order to balance the need for choice of operator and ownership by the community, while having the technical aspects of the microgrid managed by any qualified party:

- The microgrid may be *operated* technically by a licensed microgrid operator which may be either not-for-profit or for-profit.
- The community organisation which *owns* the microgrid infrastructure may, at any time, choose to switch the operation contract to another licensed microgrid operator, if they are unhappy with the service and prices of their current microgrid operator.
- The microgrid *operator does not own* the hardware or software involved and cannot remove them if their contract ends.

Existing definitions of energy communities

We note that

- the Sustainable Energy Authority of Ireland (SEAI) has a registration scheme for Sustainable Energy Communities (SECs).
- The Commission for Regulation of Utiliites (CRU) defines energy communities as follows: https://www.cru.ie/regulations-policy/energy/active-consumers-and-energy-communities/
- At European level, sustainable energy communities or renewable energy communities are defined as below:

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Article 2(16) Recast Renewable Energy Directive **'Renewable Energy Community'**	**Article 2(11) Recast Electricity Directive** **'Citizen Energy Community'**
An entity: (a) which, in accordance with the applicable national law, is based on **open and voluntary participation**, is **autonomous**, and is **effectively controlled by shareholders or members that are located in the proximity** of the renewable energy projects that are owned and developed by that legal entity; (b) the shareholders or members of which are **natural persons, SMEs or local authorities**, including municipalities; (c) the **primary purpose** of which **is to provide environmental, economic or social community benefits** for its shareholders or members or for the local areas where it operates, **rather than financial profits**.	An entity that: (a) is based on **voluntary and open participation** and is **effectively controlled by** members or shareholders that are **natural persons, local authorities, including municipalities, or small enterprises**; (b) has for its **primary purpose to provide environmental, economic or social community benefits** to its members or shareholders or to the local areas where it operates **rather than to generate financial profits**; and (c) **may engage in** generation, including from renewable sources, distribution, supply, consumption, aggregation, energy storage, energy efficiency services or charging services for electric vehicles or provide other energy services to its members or shareholder

Shared values

Building on the above definitions of energy communities, we have developed CEFOI shared values as below.

- Ensure ongoing **local** ownership and ensure that control and decision making are in the hands of people who live locally such as individuals, households and small local businesses. "Community energy entities are effectively controlled by shareholders or members that are located in the proximity of the renewable energy projects that are owned and developed by that legal entity; which may include natural persons, local authorities, including municipalities, or small enterprises;"
  - **Exception:** the community energy movement includes "community energy service provider" entities which may be national or international, which provide services to local community energy organisations or projects. Examples include registered non-profit electricity suppliers which work with multiple community energy groups, or licensed non-profit microgrid operators which may operate microgrids in multiple localities.

- Have **democratic** governance principles such as one member one vote, with one member being defined as one individual or one household or one business with a grid connection.

- Are **open** to membership to all people locally. “Based on open and voluntary participation.” Are **inclusive and diverse**, including supporting and actively encouraging participation by all genders, participation by different ethnic groups and travellers, and participation of young people.

- Support **equity and address energy poverty**, including facilitating membership of and participation by vulnerable, energy poor and lower-income households.

- Focus on **fossil fuel free** projects only, which aim to free communities from fossil fuels. Generation projects should be renewable energy generation only.

- **Conscious of broader impacts of energy projects**- source equipment and inputs with attention to human rights, conflict minerals, the environmental impact of extraction, and the environmental impact of any ongoing fuels. Support **circularity** as much as possible. Respect for **nature and biodiversity**.

- Have, as their **overarching objective, not profit maximisation** for shareholders, but rather **social and environmental objectives** - to facilitate the participation of members and the wider community in a just energy transition, to remove fossil fuels from energy, to protect the environment and to ensure the benefits of the energy transition are local and equitable. Constitutions of such groups will provide that any profits are reinvested for the benefit of the wider community, the just energy transition and addressing energy poverty. Groups and projects should fit definitions of “social enterprise”. “The primary purpose is to provide environmental or social community benefits for the local areas where it operates, rather than financial profits.”