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Submission to:
Call for Evidence On CRU's Conceptual Design for Energy Sharing and Multiple Supply Contracts
https://consult.cru.ie/en/consultation/call-evidence-cru%E2%80%99s-conceptual-design-energy-sharing-and-multiple-supply-contracts

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**Deadline:** 30 Apr, 2026 5pm
Submission via CRU consultation portal or to smartmetering@cru.ie

# Executive Summary

We strongly welcome the introduction of **energy sharing** for renewable energy in Ireland. Energy sharing creates potential for wider shared access to renewables, more renewables investment by households and communities, access by renters and apartment dwellers to renewables, and energy sharing for solidarity and addressing energy poverty. Energy sharing provides a role for energy communities to facilitate and build a sense of connection between the people using energy and the source of that energy, building buy-in for the energy transition.

We recommend stronger incentives for local energy sharing in particular, clear supports for non-profit organisations and local authorities to act as Energy Sharing Organisers, and clear protections against energy sharing mechanisms being accessed by sites with on-site fossil fuel generators. We also call for further clarity and a supportive environment as regards smart meter data access, bill-readability and taxation.

For **multiple supply contracts**, we do not believe multiple supply contracts option 1 (through multiple suppliers) should be a priority, and would prefer the simpler option 2 (single supplier) if this is to be pursued at all. We envisage pitfalls to multiple supply contracts potentially disincentivising investment in renewables, and strengthening the ability of for-profit hardware providers and electricity suppliers to lock households into bundled contracts which limit household autonomy over time.

In terms of priority, we would recommend that the **energy sharing mechanisms be prioritised to be implemented first, before multiple supply contracts**. Energy sharing provides opportunities for supporting community and household investment in renewables and batteries, and addressing energy poverty, and could have broad participation by renters and apartment dwellers. In contrast, multiple supply contracts is likely to mostly be availed of by businesses and by home owners with electric vehicles, as the costs of a secondary meter would not be worth it for others.

In summary:

- Energy sharing – recommend implementation as a priority
- Multiple supply contracts option 1 – not recommended
- Multiple supply contracts option 2 – implement if required under EU rules but not a priority

# 1. Energy sharing

**Consultation paper question:**
*Question 3: Do you agree with the approach to the technical areas outlined in this section of the Conceptual Design? Is there anything else that you would like to see included or are there other areas that the CRU should consider? Please provide the rationale for your position or for any alternatives you propose.*

## 1.1 Lower DUoS charges, and/or other financial incentives, for <u>local</u> energy sharing specifically

It is noted that the current proposal is for energy sharing throughout the entire price area, i.e. the Republic of Ireland, and that all energy sharing is proposed to be exempt from Transmission Use of System charges (TUoS) and other charges related to the use of the transmission system. This is welcome.

Local energy sharing (ie for example within the same ESB networks sub-station area) has added benefits over and above national energy sharing, as follows:

- **Benefits for the grid -** if there is matching of energy produced and energy used within a local area, ie balancing of local energy on an hour-by-hour basis using household or community level batteries or via energy flexibility, this can smooth peaks, relieve grid constraints, and

reduce the costs of upgrading grid infrastructure. Providing financial incentives for this form of local energy sharing and balancing is important, in order to encourage this.

- **Benefits for community** – if communities are financially incentivised to share and balance energy locally, this can strengthen local community cohesion and provide opportunities for local communities to work together as part of the energy transition. Apartment dwellers can be supported to invest in and use electricity from their own building's rooftop PV, even if each apartment has it's own MRPN (grid connection point) and the building rooftop solar is on another MPRN. Local communities may collectively invest in solar in a suitable location such as a community building and share it with local residents whose roofs may not be suitable for solar PV. A community may decide to invest collectively in a local community battery to store energy produced in the community for later use in the community. Local authorities may invest in renewable energy and energy storage and make that shared electricity accessible to local community amenities and to vulnerable or energy poor households.

Reducing the Distribution Use of System (DUoS) charges for local energy sharing, based on criteria such as being on the same electricity sub-station, is cost-reflective in terms of grid infrastructure. Energy sharing within local communities should be given additional financial incentives relative to the sharing of energy across the country, to reflect the infrastructure cost savings arising from local energy balancing for ESB Networks, to provide additional support to local energy communities, and to incentivise more local self sufficiency and local balancing using community-owned and/or household-owned batteries.

## 1.2 Support for community energy <u>non-profits</u> to act as ESOs

The consultation paper outlines two possibilities – bilateral energy sharing arrangements and energy sharing via Energy Sharing Organisers (ESOs). While both may be implemented and have benefits, the ESO arrangement would have particular opportunities for energy communities. Energy sharing via ESOs would also entail a lower administrative burden on ESB networks, relative to facilitating bilateral energy sharing arrangements.

Energy communities, or non-profit community energy support organisations, could act as non-profit ESOs. Examples include Community Power which is currently Ireland's only non-profit energy supplier, or DAYSE which is already setting up energy sharing type arrangements in Graiguenamanagh within the limits of the current market set up. Such non-profit entities setting up as ESOs would build community cohesion, and facilitate community-wide decision making on fair ways of sharing energy in a community and addressing energy poverty. We recommend particular supports and advice from Government to help non-profit community-energy-focused entities, and also public bodies such as local authorities, to become established as ESOs. There is a danger that better- resourced for-profit entities may seek to monopolise energy sharing markets. Therefore, actively facilitating community energy social enterprises and local authorities to act in this space is important.

**Consultation paper question:**
*"Question 1: Do you agree with the principles set out in this section? Are there any other principles that should be adopted at this point? One of the principles being "Non-Discrimination"."*

We agree that arrangements should not favour incumbants over new market entrants. However, we would advocate for positive discrimination in favour of non-profit community-energy focused organisations in terms of supports to enable participation, as outlined above.

## 1.3 Ensure energy sharing applies only to 100% renewable energy

The paper states "energy sharing refers to active customers allocating their exported **renewable** energy to another customer".

The EU directive defines " 'energy sharing' means the self-consumption by active customers of **renewable** energy".

It is recommended that this be transposed into clear regulations which state that only sites with **no** on-site fossil fuel generation should be eligible to participate in energy sharing. Otherwise, there is a risk that energy sharing mechanisms may support the export of energy from fossil fuel generators, such as on-site fossil fuel generators of data centres and other large energy users.

## 1.4 Ensure energy sharing data is accessible via API to non-profit ESOs, with household consent

The implementation of the Smart Meter Data Access Code (SMDAC) will be even more important in the context of energy sharing.

While customer access to their energy sharing data via the ESBN Customer Online Account user interface and csv download is important, this is not sufficient.

There is a key role for non-profit community-energy-focused organisations to facilitate access by households to their own energy sharing data in the context of data on energy sharing within their community, through user friendly apps and community energy websites. These types of apps and websites can allow households and communities to understand on a day-to-day basis how much energy they are sharing or how much shared energy is available to be used in their community, which can facilitate their decision making, promote flexibility and inform community level investments.

To achieve this, access by non-profit ESOs to energy sharing data (as well as to smart meter data), via APIs, with household consent, will be important. It is important that the SMDAC include access to data on how much energy was imported/exported via suppliers and how much was imported/exported via energy sharing arrangements.

It is important that households and communities have opportunities to consent to sharing their data with trusted non-profit entities, and to benefit from access to household and community data via that route, rather than having to rely for data services on private for-profit entities who may use that data against them to attempt to monopolise the market or bundle services in such a way as to limit consumer choice.

## 1.5 Clarity on usage and billing for households

It is important for consumers to understand what parts of the their electricity bill are for what. For this reason, it is recommended that all consumer bills (from all suppliers) be laid out to show:

- Energy costs (and kwh units bought), which includes wholesale costs and suppliers margins
- Energy revenue (and kwh units sold) for energy exported
- DUoS charges for use of ESB networks infrastructure
- TUoS charges for use of Eirgrid transmission infrastructure
- System balancing charges for real time management of the electricity system
- Capacity market charges for electricity generation/storage capacity investment
- System charges for running of the electricity market (SEMO)
- Electricity tax
- PSO levy
- VAT

Suppliers should be mandated to show these charges separately on bills, so that consumers know what they are paying for, and how much they are paying for each service.

For energy sharing, ESOs should also be required to clearly show on any bills or statements they may issue:

- Shared kwh units imported
- Shared kwh units exported

We agree with the proposal that the ESB Networks online account should also make information clearly available on the kwh imported and exported from both the primary supplier and from energy sharing.

Such transparency is important for households and communities to engage more in discussions about the drivers of energy costs, and to empower them to have more control over their energy bills.

## 1.6 Clarity on taxation

Clarity is needed on the income tax and VAT implications of energy sharing.

**VAT:** If the ESO is VAT registered, but the entities doing the energy sharing (e.g. households) are not, will this result in VAT being levied on energy sharing transactions? It is recommended that VAT should not apply in these circumstances, especially if the transaction is going through a non-profit ESO. On the other hand, if the entity selling the shared electricity is a VAT registered business, VAT could apply in the normal way. Note that VAT arrangements should not favour bilateral energy sharing over energy sharing via ESO, as this would put barriers in the way of community- energy-focused, non-profit ESOs as energy sharing facilitators.

**Income tax:** There are currently taxation challenges with export revenue from energy sales by households and income tax. We would recommend income tax being applied only where the energy export revenue exceeds energy import costs, which will not be the case for most households. Expecting a household to declare gross energy export revenue as part of income tax returns, when it simply rreduces their energy bills rather than earning them net income, is not a fair solution. This applies both to the current arrangements for households exporting energy via suppliers, and to households exporting energy via energy sharing in future.

# 2. Multiple supply contracts

**Consultation paper questions:**

*Question 4: The CRU invite respondents to consider the above approach to ownership and installation in the multiple supplier model denoted in Option 1. Is there anything you would like to change or see included in relation to this area? Do you agree with this approach? Please provide the rationale for your position or for any alternatives you propose.*

*Question 5: Do you believe that Option 1 as presented is an appropriate approach for multiple supply contracts in Ireland? Is there anything else the CRU should consider in relation to the approach taken under Option 1?*

*Question 6: The CRU invite respondents to consider the above approach to ownership and installation in a multiple supply contracts approach denoted in Option 2. Is there anything you would like to change or see included in relation to this area? Do you agree with this approach? Please provide the rationale for your position or for any alternatives you propose.*

*Question 7: Do you believe that Option 2 as presented is an appropriate approach for multiple supply contracts in Ireland? Is there anything else the CRU should consider in relation to the approach taken under Option 2?*

## 2.1 Multiple supply contracts should be de-prioritised; but if implemented, preference for option 2 over option 1

We would recommend that the energy sharing mechanisms and other market reforms be prioritised and implemented first, before multiple supply contracts. Energy sharing mechanisms can support the just transition, can benefit renters and apartment dwellers and social housing tenants. In contrast, multiple supply contracts may have low uptake, and if it is taken up it will likely be mostly be availed of by businesses and people who own an EV and also own their own home, as the costs of a secondary meter would not be worth it for others. It may also disincentivise investment in rooftop solar by customers who opt for multiple supply contracts for their EV or heat pump, as that would involve costs of installing yet another high-standard meter.

If Ireland is obliged to implement multiple supply contracts under EU rules, then the simpler option 2 (one supplier) should be chosen, which places more of a burden on suppliers, and not on central systems and ESB networks, who should have other priorities.

## 2.2 Protect against hardware and service lock-in via corporate bundling

There is a danger that customer autonomy and choice can be adversely affected by hardware manufacturers seeking to bundle hardware, electricity management services and electricity supply services together, limiting consumer autonomy and choice over time.

This would mean that a consumer who is investing in a piece of hardware (for example an electric vehicle), is offered a lower EV purchase price in return for signing a contract whereby the electricity for the EV is supplied only by that same company, and the electric charging data is also shared with that same company, and even that the company has control to cut off EV charging. The company may then mine the consumer's data for other purposes e.g. advertising, and/or hike the electricity tariffs. If the consumer becomes dissatisfied with the charges, electricity supply service or electricity management service offered by that company, the consumer is locked-in as they can't leave the contract while retaining use of their EV.

There is a clear trend of oligopoly/monopoly in internet and data generally, and could be extended further into people's homes through multiple supply contracts for electricity, which can allow closer bundling of hardware sales, software services, electricity supply services and data access and management around hardware devices, such as an EV or heat pump.

To counteract these risks, we recommend:

- consumers be given rights to change the electricity supplier for a piece of hardware while continuing to use that piece of hardware
- consumers be given rights to withdraw electricity data access consent from a company at any time without suffering consequences as to the functionality of the hardware

- it should be forbidden for hardware manufacturers to programme in software features to disable the hardware based on the consumer not paying for related electricity or software services
- hardware should not cease to function because the company selling the hardware stops updating related software

## 2.3 Protect against data lock-in: Prevent secondary meter data, and the meters themselves, being owned by private for-profit operators and used for lock-in. Ensure device data is accessible via API to non-profit organisations, with household consent, with clear interoperability standards

In the case of secondary meters installed by ESB networks, it is important that the SMDAC include access to data from both primary and secondary meters, for non-profit entities authorised by households.

In the case of secondary meters installed by suppliers or third parties such as manufacturers, it is important that:

- the meter is the property of the home owner, that the home owner can switch suppliers without loosing use of the meter
- that an obligation be placed on meter installers to ensure meter data is accessible to any Home Energy Management System (HEMS) of the household's choice, via interoperability standards. Households should not be locked-in to using only the proprietary apps or HEMS of device manufacturers or electricity suppliers to access their device data and manage their electricity use. Households should be empowered to share their own device electricity usage data with any trusted parties such as non-profit community energy organisations, and benefit from access to their own data and control of their own electricity usage via that route, rather than having to rely for data and control services on private for-profit entities who may use that data and control to lock them in.

It is important, for multiple supply contracts, but also in general, that interoperability standards be enforced on hardware providers, such as manufacturers of heat pumps, electric vehicles and home battery inverters. Households and communities should be able to use home energy management systems (HEMS) run by trusted parties such as energy communities to access their device-level data and control their electricity use. This is only technically possible if hardware device manufacturers facilitate data access via interoperability standards, and do not lock households into proprietary HEMS linked to their hardware devices and/or electricity supply contracts.

# Conclusion

We look forward to continued engagement on the design and implementation of energy sharing, with community energy playing a key role in bringing the benefits of energy sharing to households and communities and supporting the just transition.