



An Bille Leictreachais (Soláthar) (Leasú), 2025
Electricity (Supply) (Amendment) Bill 2025

Meabhrán Miniúcháin
Explanatory Memorandum



AN BILLE LEICTREACHAIS (SOLÁTHAR) (LEASÚ), 2025
ELECTRICITY (SUPPLY) (AMENDMENT) BILL 2025

EXPLANATORY MEMORANDUM

Introduction

The Electricity (Supply) (Amendment) Bill 2025 will provide for an increase to the statutory borrowing limit of ESB; the issuance of additional capital stock by ESB up to the value of €1.5bn which will be fully subscribed to in accordance with the provisions of this Bill by the Minister for Climate, Energy and the Environment and the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation; and will enable ESB to make a concomitant capital stock issue to the trustees of the Employee Share Ownership Plan.

Provisions

The Bill is divided into 5 sections.

Provisions of the Bill

Section 1 (Definitions)

This section provides for the relevant definitions.

Section 2 (Amendment of section 4 of Electricity (Supply) (Amendment) Act 1954)

This section amends section 4(4) of the Electricity (Supply) (Amendment) Act 1954 to provide for increasing the statutory borrowing limit of ESB from €12bn to €17bn.

This increase in ESB's statutory borrowing limit is necessary to facilitate the borrowing needed for ESB to carry out the proposed €13.4bn PR6 Energy Grid Investment Programme.

Section 3 (Amendment of section 2 of Electricity (Supply) (Amendment) Act 2001)

This section amends section 2 of the Electricity (Supply) (Amendment) Act 2001 by inserting new subsections:

- (5) to provide for the issuance of capital stock by ESB in return for payment up to the value of €1.5bn and that 90% of such stock shall be issued to the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation and 10% of such stock shall be issued to the Minister for Climate, Energy and the Environment,
- (6) to provide for the procedure for the Minister for Finance to make payment to ESB up to the value of €1.5bn for the capital stock from the Central Fund, and

- (7) to enable ESB to make a concomitant capital stock issue to the trustees of the Employee Share Ownership Plan should the trustees choose to participate, in order to maintain their current shareholding percentage.

The issuance of capital stock by ESB as provided for in this section will be the mechanism used to provide ESB with an equity injection of €1.5bn to part finance the delivery of the PR6 Energy Grid Investment Programme. This section also provides the option to the trustees of the Employee Share Ownership Plan to participate in the stock issuance in return for payment to maintain their current shareholding.

Section 4 (Amendment of section 11 of Electricity (Supply) (Amendment) Act 2001)

This section amends section 11 of the Electricity (Supply) (Amendment) Act 2001 to insert a reference to the Minister of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation in relation to expenses incurred in the administration of the Act.

Section 5 (Short Title, Collective Citation and Construction)

This section contains standard provisions outlining the short title of the Bill and its collective citation.

Impacts

Jobs

The investment by Government in the electricity grid will ensure several hundred additional jobs will be created within ESB, as well as through subcontractors, to support the delivery of new transmission infrastructure.

Rural Communities

Rural communities will benefit significantly from the reinforcement and upgrading of the electricity distribution network from a security of supply perspective. In addition, RESS and ORESS supported projects are required to establish local community benefit funds, which will be used for the sustainable environmental, economic, social and cultural well-being of the local community.

Competitiveness and Industry Costs

This investment supports the major transformation of the energy system, to improve energy security and resilience, and to support the connection of new demand and supply - both renewable and dispatchable. While the equity injection in of itself does not directly lower electricity prices, it will ensure that ESB is well capitalised, maintains its credit rating and therefore can borrow at the most competitive rates.

SMEs

This Bill is focused specifically on equity investment in ESB to support the transformation of the electricity system and has no direct impact on SMEs. In addition to the competitiveness and industry impacts the infrastructure that this investment in equity underpins, it will create opportunities for SMEs throughout the construction phase in addition to the longer-term benefits that will arise.

North-South, East-West Relations

The PR6 investment programme, which will be supported by this equity investment includes the construction of the North-South interconnector, a critical piece of infrastructure which will further connect the two electricity networks and assist in lowering curtailment on the grid.

Climate

This investment will contribute to the development of Ireland's electricity infrastructure required to support the delivery of the renewable energy system and the commitment to achieve 80% renewable electricity by 2030 under the Climate Action Plan. It will assist Ireland in meeting its national and European targets on renewables, energy efficiency, electrification of heat and transport, in addition to improving resilience against future weather events.

There are no impacts for Poverty; Gender Equality; Quality Regulation or People with Disabilities.

Financial Information

The cost to the Exchequer will materialise at the point when €1.5bn is transferred from the Exchequer to ESB; this will likewise be reflected in the General Government Balance when received by ESB. This is expected to be in December 2025 subject to the Bill being enacted by 28th November 2025.

*An Roinn Aeráide, Fuinnimh agus Comhshaoil,
Deireadh Fómhair, 2025.*

