



BY DESIGN, **NOT** BY DEFAULT

**HOW THE EU GIVES REGULATORS THE DISCRETION TO
SOCIALISE THE COST OF DATA-CENTRE EXPANSION -
A CASE STUDY OF IRELAND**

GUE/NGL



Sinn Féin



GLOSSARY — QUICK REFERENCE

CRU — Commission for Regulation of Utilities, Ireland's energy regulator; it makes the choices this report examines.

PR6 — Price Review Six, CRU's five-year settlement (2026–2030) fixing what EirGrid and ESB Networks may spend and recover from bills. There is a Draft PR6 and Final Determination PR6 published.

TUoS / DUoS — Transmission / Distribution Use-of-System charges, the parts of a bill that pay for the shared network; once a cost enters them it is spread across many users rather than billed to one connection.

RAB — Regulated Asset Base, the pool of approved investment paid back through bills over decades.

AIMF — Agile Investment and Monitoring Framework, under which extra "high-case" investment becomes recoverable only if specified demand or delivery conditions are met.

SEM — Single Electricity Market, the all-island wholesale market.

The hybrid method — the report's three-layer evidence design — system control totals, a euro-weighted category register, and a 178-record documentary inventory — kept strictly separate so no figure from one layer is passed off as a figure from another.

Distributive — to do with who ends up paying (or benefiting). A choice has "distributive consequences" when it changes how a cost is shared out across different users — for example, whether it falls on households or on the large users whose demand caused it.

Socialise / broad recovery — spread a cost across all users, rather than charging it to the party that caused it.

Anticipatory investment — building the grid ahead of demand that has not yet arrived.

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FOREWORD

WHY SHOULD ANYONE CARE ABOUT NETWORK CHARGES?

Ministers sat at the cabinet table and approved a plan to grant big business a subsidy on its electricity bills. It was 2009 but the scheme they set up ran for over a decade. When all was said and done, more than a billion euro had been funnelled from the public in a way that kept it off the government's books, baked it into household electricity bills, and protected it from public scrutiny.

The question of how to pay for the electricity grid might seem like an obscure or even mundane policy area. But as that episode revealed, funding the grid is an issue of major consequence. Underlying the technical process is a far more significant political choice about who benefits from public infrastructure and who pays for it. Big business understands this well and actively works to shape outcomes in its favour.

Like many decisions in Irish political history taken out of the view of the public, this cost-shifting succeeded for so long because no one was watching. Over the course of the decade, Government decided to charge the public for big business' share of infrastructure costs time after time. That network is now undergoing a rapid expansion in no small part driven by the highest concentration of data centres in the world. How do we know the public interest does not continue to be sidelined today? To ensure a fair outcome for the public, we need to bring the network-charge setting process out of obscurity and into the light of day.

This report examines the regulatory rules and decisions that determine what parts of electricity grid get built and who pays for it. Disguised in technical jargon and complex procedures, current regulatory choices continue to prioritise industry over households. Crucially, despite data centres being named plainly as the drivers of the grid expansion, the record goes quiet when it comes to allocating the costs. This report reveals how regulatory discretion serves the massive expansion needs of data centres, resulting in costly network build-out that leaves the public on the hook.

The current regulatory system did not develop by accident, and it did not develop by legal necessity. It is developed by design, not by default. And because it's a design choice, we can choose to build a fairer system that places the needs of the public over those of big tech companies and data centre operators.

Ireland's situation – where data centres are responsible for more than 23% of demand and we have the most expensive electricity in Europe – makes it an important case study in a European context. As the EU launches a concerted effort to accelerate AI infrastructure, Ireland serves as a cautionary tale for how unchecked grid development can shift the financial burdens of private speculation onto the public. This report brings the hidden rules shaping these outcomes out of the shadows so they can finally be scrutinised in full view of the public.



Lynn Boylan MEP



EXECUTIVE SUMMARY

THE BOTTOM LINE

Households are on the hook for network expansion driven by a few very large energy users — data centres above all. And the framework that recovers those costs is built so that the cost of that growth cannot be traced back to the demand that drives it. Neither is accidental: both follow from choices Ireland's energy regulator makes, within the law, at four **key stages** in every price review.

IN PLAIN ENGLISH

A household electricity bill pays for several things: the power itself, keeping enough supply available, and the network of wires, substations and transformers that delivers it. This summary is about that last part — network charges — because it is where the regulator, the Commission for Regulation of Utilities (CRU), has the most room to choose, and where the cost of expanding the grid is recovered from consumers. EU and Irish law set outer limits, but within them CRU can almost always take more than one lawful path, and which path it takes decides who pays. The report shows that at every decision point, the regulator chooses to spread costs across all electricity users, instead of attributing it to the drivers of demand, e.g. data centres.

HOW THE RESEARCH WAS PERFORMED: THE METHOD

Every figure comes from CRU's own published PR6 documents — a fixed set of 26 papers led by the December 2025 Final Determination — read in three separate layers: CRU's official money totals; a 17-category map of allowed spending that reconciles exactly to those totals; and a 178-programme catalogue hand-coded for how each cost is recovered, who pays, and how avoidable it is. The layers are cross-checked but never mixed, and where the documents disagree the decision papers govern. The method shows how costs are classified, recovered and socialised — but deliberately stops short of putting a euro figure on a household's bill or isolating the data-centre share, because the public record does not allow it, which is itself one of the report's findings.

Because the record contains no "data centre" heading, we followed the spending labelled "demand growth" and "extra capacity," the closest proxy it allows; the one thing it never lets anyone pin down is the exact euro a household pays for that growth — and that missing link is itself one of the report's findings. The full method — the three data layers, the proxy's definitions and the robustness checks — is set out in the Methodology Appendix.

Companion to the full report and its hybrid three-layer methodology appendix (PR6 Final Determination, 2026–2030).

HOW THE DISCRETION WORKS — FOUR DECISIONS

1. Revenue settlement — how much, and when. CRU decides how much of the networks' proposed spending users must fund, and how much to approve now. It tends to approve

strategic, build-ahead-of-demand investment rather than refuse it — so today's users start paying for capacity meant for tomorrow.

2. Cost categorisation — whose cost is it? CRU decides whether a cost is charged to the user whose connection triggered it, or shared across everyone. It routinely treats reinforcement as a shared network, so demand-driven cost is spread across all users rather than attributed to its cause.

3. Tariff design — how the bill is built. CRU sets the shape of the charge. Households pay mostly fixed charges they cannot avoid, while large users can shift demand, manage contracted capacity and offer flexibility to lower theirs, the same rules, but unequal levers.

4. Cost allocation — who carries it, and for how long. CRU spreads strategic, forward-built investment across everyone and across decades, so present households help pay for assets meant to serve future demand.

WHY IT MATTERS — THE POLITICAL ECONOMY

Public risk, private reward. Strip the four choices to their spine and a familiar shape appears: the public underwrites the risk of building ahead of need, while the benefit — guaranteed capacity, on demand, when a large user wants to connect — is captured by the users whose forecasts justify the build. The grid becomes a publicly funded platform for private growth.

Choices dressed as necessity. These are distributive choices, but they are presented as technical inevitabilities and made inside expert, largely apolitical processes. That independence exists for good reasons, stable rules and investment certainty, but it also means a decision about who pays is taken where the public cannot easily see or contest it.

A question of fairness. On the three tests of a fair energy system — who bears the cost, who can take part, and whose situation is recognised — the cases point the same way. Households carry the least avoidable charges and have the fewest ways to reduce them; large users can engage the consultations and optimise their bills; and the demand driver named plainly in planning records goes unnamed in the records that decide recovery.

None of this needs a euro figure to matter, and none of it says the grid should not be built. It says that choices presented as technical necessity are in fact choices, that they consistently favour one side, and that they are made where the public cannot see them.

WHAT SHOULD CHANGE

The report's recommendations rest on one core idea: **trace before you recover.** Before the cost of building for a few very large users is spread across everyone's bills, CRU should have to show what drove the cost, what the alternatives were, and who ends up paying — so that costs are shared by reasoned choice, in the open, rather than by default and out of sight.

Transparency is necessary but not sufficient. The legislation should be amended to make consumer protection a primary duty, not a discretionary option. The interests of existing and future consumers must be prioritised, and this requires putting a stop to the consistent socialisation of costs and risks onto those least able to see or contest it.

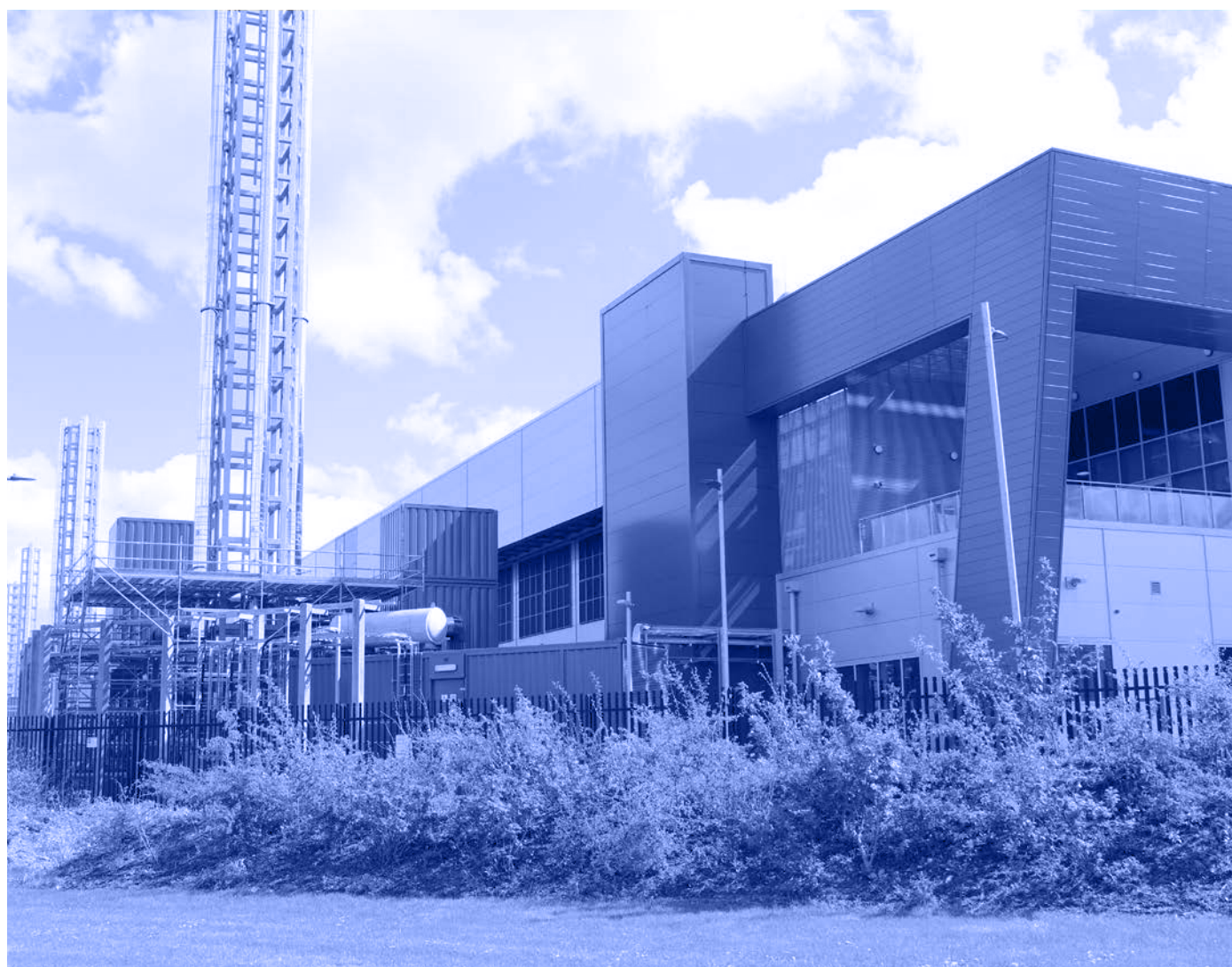
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1. INTRODUCTION

This report asks one question about Ireland's electricity network: when the grid is expanded to serve a handful of very large users — above all data centres — who ends up paying for it, and who carries the risk if the expected demand never arrives? It answers by following the four decisions CRU makes, in sequence, at every price review: how much proposed spending is admitted, and when (revenue settlement); what a cost is called once admitted (cost categorisation); what shape the resulting charge takes (tariff design); and which users, and which generations, finally pay (cost allocation). Each is a lawful choice with a genuine alternative, and at each the report asks the same thing — who is left carrying the cost. What follows sets out those four decisions through four cases, what the evidence establishes, why the pattern matters, and, as a submission to the Network Tariff Structure Review, what should change. The specific policy recommendations centre around two key imperatives: trace costs before recovery and make consumer protection a statutory duty, as opposed to, a discretionary option.

When the grid is expanded to serve data centres — who ends up paying for it?



2. BACKGROUND: THE ECONOMICS AND LAW OF HOUSEHOLD ELECTRICITY BILLS

HOW A HOUSEHOLD BILL IS BUILT

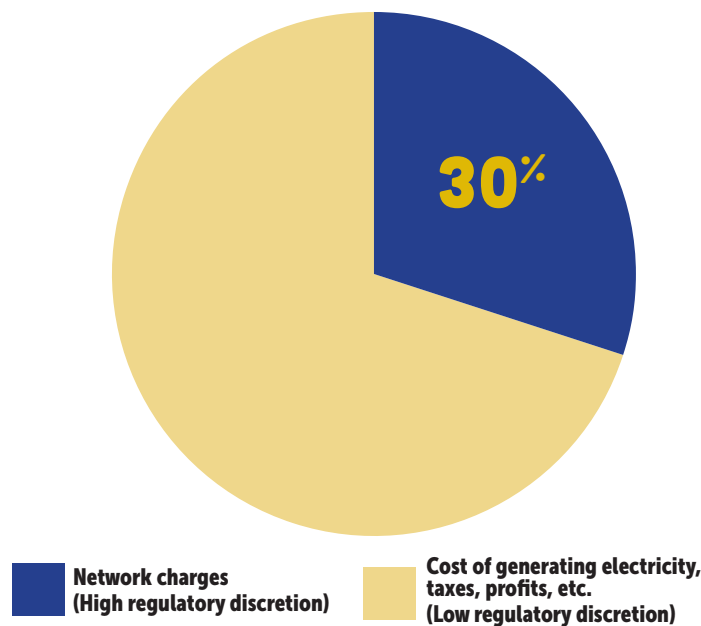
A domestic electricity bill is made up of several charges, each set by a different mechanism.

Wholesale electricity price reflects the cost of generating the power itself. This is set in the all-island, Single Electricity Market (I-SEM). EU law mandates that wholesale electricity prices are formed through market forces, i.e. demand and supply¹. Consequently, sustained, inflexible demand from data centres pushes up the electricity prices². CRU has essentially no discretion here: EU law reserves wholesale price formation to the market.

Capacity and system services — paying for enough available supply, and for the constant balancing of the grid — are recovered broadly through supplier charges. Here CRU's discretion is intermediate: EU rules set the broad framework, while CRU retains meaningful control over how these services are procured and how their costs are spread across users.

Network charges are where CRU's discretion is widest, where its choices compound

Graph 1. Share of household bill made up of
NETWORK CHARGES



CRU. CRU approves 2026/27 electricity network charges and reduced PSO Levy (2026): 'Network costs are one element of the overall customer bill and represent circa 30% of an end user's overall cost of energy to the home'. <<https://www.cru.ie/about-us/news/cru-approves-202627-electricity-network-charges-and-reduced-pso-levy/>>

¹ Regulation (EU) 2019/943 on the internal market for electricity, arts 3, 6 and 9; Single Electricity Market Committee, I-SEM High Level Design (SEM-14-085a, 2014)
² Seán Fearon, The Cost of Data Centres: Modelling the Impact of Data Centres on Electricity Bills for Irish Households https://www.friendsoftheearth.ie/assets/files/pdf/the_cost_of_data_centres_-_modelling_the_household_electricity_costs_of_irelands_data_centre_sector.docxpdf.pdf.

Network charges — the cost of the wires, substations and transformers that carry power to the door, are recovered through use-of-system charges (TUoS on the transmission system, DUoS on the distribution system). Network charges are where CRU's discretion is widest, where its choices compound, and which carry the cost of expanding the grid in the face of soaring demand.

CRU's 'BOUNDED' DISCRETION IN NETWORK CHARGING

CRU's discretion in network charging is real but constrained by EU and Irish Law.

EU law. Article 18 of the EU's Electricity Regulation (Regulation (EU) 2019/943) requires network charges to be cost-reflective, transparent, non-discriminatory and supportive of efficient, timely investment³; it also requires genuine anticipatory investment to be recognised, so CRU cannot lawfully refuse to build ahead of need.

But these EU legal principles of transparency, cost-reflectivity and non-discrimination are broad. They set boundaries, not a blueprint: they do not prescribe any single model of infrastructure-cost recovery, and the decisions that matter most for who ultimately pays are left to CRU's judgement.

Irish law. Sections 34–35 of the Electricity Regulation Act 1999 give CRU explicit power over the terms and charges for both connection to and use of the transmission and distribution systems, including sole authority to determine the "appropriate proportion" of costs a connecting customer bears and the "reasonable rate of return" the networks may earn⁴.

Together these set the outer limits; within them, a range of lawful options remains, each with different distributive consequences. That is the context for the report's central question: **given CRU's considerable latitude in network charging, how does it use that discretion — and, above all, who gains and who bears the cost as a result? Which kind of user is favoured, and which is burdened?**

We answer that question by examining the four connected decisions CRU makes, in sequence, at every price review:

Revenue settlement — how much proposed spending enters the recoverable allowance, when, and on what conditions.

Cost categorisation — how a cost is labelled: whether an asset is treated as one connection's cost, i.e. a cost arising from a data centre, or as shared system investment.

Tariff design — whether the resulting charge is fixed or variable, avoidable or unavoidable.

Cost allocation — which consumers, and which generations, end up paying.

At each of these decisions the report asks the same questions: what options did CRU have, which did it choose, how does that choice work in practice, what reason did it give, and who ends up carrying the cost and the risk? The answer is consistent: decision after decision points the same way — the cost of building for a few very large users is spread across the common, captive base of ordinary consumers, rather than charged to the users whose demand drives it.

³ Regulation (EU) 2019/943, art 18 (consolidated text of 16 July 2024).

⁴ Electricity Regulation Act 1999 ss34-35

3. FOUR REGULATORY STAGES, FOUR CASES, A RECURRING DISTRIBUTIVE PATTERN

The core of the report is an empirical study of how discretion is exercised across these four stages. This empirical approach allows us to see the big picture, CRU's overall patterns, not isolated cases. To illustrate tangible examples of each form of discretion in action, four case studies are elaborated. Each shows the choice, the alternative CRU passed over, and who ends up exposed. Figure 1. traces how a network need becomes a charge on a household bill.

A note on scope. The four cases below are illustrations, not the evidence. The evidence is a census: every one of the 178 spending programmes CRU set out in its published PR6 Final Determination was hand-coded — for how its cost is recovered, who ultimately pays, and how avoidable the resulting charge is — and it is that complete dataset, not the four cases, that supports the finding of a recurring direction. Each case is chosen to show, in detail, one clear instance of the four decisions; the pattern they illustrate is quantified across the whole programme set in Part 4 and set out in full in the methodology appendix. The one boundary worth stating plainly is that the dataset covers the *published* record: where CRU and the network companies settled or dropped a proposal before Final Determination, it never entered the public documents and so cannot appear here.

FIGURE 1

HOW NETWORK PRESSURE FROM LARGE ENERGY USERS BECOMES A CHARGE ON A HOUSEHOLD BILL

Network pressure from large energy users does not decide who pays. Four sequential CRU choices do - and at each one a different, equally lawful choice was open.

NETWORK PRESSURE FROM LARGE ENERGY USERS · demand growth, reinforcement, strategic or "future-ready" works

STAGE 1 - REVENUE SETTLEMENT

How much spending enters the recoverable allowance, and when

confirmed now · or held back

STAGE 2 - COST CATEGORISATION

Is it a connection cost, or shared system infrastructure?

charged to the user · or spread to all

STAGE 3 - TARIFF DESIGN

What shape the charge takes

avoidable · or fixed & unavoidable

STAGE 4 - COST ALLOCATION

Which users, and which generations, pay

paid now · or over decades

The household bill

captive base · largely fixed charges · little ability to avoid or move

Each stage looks reasonable on its own; the distributive effect is visible only when they are traced together. The report finds the four choices consistently point cost and risk toward the captive household base rather than the large users whose demand drives the build.

THE FOUR STAGES

At every stage a lawful alternative was open that would have shared cost and risk differently.

Stage & case	What CRU decides	The lawful alternative it passed over	Who ends up exposed
STAGE 1 Revenue settlement 38 kV programme	How much proposed spending enters the recoverable allowance, and when. Here: lifted the firm baseline from €173.8m to €290.3m, moving -€116.5m of forecast-dependent cost into confirmed recovery.	Approve only the €173.8m of confirmed need and require ESB Networks to return with evidence if the forecast demand appeared - leaving forecasting risk with the company.	The captive household base, which funds the build-ahead whether or not the forecast demand ever arrives.
STAGE 2 Cost categorisation Cast/ebaggot	Whether a cost is charged to the connecting party or treated as shared system infrastructure. Here: placed in broad recovery (TUoS/DUoS) with no separate line - folded into an aggregate "bulk supply point" total.	Apply a stronger cost-causation test to the data centres that filled the station, require a larger applicant contribution, or at least itemise the works so the choice was visible.	All network customers, households included - and the aggregation removes any way to trace the driver.
STAGE 3 Tariff design Optimisation asymmetry	The shape of the charge - how much falls on fixed standing charges versus usage, capacity, time or location components, set differently per class.	Lean less on the non-avoidable standing charge for households; widen genuinely usable household options; protect those least able to optimise.	Households – left with a non-bypassable, mildly regressive residual, while large users hold the levers that lower a bill.
STAGE 4 Cost allocation Tonn Nua	How recovered revenue and its risk are split across user classes and across time. Here: capitalised in the offshore RAB, funded through demand-side charges before the generator's own charge begins.	Require developers or future beneficiaries to fund more directly, or defer recovery until the asset is actually operating and delivering power.	Present consumers, households included - committed to a decades-long recovery for power arriving in the mid-2030s.

The same pattern recurs across all four stages: cost and forecasting risk settle on the shared, captive base of ordinary consumers rather than the large users whose demand drives the build.

THE FOUR STAGES:

1. Revenue settlement — how much, and when. CRU decides how much of the networks' proposed spending users must fund, and how much to approve now. It tends to approve strategic, build-ahead-of-demand investment rather than refuse it — so today's users start paying for capacity meant for tomorrow.

2. Cost categorisation — whose cost is it? CRU decides whether a cost is charged to the user whose connection triggered it, or shared across everyone. It routinely treats reinforcement as a shared network, so demand-driven cost is spread across all users rather than attributed to its cause.

3. Tariff design — how the bill is built. CRU sets the shape of the charge. Households pay mostly fixed charges they cannot avoid, while large users can shift demand, manage contracted capacity and offer flexibility to lower theirs, the same rules, but unequal levers.

4. Cost allocation — who carries it, and for how long. CRU spreads strategic, forward-built investment across everyone and across decades, so present households help pay for assets meant to serve future demand.

STAGE 1 · REVENUE SETTLEMENT — THE 38 KV PROGRAMME

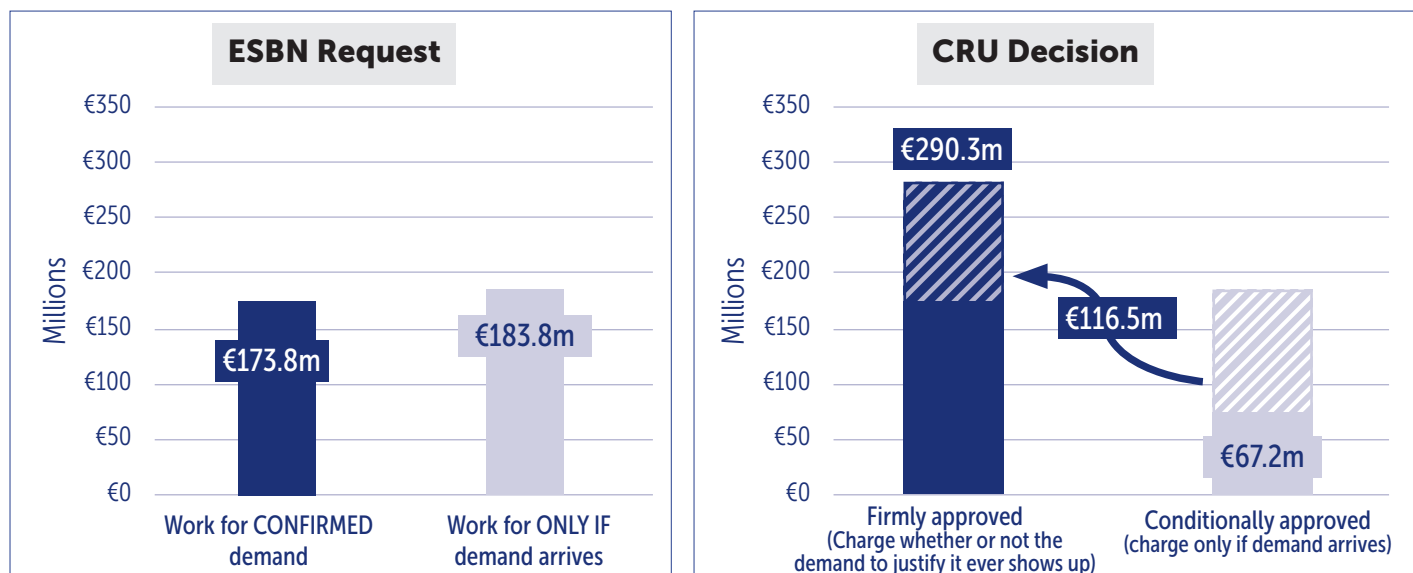
Revenue settlement is the first stage, and it sets the terms for everything that follows. EirGrid and ESB Networks run the grid, but as monopolies they can't set their own prices; each one puts its proposed spending to CRU, which decides how much of it can be charged back to users, and how much to sign off now rather than wait. Nothing gets a label, a price or a customer to pay it until it has passed through here. And the decision isn't just yes or no: CRU can approve a cost, refuse it, put it off, or approve it only on conditions — and it can choose how much to lock in now as firm spending versus how much to leave as a ceiling that can only be spent if the expected demand actually shows up. That split is where the real choice about who pays sits. A cost CRU firmly approves starts appearing on bills as soon as the thing is built, whether or not the demand that justified it ever arrives; a cost kept behind conditions can't be charged to anyone until those conditions are met. So the more CRU signs off now instead of holding back, the more of the risk — that the expected demand never turns up — lands on ordinary households, who can't walk away, rather than on the big users whose demand drove the request.

The case. ESB Networks, the company that runs the distribution grid, asked CRU to pay for upgrades to the mid-level (38 kV) network across ninety projects. It gave two numbers. The lower one, €173.8 million, covered work it was sure it needed. The higher one, €357.6 million, would only be needed if a big wave of extra demand actually turned up. So more than half the request — a gap of €183.8 million, about 51 per cent — rested on demand that had not yet arrived. The spending papers don't say where that demand would come from, but the rest of the planning system does: ESB Networks' own plans, the grid operators' forecasts and the national statistics all point to large new users, above all data centres clustered around Dublin⁵

CRU had a real choice about how much of that "might-happen" spending to lock in. It could have approved only the €173.8 million it was sure about and made the company come back with proof if the extra demand appeared, leaving the risk with ESB Networks. It could have approved the full €357.6 million up front. Or it could have taken a middle path. The risk for ESB here is that capacity built for expected demand goes underused if the large loads arrive late, or never. Kept behind conditions, that exposure stays with ESB Networks — which must either fund any build-ahead at its own risk until it can evidence the demand, or wait to connect large users until reinforcement is justified. Firmly approved, it becomes a cost every customer begins paying as soon as the asset is built, used or not. What CRU actually did was raise the amount customers are committed to pay from €173.8 million to €290.3 million, and keep €357.5 million as a ceiling that could still be drawn on later — leaving only €67.2 million, about 19 per cent, genuinely dependent on the demand showing up.⁶ CRU did not remove the risk, it moved it from the party that chooses to build to the base that cannot avoid the charge. The key move is easy to miss: ESB itself had marked only €173.8 million as confirmed, yet CRU moved about €116.5 million of "only if demand arrives" money into the confirmed column. The share of the programme resting on demand that might never come dropped from about 51 per cent to about 19 per cent — not because the demand became any more certain, but because CRU decided to treat more of it as money customers will pay.

⁵ Central Statistics Office, Data Centres Metered Electricity Consumption 2025 (2026): data centres accounted for 23% of metered electricity (7,663 GWh) in 2025, up from about 5% (1,240 GWh) in 2015. <<https://www.cso.ie/en/releasesandpublications/ep/p-dcmec/>>

⁶ CRU, PR6 Final Determination, Summary Paper (CRU2025193, 16 Dec 2025), Tables 1 and 3. The 85.2%/97.4% comparison uses the 29 programmes that disclose both a firm allowance and a high-case ceiling; the report's full inventory covers all 178 PR6 programmes (see Methodology Appendix). These figures describe the published settlement — proposals resolved before Final Determination do not appear in the public record.



CRU moved €116.5 million of 'only if demand arrives' money into the confirmed column. The CRU raised the amount customers are committed to pay from €173.8 million to €290.3 million leaving only €67.2 million dependent on the demand showing up.

Once a cost is in that confirmed column, it is collected from everyone through the standard network charge on bills (DUoS), households included — and households can't avoid it: a big part of a household's network charge is a fixed amount you pay just for being connected, so switching off appliances doesn't get you out of it. Had CRU stopped at €173.8 million, the risk of paying for capacity that might never be used would have stayed with ESB Networks; by raising the figure, it shifted a large slice of that risk onto everyone's bills instead. And the extra demand behind the build is, on the system's own evidence, mostly data centres⁷: if it arrives, they get a grid already built and paid for by everyone rather than by them; if it doesn't, households have still paid to build it. **No single decision declared that households should subsidise data centres — it is the build-up of many small, reasonable-looking choices that leaves them doing exactly that.**

The pattern. The 38 kV case is not a one-off. Across the PR6 programmes we could compare, CRU said yes — in full or with conditions — far more often than it said no. It approved €13,779.6m of the €16,170.9m companies asked to lock in as firm spending (85.2%), and let through €18,875.8m of the €19,381.9m they wanted kept as a higher ceiling (97.4%); of the 29 programmes we could line up side by side, not one was refused outright.⁸

Why it matters. The dilemma was genuine — under-building delays connections and costs more later — but CRU did not remove the risk that expected demand never turns up; by firmly approving more rather than holding it behind conditions, it chose where the risk would sit, and sat it on consumers.

⁷ ESB Networks, Distribution Network Development Plan (Part 2), p.5, "In recent years, there has been significant growth in demand for electricity network capacity. Growth in demand has arisen across all sectors, including among large energy users such as data centres, which require significant electrical capacity"; EirGrid, All-Island Resource Adequacy Assessment 2026–2035, §4.2.3, p.48 — data centres/NTLs "a key driver" of demand; ~2,100 MVA contracted at transmission, "almost all... in the greater Dublin region."

⁸ CRU, PR6 Final Determination, Summary Paper (CRU2025193, 16 Dec 2025), Tables 1 and 3. The 29-programme comparison describes the disclosed settlement (proposals dropped before publication would not appear), not a regulator-wide refusal rate. These figures describe the disclosed settlement, not a regulator-wide refusal rate: proposals dropped before publication would not appear.

STAGE 2 · COST CATEGORISATION — CASTLEBAGGOT

Once a cost has been let into the pot recoverable from billpayers, CRU has to decide what kind of cost it is. The key question is simple: does it stay pinned to the party whose connection caused it, or is it treated as shared, system-wide infrastructure and spread across everyone's bills through the general network charges (TUoS on the transmission system, DUoS on the distribution system)?⁹ The same physical work — a substation, a run of cable, a block of spare capacity — can often be labelled either way, and CRU chooses: charge the connecting user directly, treat it as shared reinforcement and spread it, or split it between the two. That label, not the concrete and steel, decides who pays. A connection-specific label keeps the cost on the user who triggered it and shields households; a shared-system label spreads it across everyone through charges they can't avoid. So when a few very large users drive the need for reinforcement but the work is filed as "strategic", system-wide investment, the cost lands on everyone rather than on the demand that prompted it.

JUSTIFY THE UPGRADE

Demand from a data centre requires an upgrade to a substation to get connected to the grid.

This information is clearly stated in public documents, where data centres are explicitly labelled explicitly as a driver of the need to upgrade the grid

CATEGORISE THE UPGRADE AS 'STRATEGIC'

CRU chooses to deem the upgrade to be a "strategic" instead of making it clear that the upgrade is linked to data centre demand.

This designation makes everyone responsible for the cost of the upgrade.

PAY FOR THE UPGRADE

The "strategic" upgrade prompted by data centres is paid for by everyone through household electricity bills.

How much of this data-centre driven expansion cost is paid for by you? The public record doesn't say and won't let you check.

The case. Castlebaggot is one of only seven big 220 kV supply points feeding the whole of greater Dublin. It was planned to do several jobs at once — support new housing around Adamstown and Clonburris, take pressure off Inchicore, serve growth at Grange Castle, and meet wider demand across west Dublin and Kildare. Then, on EirGrid's own account (in a West Dublin case study released under Freedom of Information), data-centre applications flooded in and "completely consumed the capacity of the new reinforcement": roughly 500 MW of headroom built for the future was swallowed by about 650 MW of contracted data-centre demand, using the station up before it was even finished. In a November 2024 briefing to the Department, EirGrid warned that data centres had "saturated" the Dublin network and left the west and north of the city "extremely constrained."¹⁰

That left CRU with a question: of all the reinforcement in and around Castlebaggot, how much

⁹ Sections 34–35 of the Electricity Regulation Act 1999 give CRU explicit, reviewable power to set the "appropriate proportion" a connecting party should bear.
¹⁰ EirGrid, West Dublin case study and November 2024 briefing to the Department, both released under Freedom of Information: the reinforcement's capacity (roughly 500 MW) was "completely consumed" by about 650 MW of contracted data-centre demand before completion, and data centres had "saturated" the Dublin network, leaving west and north Dublin "extremely constrained." Reported in the Irish Times and on RTE, Prime Time.

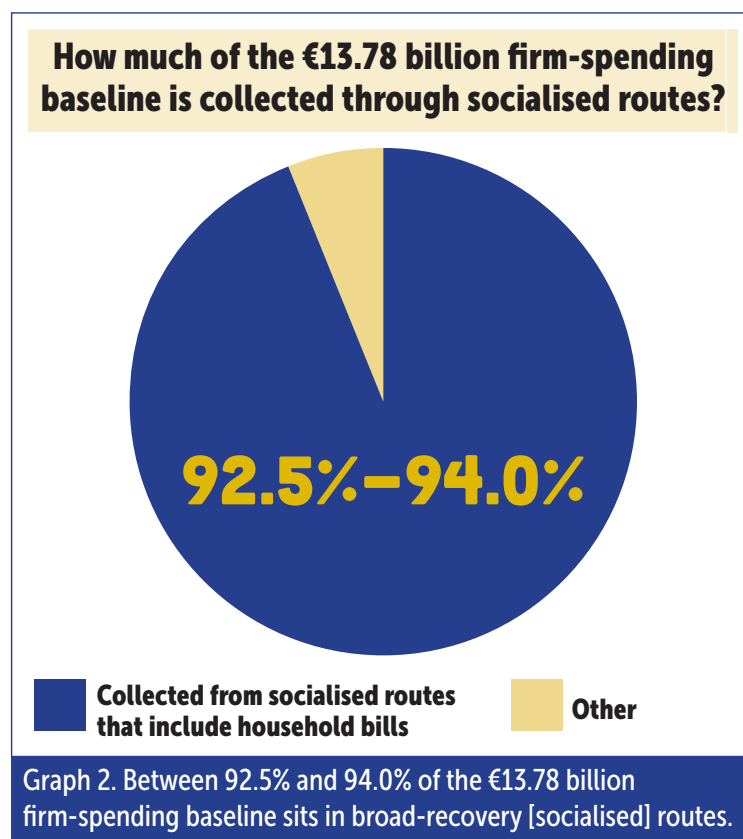
When CRU categorises these costs, it overwhelmingly sends them down the shared route rather than charging the users who triggered them

should the data centres that actually filled the station pay for directly, and how much should be shared with everyone else? It had the tools to draw that line — a tougher cost-causation test for big supply points, a larger up-front contribution from the connecting data centres, or at the very least itemising the works so the decision could be seen. Instead it put the works into broad, shared recovery. That is the normal route for genuinely shared infrastructure, and a big supply point does bring real shared benefits. But the striking thing is what the record doesn't contain: there is no separate Castlebaggot figure anywhere in the recovery documents. The closest thing is a lumped-together "bulk supply point capacity works" line that never names Castlebaggot, never prices it on its own, and never shows how its cost was split between the data centres that filled it and the wider grid. The driver is spelled out plainly in the planning papers and disappears completely from the cost record.

Two things follow: rising costs for households and untraceable costs.

Because the cost sits in shared recovery, it is spread across all customers, households included — the same people who can't opt out. And because it is buried in an aggregate total, there is no way to way to see where the line was drawn between the users who caused the cost and everyone who pays for it. In other words, once a named demand pressure is folded into a programme line, there's no public trail from the project to its cost, no "what would this have cost without the data centres" comparison, and no account of how the benefit was split.

The result is stark. Capacity meant partly to unlock housing was used up by data centres before the station was finished; the cost is then socialised and made untraceable, so households both



help pay for it and can't see how much of it their own use caused. The mobile, private users who filled the station face falling charges; the captive households left behind face rising ones. The attribution only becomes visible once you step outside the recovery record: ESB Networks' own Distribution Network Development Plan names "large energy users such as data centres" as the loads that "quickly absorb significant network capacity and require significant network reinforcement to connect"¹¹; EirGrid and SONI's All-Island Resource Adequacy Assessment 2026–2035 says plainly that "a key driver for electricity demand in Ireland for the next number of years is the connection of data centres and other new technology loads"¹². The regulator itself names the driver where it sets connection policy for large users — just not where it decides who pays for the network they need¹³. (The government has since made constrained capacity a condition for data-centre connections and said this would "rule out" a repeat of Castlebaggot — a tacit admission the line was drawn the wrong way.)

The pattern. Castlebaggot is the rule, not the exception. When CRU categorises these costs, it overwhelmingly sends them down the shared route rather than charging the users who triggered them — treating reinforcement and strategic works as system infrastructure paid for by everyone, and charging a cost directly to the connecting party only rarely. This isn't aimed at data centres; they simply enter the same machinery under neutral labels like "demand growth" and "capacity headroom." The numbers show how strong the tilt is: deep-reinforcement or shared-system treatment accounts for 71.9% of the connection- and reinforcement-related records, and 88.0% of those go into partial or broad shared recovery, while direct connection charging — the route that keeps a cost on the user who caused it — accounts for just 12.9%¹⁴. In money terms, between 92.5% and 94.0% of the €13,779.6m firm-spending baseline sits in broad-recovery routes¹⁵.

Why it matters. The physical asset doesn't decide who pays for it — the label does. A bulk supply point genuinely sits on a blurred line: the data centres that filled Castlebaggot were its clearest cause, but it also serves the wider grid. Both are true. The problem is that when the line is blurred, the cost quietly defaults to being shared, and the clearest signal of what drove it drops out of the one record that sets the bill. The current revenue package is even upfront that large-user growth is part of the case for spending — ESB Networks describes its €13bn-plus PR6 programme as serving renewables, electrification, housing and growing demand from large energy users¹⁶ — but it never says how much of the money that demand accounts for. That silence, not any single decision, is what leaves households paying for a driver they can't see.

The driver is spelled out plainly in the planning papers and disappears completely from the cost record

11 ESB Networks, Distribution Network Development Plan (Part 2), Introduction (p.5): data centres are among the "large energy users" that "quickly absorb significant network capacity and require significant network reinforcement to connect".

12 All-Island Resource Adequacy Assessment 2026–2035, s4.2.3 p.48

13 Large Energy Users Connection Policy, Decision Paper CRU/2025/236; CRU, Price Review Six — Network Needs Assessment (CRU202597), which states: "The forecasted increase in energy demand from data centres will require significant upgrades to infrastructure across the electricity sector in Ireland, including the expansion of generation capacity and enhancements to the transmission and distribution networks" <https://cruie-live-96ca64acab2247eca8a850a7e54b-5b34f62.divio-media.com/documents/CRU202597_-_Price_Review_Six_-_Network_Needs_Assessment_428302.PDF>.

14 PR6 documentary inventory (report Layer 3): deep-reinforcement/residual-system treatment 71.9% of connection- and reinforcement-related records, of which 88.0% enter partial or broad shared recovery; connection charging 12.9%. See report §3 and Methodology Appendix E–F.

15 PR6 Final-Determination category register, Recovery Views A and B (CRU2025194 / CRU2025195): €12,743.8m (92.5%) to €12,948.7m (94.0%) of the €13,779.6m baseline within broad-recovery routes.

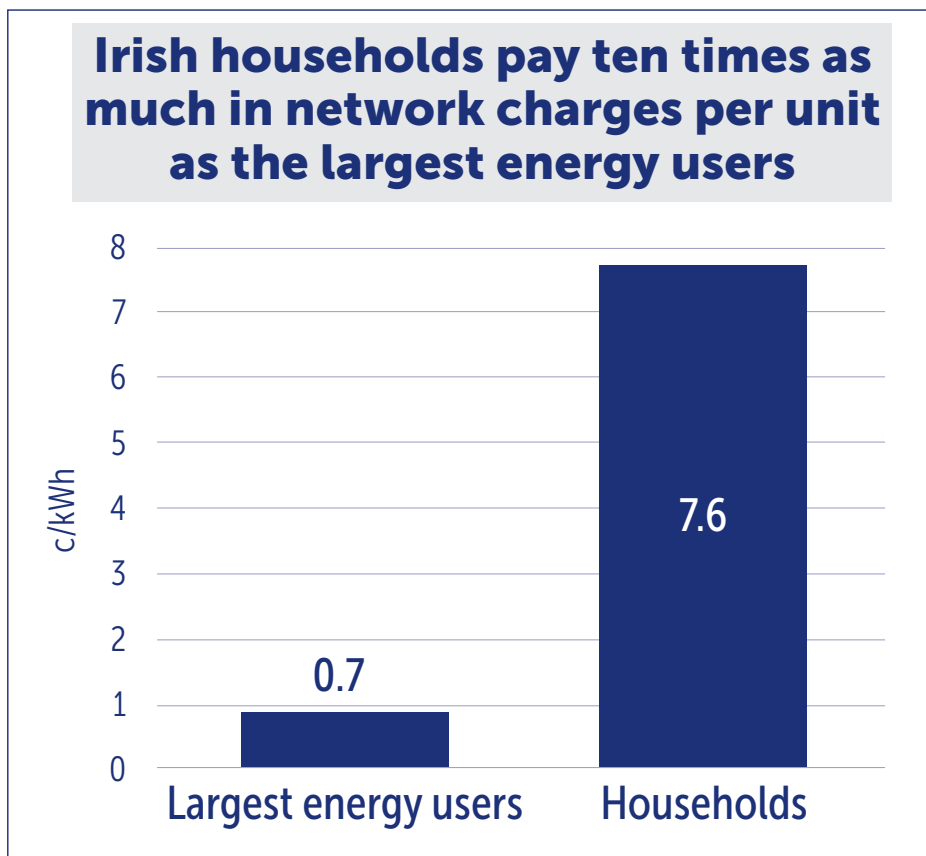
16 ESB Networks, Information Note to CRU on 2026/27 Distribution Tariffs (CRU2026109, 3 July 2026), p. 3.

STAGE 3 · TARIFF DESIGN — THE OPTIMISATION ASYMMETRY

Once it's settled how a cost will be recovered, CRU still decides the shape of the charge — how the bill is actually built, and so how much room each user has to do anything about it. Some charges respond to what you do: a unit rate falls if you use less, a time-of-use rate falls if you shift your use off-peak, a capacity charge falls only if you can lower your peak or contracted capacity. A fixed standing charge responds to nothing — you pay it whatever you do. CRU builds each user's bill from a menu of these components, and it can lean on the fixed, unavoidable parts or on the responsive ones, and set the mix differently for households than for big users. That mix decides who can escape a cost and who can't. Households are billed mostly through fixed and everyday-use charges they can't get out of while connected, and can only trim the variable slice. Large, sophisticated users hold far more levers — shifting peak demand, adjusting contracted capacity, selling flexibility — and, unlike any household, they can choose where to put new load in the first place. Location is the sharpest asymmetry of all: a household uses power where it lives, while a data centre can weigh sites, connection costs and spare capacity and pick accordingly — and load dropped into an already-tight area, as around Dublin, drives exactly the reinforcement whose cost then comes back to everyone, as Castlebaggot showed. And because a flat charge takes a bigger bite out of a smaller bill, the whole design leans mildly against poorer households before anything else is decided.

The case. Picture a hyperscale data centre and an ordinary household paying toward the same piece of network. On paper both are paying for the grid; in practice they pay through very different charges with very different room to manage them. The data centre pays mainly through a transmission tariff it can actively manage— shifting load to off-peak hours, optimising its contracted capacity, bidding flexibility into the system, and choosing among charging structures where the rules allow — and it can do all this because it employs engineers, energy managers and advisers who also turn up to the tariff consultations. The household pays a

FIGURE 2



The way charges are shaped consistently leaves households little room to move and large users plenty

standing charge and a unit rate on its distribution bill. It can't negotiate, can't shift the standing charge, and has little practical room to optimise. That gap now has a public number on it: Eurostat figures, the gap shows Irish households paying nearly ten times as much in network charges per unit as the largest energy users — and Ireland already has among the highest household electricity prices in the EU.¹⁷

None of this is fixed by nature; it's a product of design, and CRU had other options. It could have leaned less on the flat standing charge for households, so more of a household bill responded to choices it can actually make; it could have shaped household charges to reflect who really drives reinforcement; it could have built in extra protection for the households least able to adapt. Instead it recovers shared cost through broad use-of-system charges, defended on the grounds of stable, efficient recovery. For households, the standing charge is payable whatever the meter reads and the rest can be trimmed only within the limits of essential use, housing and appliances; for large users, the same schedules offer capacity, flexibility and system-services components — exactly the levers an active user can pull. From 1 June 2026 the



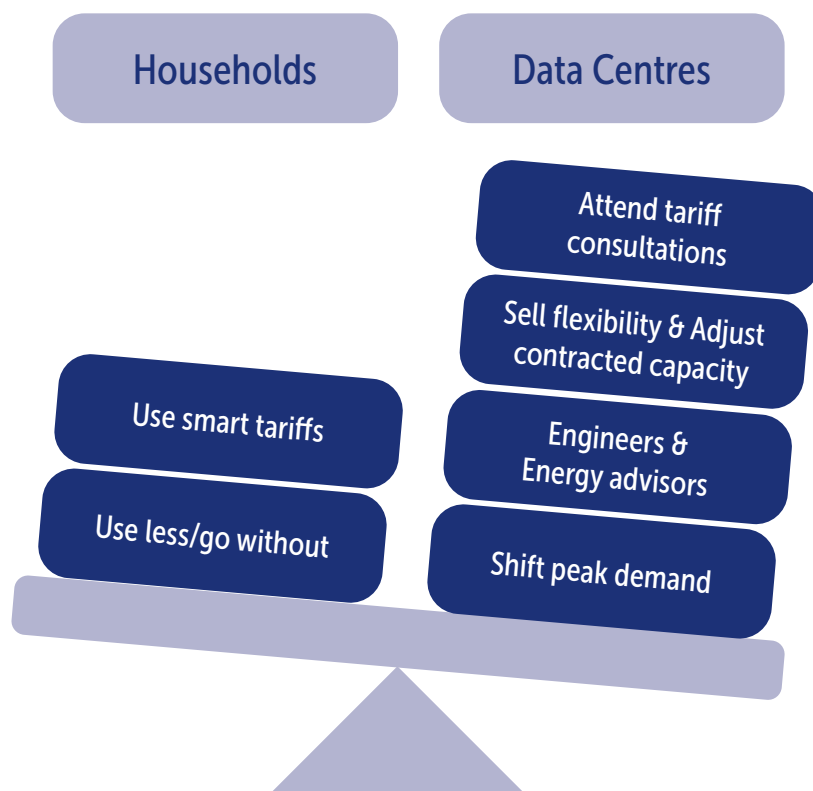
Lynn Boylan MEP and Pa Daly TD protesting outside Leinster House, Dublin, over data centres



¹⁷ Eurostat, electricity price statistics for household and non-household consumers (2024–2025): Irish households pay roughly twice as much per unit of electricity as the largest energy users, and Irish household prices are among the highest in the EU; reported in the Irish Independent. https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Electricity_price_statistics "The average Irish household still paid record highs of: ...76 c/kWh in network costs for the delivery of their electricity. By comparison, very large users (>150 GWh per year, roughly the demand of 30,000 homes) like data centres, paid just • 0.7 c/kWh for network costs " SEAI Report.

FIGURE 3

The design of bills tilts in favour of data centres against households



biggest suppliers must offer households a “dynamic” tariff that tracks wholesale prices. It’s a real improvement, but it doesn’t touch the standing charge, and its gains flow mostly to households with smart meters, batteries or electric vehicles — the better-off end of the captive group. So the party best placed to manage its network cost is the large user driving much of the growth, while the household is left holding the fixed residue it can’t see, shape or avoid¹⁸.

The pattern. The way charges are shaped consistently leaves households little room to move and large users plenty. Across the whole review, the charges that reach households are built mostly from fixed, hard-to-avoid components, so ordinary customers can’t escape their share by changing behaviour, while the levers that actually cut a bill — peak demand, contracted capacity, flexibility, location — sit largely with big, sophisticated users. It isn’t a quirk of one tariff; it runs through the whole design. A detailed read of the regulatory documents found that most tariffs were built to be hard to avoid, with fixed charges predominating¹⁹.

Why it matters. Handed the same cost, a large user usually has several real ways to reduce it; a household has fewer, smaller and harder-to-use ones. Smart tariffs help a little at the margins, but standing charges and the practical limits on household flexibility leave ordinary customers less able to reduce what they pay²⁰ — and because a flat charge takes a bigger bite from a smaller bill, the design tilts against poorer households before any data-centre share of the bill is even counted.

¹⁸ CRU, (2025), <https://www.cru.ie/consumer-information/billing/dynamic-price-tariffs-for-electricity/>; implementing the right to a dynamic-price contract under Directive (EU) 2019/944, art 11, as transposed by S.I. No. 319 of 2026. Suppliers with $\geq 200,000$ customers must offer a dynamic tariff from June 2026.

¹⁹ The empirical study makes the scale plain: across the 178-row inventory, 87.6% of observations carry high or medium-to-high fixed-charge exposure and 88.2% carry low ability to avoid the charge; and the broad frameworks that reach households: TJoS, DUoS and offshore recovery, carry that low-avoidability coding on 100% of their mapped rows, against just 8.7% of the connection-charging rows.

²⁰ CRU, Distribution Network Allowed Revenues 2027 and DUoS Tariffs 2026/27 – Information Paper (CRU2026108, 29 July 2026), Appendix D, p 24.

STAGE 4 · COST ALLOCATION — TONN NUA

Allocation is the last stage. Once a cost has been let in, labelled and given a shape, CRU still decides how it — and the risk attached to it — is split: between households and industry, between generators and demand, and across time, between today's customers and the future ones who inherit assets built and paid off over decades. This is where it's settled who finally pays, and which generation. CRU can recover a cost in the year it arises, stretch it over an asset's thirty-to-forty-year life, or release it only on triggers; and it can make generators or direct beneficiaries fund more, wait until an asset is running, or simply leave the cost on the broad base of everyone's bills. The timing matters as much as the label: a cost spread over thirty-five years is the same number of euros as one recovered over five, but it falls on a completely different set of people. When something is built ahead of demand and stretched over a long recovery, today's customers — households included — start paying for infrastructure meant partly for demand that hasn't arrived yet, and carry the risk that it arrives late, or never.

A cost spread over thirty-five years is the same number of euros as one recovered over five, but it falls on a completely different set of people

The case. Tonn Nua is an offshore transmission project connecting Ireland's next phase of offshore wind — the roughly 900 MW ESB-Ørsted development off the Waterford coast, which won the State's second offshore auction (ORESS 2) at €98.72/MWh²¹ and is expected to deliver its first power in the mid-2030s, with the grid link live around 2033. EirGrid is building the offshore transmission that connects it to the onshore grid. In its December 2025 Final Determination, CRU approved the Phase 2 development programme in full — €363.0 million requested and €363.0 million allowed — inside a wider project budget of about €2.21 billion (2024 prices, including a 40 per cent uncertainty margin) that is monitored through an offshore investment gateway rather than handed over up front (the July 2025 draft had suggested €347.9 million). The generator will pay an offshore transmission charge once its own connection is live — but much of the wider cost is set to be spread across all consumers and paid off over decades, and until that generator charge starts, the bill is carried by the demand side, meaning today's consumers pay first.²²

CRU had room to place the timing and the burden differently. It could have asked the developers, or the future offshore beneficiaries, to fund more of the shared asset directly instead of routing it through everyone's bills; it could have waited until the asset was actually operating before recovering from consumers, so those who benefit are closer in time to those who pay; it could have kept more of the €2.21 billion contingent behind the gateway rather than capitalised early. Instead it chose to spread the cost across everyone, with development spending added to the offshore regulated asset base (RAB) and earning a return now, before the project's final investment decision. In plain terms, consumers begin carrying the cost of an

21 Department of Climate, Energy and the Environment, ORESS Tonn Nua offshore wind auction — final results (2025); Ørsted-ESB joint venture awarded provisional rights, November 2025: approximately 900 MW at a strike price of €98.72/MWh. <<https://www.gov.ie/en/department-of-climate-energy-and-the-environment/publications/oress-tonn-nua-offshore-wind-auction/>>

22 CRU, PR6 Final Determination — Offshore Paper (CRU2025196, 16 Dec 2025), pp. 63–72: Phase 2 Tonn Nua development programme €363.0m requested and allowed; ~€2.21bn project-capex envelope (2024 prices) monitored via the offshore investment gateway. €347.9m and the €1.58bn–€2.21bn range were July 2025 draft-stage figures.



asset that won't deliver power until the mid-2030s, and are put into the RAB's decades-long recovery to do it — the household is once again the captive base, now stretched forward in time as well as across the network.

The pattern. On who carries the cost and for how long, CRU's settled habit is to spread strategic, forward-built investment across the whole base and across decades, rather than confining it to the beneficiaries or to the years that actually use it. Because so much of this infrastructure is deliberately built ahead of need, today's consumers are routinely placed at the start of long recovery periods for assets meant to serve future demand — which is exactly why Tonn Nua, the non-data-centre case, sits in the same model. The figures confirm how central this is: on an amount-weighted basis, 72.3% of the €10,029.3m baseline capital allowance (€7,249.7m) carries a moderate-to-substantial "ahead of need" character and 62.3% (€6,251.6m) is coded substantial, while long-term recovery over an asset's life attaches to 73.6% of the coded records²³. The 2027 annual models show the same thing from the revenue side: depreciation and the return on the asset base make up about €971.26m (62.8%) of the €1,546.50m distribution allowance and about €323.79m (79.4%) of transmission revenue — figures that show the sheer scale of long-term recovery, even though they don't identify which underlying assets were caused by data-centre demand²⁴.

Why it matters. Tonn Nua is here on purpose as a comparator, not as a data-centre case. The driver here is future offshore wind, yet the very same machinery still puts today's consumers

²³ PR6 seventeen-category register (Layer 2): 72.3% of the €10,029.3m baseline capex moderate-to-substantial anticipatory (62.3% substantial). Long-term/RAB recovery 73.6% of coded records (Layer 3).

²⁴ CRU, 2027 CRU DSO Annual Revenue Model (CRU2026111), Results Summary; CRU, 2027 CRU TAO Annual Revenue Model (CRU2026116), Results Summary; see also CRU2026108, Appendix H, Table 9, p 30.

on the hook for infrastructure meant to serve future users, while the developer pays only its own connection charge. That tells us the problem is structural: **the collective, forward-loaded, RAB-funded model shifts cost onto captive households whoever the ultimate beneficiary is.** When the beneficiary is instead a hyperscale data centre, the same machinery quietly moves the cost of speculative, largely data-centre-driven demand onto households — Tonn Nua just isolates the mechanism and shows it isn't a data-centre carve-out but the way CRU finances strategic networks in general. That general model has served the country well; the investment behind the renewables transition is an example of it. But offshore wind is a public-good asset that serves everyone, while a data centre is a private, profit-making business that can optimise its charges, shift or scale its load, even relocate, and whose expected demand may never fully arrive. The framework treats the two the same — the same socialised, build-ahead, risk-spreading terms — so households end up underwriting private commercial growth on the very terms meant for public infrastructure. Data centres aren't singled out; they're the sharpest illustration of what the regulator's decisions do, turning a captive public into the underwriter of private expansion. And because that tilt is built from many small, individually defensible choices rather than declared in any one of them, there's no single moment a household, an advocate or a TD can point to and challenge. (As KPMG has noted, Ireland's energy and grid availability was one of the things that first drew hyperscale data centres here — a big public asset that big tech was quick to seize on.)²⁵

TABLE

The model of cost recovery treats projects the same regardless of the beneficiary.

	Offshore Wind induced grid upgrades	Data Centres induced grid upgrades
Build ahead of demand		
Costs and risks shared across generations		
Serves public		 Serves private interests
Supports climate goals		

²⁵ KPMG (Ireland), Data centres in Ireland (2024): energy availability and grid access among the factors attracting hyperscale data centres to locate in Ireland. <<https://kpmg.com/ie/en/insights/strategy/data-centres-ireland.html>>

4. WHAT THE EVIDENCE ESTABLISHES

The report's examination of the PR6 review supports three claims, each about the regulatory record rather than a measured household bill.

First, **structural exposure**. CRU's categorisation and recovery choices place a substantial share of demand-driven infrastructure into broad, long-term recovery structures that include households — costs that, once admitted, are recovered from the general body of connected customers over the life of the asset.

Second, **a recurring direction of discretion**. At each stage — the timing of recovery, the conditions attached, the label applied to the works, and the class the cost is finally allocated to — different but equally lawful choices were available, and each would have distributed cost and risk differently. Across the full set of 178 programmes, not a handful of chosen examples, the choices examined ran predominantly one way: to preserve investment and share uncertainty rather than attribute it to the large users whose expected demand drove the need.

Third, **a traceability gap**. The demand driver is named where the spending is justified but not where the cost is recovered. As a result, no one working from the public record can trace how much of a household's bill funds that growth — which means the choice that decides who pays is made at a point where it cannot be seen or challenged.

These three findings concern the PR6 review as analysed here. The most recent CRU publications — above all the 29 July 2026 annual network-charges decision, alongside the earlier LEU rebalancing correction — bear on them and deserve to be read on their own terms. Some of this material narrows part of the problem, some cuts in households' favour, and some confirms the core concern directly. It is worth being precise about what each does and does not show.

WHAT CRU'S NEWER PUBLICATIONS MEAN

The first is the household bill impact that CRU publishes alongside its annual network-revenue decision. For 2026/27 it estimated a distribution increase of €45.40, or 16.48%, and a combined transmission-and-distribution increase of about €41 (the combined figure is lower because the transmission component moved the other way).²⁶ Publishing an archetypal household impact is something CRU has been doing for several years — an increase of about €101 for 2024/25 and about €29 for 2025/26²⁷. That practice is useful as far as it goes: a household can see, in euro terms, how much the network element of its bill is expected to change. But it does not close the traceability gap the report identifies. The published calculation shows the size of the change; it does not identify what part of that charge arises from data-centre or other large-energy-user demand. It answers "how much," not "driven by whom" — and it is the second question this report is concerned with.

²⁶ CRU, Distribution Network Allowed Revenues 2027 and DUoS Tariffs 2026/27 — Information Paper (CRU2026108, 29 July 2026): archetypal household distribution increase of €45.40 (16.48%); combined transmission-and-distribution increase of about €41 (transmission element down c. €4, distribution element up c. €45).

²⁷ CRU has published an equivalent archetypal household bill impact in earlier years: an increase of circa €101 (c. €8.42 per month) for 2024/25 — CRU, Electricity Transmission Network Revenues for 2025 and DTUoS Tariffs (CRU2024-82) — and circa €29 for 2025/26 — CRU, Electricity Distribution Network Allowed Revenues and DUoS Tariffs — Information Paper (2025). The 2026/27 statement is therefore continuity of practice, not a new initiative.

LARGE ENERGY USER REBALANCING ERROR

The most recent publications also include a decision that could be read as cutting the other way: the correction of the Large Energy User (LEU) rebalancing error. What CRU corrected was its own failure to spot an implementation error. While assessing the unwinding of the LEU rebalancing framework, ESB Networks found that more than the approved amount had been passed to large energy users, so that domestic customers had been over-charged by €100.86m; CRU ceased the arrangement from October 2022, compensated domestic customers in full within the 2023/24 tariff year, and smoothed the offsetting LEU increase over three years.²⁸ This repair sits inside a much larger and longer-running arrangement. The LEU rebalancing framework itself dated back to the 2011–2015 revenue decisions and was renewed year after year until CRU wound it down in 2022 — more than a decade over which network charges were rebalanced off large energy users and shifted onto domestic consumers, its cumulative effect on households nowhere totalled in the decision record, but stands at 50m per year for the next 12 years (a total of 600m)²⁹. Seen in that light, the €100.86m refund corrects one quantified error inside a long-running and structurally regressive arrangement; it does not reverse the arrangement, and it does not tell us how the boundary was drawn in the first place. Read properly, the episode illustrates the report's central concerns: the opacity of the charging system and its structural tilt toward large users, rather than counting against them.

CONSUMER FRIENDLY?

Two of the decisions in the recent publications may, at first glance, be read as good news for households. Both need a closer look.

First, CRU approved about €138m less than the network companies asked for. That takes roughly €13 off a typical household's bill — turning what would have been about a €54 increase into about €41. That is a real saving. But it comes from trimming particular items in the yearly cost review, correcting some cost estimates and refusing some running costs. It does not come from cancelling any actual projects. The building work itself is decided separately, in the five-year price review (PR6), and is unchanged.

Second, the roughly two-thirds cut to the Public Service Obligation (PSO) levy is weaker still as evidence. It isn't part of these network-charge decisions at all: the PSO is set through a separate process that is mostly driven by government rules and a fixed formula, and it simply happened to be announced on the same day. On top of that, the PSO mainly makes households pay for the renewable-energy build-out — a cost that heavy users like data centres add to, not relieve³⁰. So treating this as CRU choosing to help consumers gets it wrong twice over: it is barely CRU's decision to make, and it isn't part of the decisions we're looking at.³¹

In short, nothing in the new publications blunts the report's argument. The movements offered as evidence of even-handedness turn out, on inspection, to be an error-correction, a largely non-discretionary levy, and an annual revenue true-up. None of which alters the structural pattern the report documents in the PR6 price review: how forward-built, largely demand-driven infrastructure is admitted, categorised, priced and allocated in the first place.

28 CRU, Distribution Network Allowed Revenues 2027 and DUoS Tariffs 2026/27 — Information Paper (CRU2026108, 29 July 2026), Appendix E (LEU Rebalancing); and CRU, Review of the Large Energy User Rebalancing Error (CRU2023106). ESB Networks identified that more than the approved amount had been passed to large energy users, over-charging domestic customers by €100.86m; CRU ceased the rebalancing framework from 1 October 2022, compensated domestic customers in full within 2023/24, and smoothed the LEU increase over 2023/24–2025/26. The framework originated in the 2011–2015 revenue decisions (CER/10/198 (distribution); CER/10/206 (transmission)).

29 <https://www.independent.ie/irish-news/householders-unknowingly-subsidised-big-businesses-electricity-bills-for-more-than-disclosed-600m/a/134078209.html>

30 <https://journal.econworld.org/index.php/econworld/article/view/113>

31 CRU approval letters to ESB Networks and EirGrid (CRU2026110, CRU2026113, CRU2026114, 29 July 2026) record specific allowance adjustments — revised cost estimates, and certain opex items (e.g. TSO/TAO data-exchange and Celtic interconnector opex) disallowed — aggregating, per CRU's decision and news release, to roughly €138m below the requests, with no named capital projects cancelled. The PSO levy reduction (circa 66%; domestic PSO to €0.51 per month) is not contained in any of these network-revenue publications: it is set under a separate statutory process and was announced separately on the same day.



DISCRETION NOT DUTY

The final point brought into focus by the most recent publications concerns the shape of the law itself. Everything this report describes — which box a cost goes in, when it is recovered, what it is called, who ends up paying — is possible because CRU holds *discretion*: the statutory room to decide one way or the other. The governing legislation does not tell the regulator to put consumers first. It tells it to weigh consumers alongside other goals, and does not prohibit consumer protection from being demoted in service of other interests. **When protecting consumers is one option a regulator may choose rather than a duty it must discharge, households are shielded when the balance happens to fall their way and exposed when it does not. The remedy is not to hope the discretion is exercised well from year to year, but to change what that discretion is anchored to.**

Discretion does not merely permit the socialising direction — the structure of the law makes that direction the path of least resistance



The governing legislation does not tell the regulator to put consumers first

Under the Electricity Regulation Act 1999³², CRU must perform its functions “in a manner which... protects the interests of final customers,” but that duty is then set beside a list of co-equal objectives the Commission must merely “have regard to” — promoting competition, meeting all reasonable demand, securing that the network companies can *finance* their activities, efficiency, security of supply, and renewable energy. The statute does not rank them. Consumer protection is one consideration among several, and it is framed as a matter for the regulator’s own judgment (“in a manner which the Commission *considers*...”). Financeability — the requirement that the networks be “capable of financing” their activities — is best served by admitting investment, recovering it securely, and spreading it across the broad, captive base: precisely the direction the cases in this report document. Consumer protection pulls the other way.

This is not a neutral design. When a regulator must balance several unranked objectives, case by case, inside technical proceedings, the balance predictably tilts toward the interests that are concentrated, well-resourced and present in every consultation, and away from the interest that is diffuse and thinly represented. The network companies whose financeability is a statutory objective, and the large users seeking capacity, arrive with engineers, lawyers and tariff models. The households whose protection is also a statutory objective arrive, if at all, as a general category. The “recurring direction” this report documents is therefore not mainly a story about individual decisions or personnel; it is the predictable output of a statute that gives consumer protection *parity* but not *primacy*. Discretion does not merely permit the socialising direction — the structure of the law makes that direction the path of least resistance. It is for this reason that the report recommends converting consumer protection from CRU discretion to statutory duty.

32 Electricity Regulation Act 1999, s 9

5. WHY THE PATTERN MATTERS: THE POLITICAL ECONOMY OF IRISH ELECTRICITY GOVERNANCE

If infrastructure is built partly in anticipation of data-centre demand, but its costs and the risk that the expected demand never arrives fall on a much wider group of consumers, what kind of economic relationship does the regulatory system create? The report approaches that question through three connected frameworks: the allocation of risk and reward, the insulation of distributive choices within technical decision-making, and energy justice. What unites them is a single premise — that who wins and who loses is not dictated by technology or by neutral markets, but follows from legal and political choices. Seen through them, network charging is never merely a way of recovering expenditure; it is also the mechanism that decides who finances infrastructure built for anticipated demand, who can influence the terms on which it is built, and who benefits if that demand arrives. The three sections that follow take each framework in turn, and on the evidence of the price review each answers those questions in the same direction — toward the mobile, private user and away from the captive household.

RISK-REWARD ASYMMETRY: PUBLIC RISK, PRIVATE REWARD

For a long time, political-economy scholars have studied a recurring arrangement: a system paid for by everyone carries the risk of an investment, while private firms keep most of the profit when it works out. Laplane and Mazzucato call this an unequal “risk-reward nexus” — the idea that the rules governing who invests also quietly decide who loses if the investment fails and who gains if it succeeds (Laplane and Mazzucato, 2019). The idea fits Irish electricity well: the network counts as “public” not because the State pays for it, but because it is paid for by all customers together, through charges on a monopoly network that no customer can refuse, avoid or walk away from.

In plain terms the theory asks a single question: when infrastructure is built on demand that is only expected, who pays if it never arrives, and who profits if it does? Here the answer runs the same way every time — the upside to the mobile and private, the downside to the captive and public.

The report’s look at how CRU uses its discretion in the price review bears this out. Infrastructure linked to future demand, reinforcement and general “system readiness” is, as a rule, treated as a shared cost for everyone rather than a cost charged to the large users whose expected demand created the need. The direction is consistent.

This matters most when the network is built ahead of the demand. Once a cost is accepted into the pool that customers repay, it is collected through their bills over many years, and they cannot escape it by changing supplier — they are, in effect, locked in. If the expected demand turns up, the connecting firms get ready-built capacity and reliable access, and the large users gain. If it turns up late, smaller, or not at all, the asset and its costs do not vanish: the leftover risk stays in the shared pool, and customers still pay. It is fair to say that this kind of uncertain spending usually comes with safeguards attached — funding released in stages, ceilings that

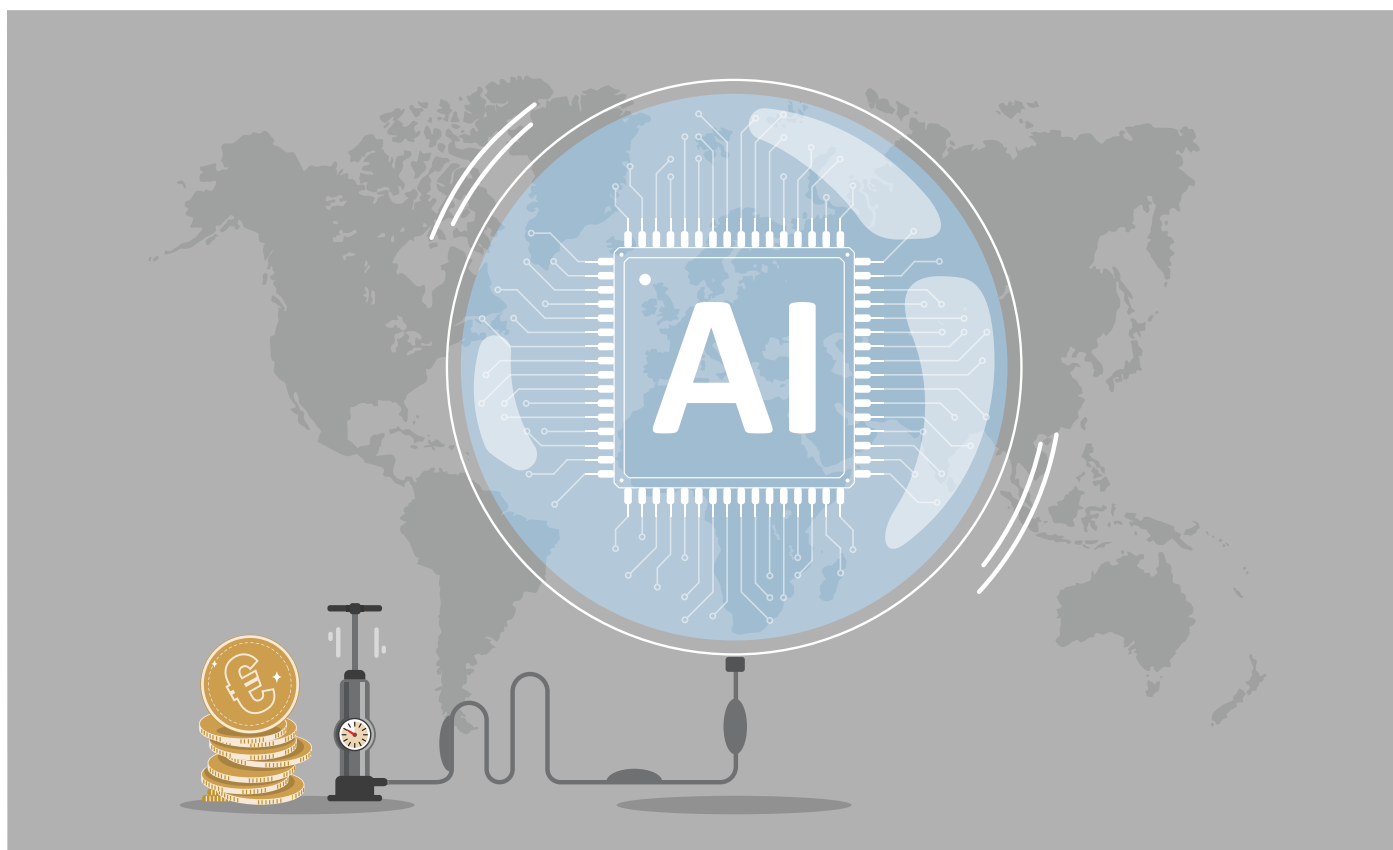
open only if demand appears, and powers to reopen the decision later. These tools can slow spending, demand more evidence, and stop an early allowance from becoming an automatic entitlement. They soften the imbalance, but they do not remove it. The key point holds: uncertainty is managed in a way that keeps the door to recovery open, rather than by keeping uncertain projects out of shared recovery, or by putting the risk on the users whose expected demand justified the spending in the first place.

The imbalance continues even after the costs are set, in what each side can do about them. Large users can often reshape when they draw power, sell flexibility back to the system, negotiate their connection terms, build their own on-site supply, or simply site their next project elsewhere. Households have far fewer options, and most are left paying broad, fixed charges they can do little to reduce. The structural point is blunt: **the people with the least say over the demand estimates that drive the spending also have the least ability to limit what those estimates later cost them.**

So the risk is shared out across everyone, while a large part of the reward is captured by private firms. Where uncertain infrastructure goes into broad, hard-to-avoid charges, the leftover risk lands on the captive customer base; where new capacity appears, its immediate value is concentrated among the users able to plug in and grow.

FORWARD RISK: WHAT AN AI SLOWDOWN WOULD DO TO BILLS

The cases above concern spending already decided. A distinct, forward-looking risk is worth flagging because it is specific to this moment: much of the current data-centre build-out rests on predictions of rapid AI growth, and those predictions are unusually uncertain — the International Energy Agency’s own scenarios for global data-centre electricity use more than double between their low and high cases (IEA, 2025).



An AI slowdown could become a household affordability problem - without any formal bailout of a tech company

That uncertainty matters because network assets are built over years and paid off over decades. Physical infrastructure does not shrink when the expected demand is revised down: a substation built for a large expected load stays in the ground even if the load arrives late or never, and unless the cost is written off or pinned to the large user by binding commitments, it is still collected from everyone else. This is not hypothetical — Simshauser and Akimov show how network investment built for expected growth in Australia left a rising cost base even as demand fell, pushing bills up and triggering disputes over whether over-optimistic spending should remain recoverable³³.

The consequence is that an AI slowdown could become a household affordability problem without any formal bailout of a tech company — because the cost would already be built into the bill. Firms can cut spending or move on; households cannot leave the network. That is the strongest reason to settle who carries boom-and-bust risk before any downturn: binding capacity commitments, take-or-pay terms, staged funding, recovery that begins only when capacity is used, and published rules for handling underused assets. The full report develops this scenario and the political-economy literature behind it.

A DISTRIBUTIVE CHOICE DRESSED AS A TECHNICAL ONE

The choice about who bears the cost is hard to challenge because it is never made in one clear decision. It is built up across several separate technical steps. Demand estimates shape assumptions about how the network should develop. Proposed works are then sorted into categories: connection assets, reinforcement, strategic infrastructure, or general system spending. A price review decides whether that spending is allowed, refused, or permitted only on conditions. Finally, the approved revenue is turned into tariffs and shared out among different groups of users. Each step looks reasonable on its own. The overall effect on who pays only becomes clear when you follow all the steps together.

This matters because the way the decision is described changes as it moves through the system. A large new connection may be obviously labelled as the reason for the work in a planning or connection document. But by the time the cost is being recovered, the same work may sit under broad headings like reinforcement, spare capacity, resilience, or “future readiness.” The reason for the spending hasn’t disappeared, but it has become much harder to find. Once the cost lands in a general use-of-system category, a consumer reading the tariff decision often can’t tell which demand the asset was built for, what alternatives were considered, or how much of the cost would have existed anyway without that large new demand.

Castlebaggot shows how this visibility gets lost. CRU’s 2025 proposed connection-policy decision says the station was originally meant to support housing, ease pressure on the Inchicore bulk supply point, help industrial development, and meet wider future demand — and it also records that almost all of its capacity ended up going to data-centre applications under the first-come, first-served rule³⁴. This doesn’t tell us the exact cost households end up paying. It shows something else: at the connection and planning stage, you can say plainly who is

³³ Simshauser and Akimov, 2018
³⁴ CRU, 2025

taking up the new capacity. If that fact isn't carried forward into the records that govern cost recovery, the public loses the ability to link the infrastructure decision to its effect on tariffs.

Slobodian's idea of "encasement" helps put a name to the institutional effect — though it shouldn't be read as proof of deliberate intent. Slobodian uses the term to describe how market arrangements can be protected from ordinary pressure to redistribute, by placing them inside legal and international institutions that sit apart from everyday democratic politics³⁵. The link to the single electricity market is this: liberalisation didn't abolish the state or remove political choice. It moved important choices into specialised regulatory processes built around ideas like efficiency, non-discrimination, investment certainty, adequacy, and cost-reflectivity. Described in those terms, a decision about who pays can look purely technical even while it is quietly doing distributive work.

OPEN ON PAPER, OPAQUE IN PRACTICE

Regulatory independence has good legal and economic reasons behind it. EU law requires national energy regulators to be functionally independent — able to decide without instructions from government or industry — while still being subject to court review and parliamentary oversight³⁶. Independence protects tariff-setting from short-term political pressure and gives long-term investment the stability it needs. The problem here is not independence itself. It is that independence, technical complexity, and scattered documentation can combine to weaken public scrutiny of decisions that have real consequences for who pays.

Publishing consultation papers doesn't fix this on its own, because being formally open and being genuinely open to challenge are not the same thing. Large users, network companies, and industry bodies can hire lawyers, engineers, and tariff specialists, take part in one consultation after another, and model how different methods would change what they pay. Ordinary households generally can't. Consumer groups may take part, but usually with fewer resources and less continuous access to the technical detail. A process that is open on paper can still be deeply unequal if the people who end up carrying the leftover costs lack the expertise to spot and challenge the choices being made. So accountability is also a problem of tracing cause: you can't debate a decision about who pays if the original demand driver vanishes into a broad category, the "what if we hadn't done this" comparison is never published, and no one ever shows who the charge actually falls on. Real transparency needs more than access to documents. It needs a clear, traceable explanation that links a cost to how it was classified, how it was recovered, and where it finally landed.

Industry bodies can hire lawyers, engineers, and tariff specialists, take part in one consultation after another... Ordinary households generally can't

ENERGY JUSTICE: DISTRIBUTION, PROCEDURE, RECOGNITION

Energy justice supplies a more precise normative vocabulary for evaluating the arrangement. The established framework distinguishes three dimensions — distributive justice, procedural justice and recognition justice³⁷. These categories do not mechanically generate a correct tariff.

³⁵ Slobodian, 2018

³⁶ Directive (EU) 2019/944, Article 57

³⁷ Jenkins et al., 2016

The issue is not whether CRU consults — it plainly does — but whether consultation corrects or reproduces the underlying asymmetry of resources

They identify the questions a defensible tariff methodology should be able to answer: how benefits and burdens are shared, whether affected groups can participate meaningfully, and whether their situations and interests are properly seen.

The distributive question concerns both the size of a burden and its avoidability. The absence of a precise household-bill impact does not make the allocation normatively irrelevant. The pattern the report describes places households repeatedly within broad, fixed and hard-to-avoid recovery structures, while large users retain greater capacity to differentiate or optimise their exposure. A system can generate distributive inequality even before the exact euro amount each user pays is known: if residual risks are assigned to those least able to avoid them, while the benefits of available capacity accrue to parties with greater financial and operational flexibility, the design raises a *prima facie* question of fairness.

Procedural justice asks whether consumers can participate on terms capable of affecting the outcome. The issue is not whether CRU consults — it plainly does — but whether consultation corrects or reproduces the underlying asymmetry of resources. Technical submissions on network planning, asset-base treatment, connection boundaries and tariff allocation demand sustained expertise. Where applicants and industry bodies can supply that expertise but household interests are represented only intermittently, or only at a general level, the process risks hearing the parties seeking capacity more clearly than the parties left exposed to its residual cost.

Recognition justice concerns whose needs are visible in the categories the decision-maker uses. Hyperscale demand is recognised when it supports demand estimates, connection applications and the case for expansion, yet it can fade from view once reinforcement is reclassified as strategic or system-wide expenditure. Households experience the reverse: their interests are invoked generally, through affordability or consumer-protection objectives, but at the recovery stage they appear mainly as an undifferentiated tariff base. The demand creating the pressure is specific; the population carrying the residual exposure is diffuse. Recognition justice draws attention to precisely this asymmetry in how the records name beneficiaries and burden-bearers.

The three dimensions reinforce one another. Weak recognition makes attribution difficult; weak attribution makes distributive effects hard to identify; and effects that cannot be identified are unlikely to attract meaningful participation. The resulting injustice is not reducible to a single high bill or an unlawful tariff. It lies in a structure that repeatedly gives greater exposure to the parties with least control over the underlying decision, while giving greater voice and adaptability to the parties best placed to protect their own interests.

WHAT THE ARGUMENT IS NOT — AND WHAT IT IS

This is not an argument against network investment, or against collective recovery as such. The problem is the *failure to distinguish* public-good assets from private-benefit ones before applying identical socialised terms. An interconnected system necessarily contains shared

assets, and reinforcement can produce benefits well beyond the user whose connection first made it necessary. A deeper applicant charge can itself create poor incentives, deter efficient connection, or unfairly require one user to fund infrastructure that others later use. EU law accordingly requires network and reinforcement charges to be cost-reflective, transparent and non-discriminatory, while taking account of network security and flexibility³⁸; and ACER treats cost causation as one principle to be balanced against efficiency, transparency, predictability and local system conditions³⁹

The claim is narrower, and turns on visibility and justification. Collective recovery should be the outcome of an explicit and reviewable judgment about common benefit, cost causation and risk — not the unexamined by-product of labelling infrastructure “strategic.” Where projected hyperscale demand materially shapes the scale, timing or location of investment, the regulator should identify that contribution, examine the no-project and delayed-demand counterfactuals, and explain why the chosen allocation is proportionate. Where infrastructure delivers genuine system-wide benefits, those benefits should be stated and evidenced. And where attribution genuinely remains uncertain, the uncertainty itself should be allocated openly, rather than allowed to settle silently on the captive tariff base.

These are choices, not technical necessities — and because they are dispersed across separate technical stages, their combined distributive effect is hard for the public to see or challenge. That is the practical case for the single reform this report presses: before a cost is recovered from the widest and least avoidable base, its source, its alternatives, its beneficiaries and who ultimately pays should be made visible.



³⁸ Regulation (EU) 2019/943, Article 18
³⁹ ACER, 2025.

6. WHAT SHOULD CHANGE: A SUBMISSION TO THE NETWORK TARIFF STRUCTURE REVIEW

This report is offered as a submission to CRU's Electricity Network Tariff Structure Review — the live, multi-annual process now reconsidering how network costs are turned into charges⁴⁰. Its single recommendation is easily stated: trace the source of a cost before you recover it from the wide, captive base of consumers. Before the cost of building for a few very large users is spread across everyone's bills, CRU should have to show what drove the cost, what the alternatives were, and who ends up paying — so that costs are shared by reasoned choice, in the open, rather than by default and out of sight. The specific measures are sorted below by where each one has to happen, because they do not all belong in the same place.

What the Review can and cannot fix. The Tariff Structure Review is the right forum for part of this, and the report supports it — but its reach has a limit worth being honest about. The Review works on tariff structure: how an allowed-revenue total, once fixed, is shaped into charges across user classes. That is downstream of the two stages where the cost is already socialised — revenue settlement, which decides how much enters the recoverable pot, and categorisation, which decides whether a cost is charged to the connecting user or spread across everyone. A tariff-structure review cannot un-socialise a cost that was labelled “shared system infrastructure” two stages earlier; it can only decide how the already-shared total is divided. So the Review can carry the cost-reflectivity and locational reforms below, but the decisive choices — attribution, and the risk on forward-built capacity — sit upstream in the price review, and the underlying fix sits in the law. The measures are therefore grouped by the process that can actually deliver each one.

In the Tariff Structure Review. Rebalance recovery away from the flat, non-avoidable standing charge that falls on households whatever they do, toward components that track who actually drives the cost. Apply demand-side locational and time-of-use signals in congested areas, so that where a large load is placed is priced rather than socialised — the location lever the tariff-design case shows is presently left to the large user and paid for by everyone. And

Before the cost of building for a few very large users is spread across everyone's bills, CRU should have to show what drove the cost, what the alternatives were, and who ends up paying

⁴⁰ The CRU re-commenced its Electricity Network Tariff Structure Review in 2025, having begun the work in 2020 and paused it in 2022 amid the energy-price crisis. The Review concerns the structure of electricity network tariffs — how allowed-revenue totals recovered through network charges are shaped into charges across user classes — and CRU envisages “a multi-annual programme of work which will be progressed in phases”, with Phase 1 setting the objectives, principles, scope, assessment framework and roadmap. Commission for Regulation of Utilities, The Electricity Network Tariff Structure Review — Information Paper (CRU, Publication 27401, 10 September 2025) <https://www.cru.ie/publications/27401/> accessed 6 August 2026; see also CRU, ‘Electricity Network Tariff Structure Review’ (CRU, News) <https://www.cru.ie/about-us/news/electricity-network-tariff-structure-review/> accessed 6 August 2026, and the consultation listing at <https://consult.cru.ie/en/consultation/electricity-network-tariff-structure-review> accessed 6 August 2026.

require cost-reflectivity to be demonstrated class by class, not asserted, so a charge said to be cost-reflective can be shown to be so.

In the price review. This is where a cost is first admitted and labelled, and where the decisive choices sit. Require a cost-attribution statement for every large load before its infrastructure enters shared recovery — naming the demand driver, the no-project and delayed-demand counterfactuals, and the split between directly attributable and genuinely shared works; where attribution is genuinely impossible, apply a stated default rule rather than sliding into shared recovery by default. Make high-case, build-ahead allowances genuinely conditional, released only on evidence of the demand that justifies them, so build-ahead is funded when it is needed, not before. And publish a distributional impact assessment, and utilisation-against-outturn data, with each review — so the household consequence is on the table when the choice is made, and the demand estimates can later be checked against what actually happened. This extends CRU's own emerging practice: the 2027 annual decisions already required greater disaggregation, explanations of movements and clearer sign-off; the missing step is to ask not just how revenue changed, but whose demand made the investment necessary.

Publish a distributional impact assessment so the household consequence is on the table

In the connection-charging framework. Formalise the boundary between connection and reinforcement cost, so that a large user funds a fair share of the reinforcement its connection makes necessary rather than passing it to the shared base. CRU's December 2025 data-centre connection policy tightened who may connect and required large users to bring their own generation or storage, but on CRU's own account it did not touch cost-causation or who pays for reinforcement — so this boundary is precisely the gap that policy left open. And give consumers formal standing in large-load connection proceedings, where today the applicant is heard and the bill-payer, who carries the residual cost, is not.

In legislation. The measures above improve how the discretion is exercised; they do not change what it is anchored to — and, as the recent decisions show, a discretion that can move either way will.

The remedy is not to abolish discretion; regulators need judgment to run a complex system. It is to change its *default*. A statutory *primary duty* to protect the interests of existing and future consumers — to which the other objectives are subordinate where they genuinely conflict — would do three things the current framework does not. It would reverse the burden: socialising

Give consumers formal standing in large-load connection proceedings, where today the applicant is heard and the bill-payer, who carries the residual cost, is not

Denise Mitchell TD, Lynn Boylan MEP and Cllr Edel Moran
at a data centre in Clonshaugh Business & Technology Park



uncertain, forward-built cost onto the captive base would have to be justified against a binding consumer-protection standard, not merely shown to be one defensible balance among many. It would make the choice reviewable: a primacy duty gives the courts, the Oireachtas and the public a benchmark against which a decision can actually be tested. And it would compel the very traceability this report calls for — because a regulator cannot demonstrate that an allocation protects consumers' interests without identifying the demand driver, examining the counterfactual, and showing where the cost falls.

THIS IS A CHOICE A LEGISLATURE CAN MAKE

It is not a radical or untested idea. The United Kingdom, operating within the same EU-derived market model, deliberately made consumer protection the *principal objective* of its energy regulator: Ofgem's overriding statutory duty is to protect the interests of existing and future consumers, with other matters subordinate⁴¹. EU law does not stand in the way. It requires national regulators to pursue a set of general objectives that already include a high level of consumer protection ([Directive \(EU\) 2019/944, Art 58](#)), but it sets a floor, not a ceiling: a Member State remains free to elevate consumer protection above the other goals in its own law.

The phrase “existing *and future* consumers” matters, and connects directly to the intergenerational problem the case studies expose. A duty framed only around today's bill-payers would miss the temporal dimension — the commitment of tomorrow's consumers to

41 Electricity Act 1989, s 3A, inserted by the Utilities Act 2000

[The British regulator's] overriding statutory duty is to protect the interests of existing and future consumers, with other matters subordinate. EU law does not stand in the way

assets built and recovered over decades. A duty owed to existing *and* future consumers requires the regulator to weigh both, which is precisely the judgment that forward-built infrastructure recovered over decades (Tonn Nua being the clearest example) demands.

The report's findings are, in the end, findings about the shape of the law. Discretion, exercised across fragmented technical stages under a statute that ranks nothing, allowed a consistent socialisation of risk onto those least able to see or contest it. Transparency reforms help, but they operate downstream of the discretion. Only a change in the law's default — a primary duty to protect the interests of existing and future consumers — can reliably realign the direction of that discretion. The recommendation is therefore not that CRU should decide differently, but that it should be *required* to: that consumer protection be made the objective the others must yield to, rather than one of several a regulator is free to balance away.

A sensible sequence follows the Review's own timeline. Feed the cost-reflectivity and locational measures into the Tariff Structure Review now; fix the evidence base in parallel, with an independently reviewed cost-causation method and the reporting measures; pilot the attribution and conditional-allowance reforms on new capacity in the next price review, with published counterfactuals and a review after one tariff year; pursue EU-level cost-causation guidance on capacity and deep-connection charging using that evidence; and legislate the primary duty as the backstop that holds the rest in place. The aim is not to maximise charges on any sector. It is to allocate genuinely incurred costs and risks on a transparent, proportionate and legally defensible basis, and to let the public see the choice being made — which is what a tariff-structure review, conducted in the open, is for.

Only a change in the law's default — a primary duty to protect the interests of existing and future consumers — can reliably realign the direction of that discretion

7. CONCLUSION

The finding of this report is institutional. CRU made a sequence of lawful choices, at four connected stages of the price review, that together resulted in costs being shifted to ordinary households. At each stage, (revenue settlement, cost categorisation, tariff design and allocation), a genuine alternative was open that would have shared cost and risk differently. At each stage the choice ran the same way: demand-driven investment confirmed early and largely in full, categorised as shared system infrastructure, recovered through charges households cannot avoid, and spread across decades and across the captive consumer base. The risk that the forecast demand arrives late, or never, was placed on those least able to carry it or circumvent it.

Distilling these four stages, an older pattern appears: public infrastructure, private advantage. The benefit of building ahead of need, guaranteed capacity, ready the moment a large user wants to connect, is captured by the users whose forecasts justify the build. The risk that the forecast is wrong is carried by consumers, who begin paying into the asset the moment it enters the regulated asset base, whether or not the demand ever arrives, and who cannot evade the charge. The mobile and the private take the upside (hyperscale data-centre operators, which can choose where to build, scale their load up or down, and manage the charges they pay); the captive and the public (households tied to a meter they can neither move nor negotiate) absorb the downside. A framework built for public infrastructure ends up underwriting private commercial expansion on the very same socialised terms.

This is a question of justice before it is a question of euros. Energy justice is concerned with three key issues: who bears the cost, who can take part, and whose situation is recognised. Each case points the same way. Households carry the least avoidable charges and have the least capacity to avoid them, while large, sophisticated users hold the levers that actually lower a bill and the expertise to work the consultations where charges are set. And the demand driver named plainly in planning and government records goes unnamed in the records that decide recovery. An arrangement that gives the most exposure to those with the least ability to respond, and the most room to manoeuvre to those with the most, is already raising a question of fairness, before a single household's bill is calculated.

A final criticism to be levied against the regulatory system discussed here is that the settlement cannot be traced. The demand driver is named where the spending is justified and disappears where the cost is recovered. As a result, it is very difficult for independent observers to show how much of a household's bill funds that growth. A cost that cannot be traced cannot be scrutinised, challenged or fairly apportioned. The remedy is modest in principle and far-reaching in effect: trace before you recover. Before the cost of building for a handful of very large users is spread across everyone, CRU should have to show what drove it, what the alternatives were, and who ends up paying. None of this argues against investment in the grid. **It argues that decisions dressed up as technical necessity are really decisions about who pays. And as things stand, the answer is the household, while some of the world's largest and richest companies, free to build anywhere, take consumer-funded capacity built ahead of demand and carry little of the risk that the forecast is wrong. A system that can approve and recover billions of euro should be able to explain, in public and in euro, why a household on a fixed meter and not the global corporations whose forecasts justified the build, is burdened with so much of the bill.**

BY DESIGN, NOT BY DEFAULT

HOW THE EU GIVES REGULATORS THE DISCRETION
TO SOCIALISE THE COST OF DATA-CENTRE EXPANSION -
A CASE STUDY OF IRELAND



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