

Joint Committee on Housing, Local Government and Heritage

Tuesday 13 June 2023

ESB Networks

Electricity infrastructure provision and connection of residential developments

Introduction

Cathaoirleach, members of the Committee, thank you for the invitation to today's meeting. My name is Nicholas Tarrant, and I am the Managing Director of ESB Networks. I am joined by my colleague Alan Rossiter, who is responsible for three of our six regions across Ireland and is heavily involved in delivery of housing connections as part of our wider programme of work. We welcome the opportunity to speak to you today on electricity infrastructure, the key role that ESB Networks plays in the connection of housing and enabling the delivery of the Government's Housing for All targets. I am going to briefly introduce ESB Networks and cover some summary points on our housing connections.

1. ESB Networks is part of ESB Group, a commercial semi-state company, which is overseen by an independent regulator, the Commission for the Regulation of Utilities (CRU) since 1999.
2. ESB Networks works to meet the needs of all 2.4m Irish electricity customers. We do not generate or sell electricity. Our role is to design, build, own, operate and maintain the electricity distribution network and, as transmission asset owner, to design, build and maintain the onshore electricity transmission network. There is approximately 180,000 km of electricity network across Ireland.
3. Our capital expenditure in 2022 was €869m across all our work programmes, including network connections. This is part of an overall €4.4b investment programme under our Price Review 5 (PR5) regulatory contract set by CRU in 2020 for the period 2021-25.
4. We have approximately 3,600 employees. This is a number that is increasing as we have a growing programme of work to meet the needs of the country and all electricity customers. We recruited 209 people in 2022, 223 so far in 2023 and we have doubled our Network Technician apprenticeship intake to 96 per year. The delivery capability of our line & electrical contractor partners is also growing in parallel and has grown 85% over the past 12 months.
5. We are committed to continuing to grow our delivery capability to enable any further increases in housing connections over the years ahead. Our previous record year for new domestic and business connections was 105,000 in 2006.
6. We have a central role in the delivery the Climate Action Plan 2023 by connecting renewable generation, enabling the electrification of heat and transport and in other areas such as electricity demand flexibility, enabling the home retrofit programme and installing smart meters across Ireland.
7. We launched our Networks for Net Zero Strategy in January 2023, and this aligns fully with the CAP23 targets, and it sets out for future plans to help deliver Net Zero for Ireland.

8. In 2022 we completed over 33,800 domestic connections in addition to over 5,000 business connections. Further details are provided later in this submission. This was an increase of 36% when compared to 2021. In the first five months of 2023, we completed over 12,700 new domestic connections to the electricity network.
9. As a result of the Russian invasion of Ukraine, the global supply chain shortages presented a significant challenge to ESB Networks in 2022/2023. ESB Networks worked closely with our supply chain partners to increase supplies and seek alternative sources to enable a strong housing connection delivery outturn for 2022. This continues to be a risk in 2023 based both on the war in Ukraine and the growth in electricity infrastructure investment worldwide.
10. The nature of housing connections has changed as more electrical capacity is required for new housing to cater for the increased demand from heat pumps and electrical vehicle charging. We increased our specification by 120% in 2019 to futureproof housing connections and, at the end of 2022, approximately 50,000 homes were connected based on this revised standard.

We engage with stakeholders and customers nationally to collaborate with them to deliver this programme of work. Further details on our stakeholder engagement can be found later in our submission. The provision of infrastructure and electricity network connections for housing has always been a key area for our business and will continue to be for the future.

Wider societal support for building of new electricity infrastructure is going to be critical for the enabling of both the delivery of the targets in Climate Action Plan 2023 and for the provision of electricity connections for housing. That is the end of our introduction Cathaoirleach, and with that I will hand back to you, and we are happy to take any questions from the committee.

Housing Connections Delivery

ESB Networks is divided into six geographical regions. These are shown in the attached map. Our connections are categorised based on connection type. G1 connections are for large developments and are split between apartments and housing schemes. Rural domestic connections are typically for one off homes in rural area. We classify these as G2 connections. These include a number of connection types that do not classify as new dwellings. These include family apartments (granny flat maisonettes), properties that have reconnected after being disconnected for greater than two years and require a new Meter Point Registration Number (MPRN), and it also includes new farm connections below a certain threshold. In total these three categories accounted for 36% of G2 connection numbers in 2022.

The overall delivery for 2022 and 2021 shows an increase of 51% in G1 connections for year-end 2022 versus 2021. We have also delivered an overall increase of 36% in the combined total of multi-unit and one-off domestic connections. Apartments were up 74% on 2021. The growth was most significant in Dublin and along the east coast, which are covered by our North-East and South-East Regions. Our regions are shown in our Map in the Appendix of this submission.

Region	Connection Type	2022 Total	2021 Total
Central	G1 Apartments	480	266
	G1 Housing Scheme	2,611	1,700
	G2 Rural Domestic	1,654	1,577
Central Total		4,745	3,543
North-East	G1 Apartments	2,140	1,900
	G1 Housing Scheme	4,757	3,606
	G2 Rural Domestic	1,117	1,158
North-East Total		8,014	6,664
North-West	G1 Apartments	345	214
	G1 Housing Scheme	1,180	885
	G2 Rural Domestic	1,909	1,874
North-West Total		3,434	2,973
South-Central	G1 Apartments	319	176
	G1 Housing Scheme	1,452	1,204
	G2 Rural Domestic	1,427	1,338
South-Central Total		3,198	2,718
South-East	G1 Apartments	5,921	2,865
	G1 Housing Scheme	3,212	1,931
	G2 Rural Domestic	923	879
South-East Total		10,056	5,675
South-West	G1 Apartments	580	198
	G1 Housing Scheme	2,329	1,841
	G2 Rural Domestic	1,458	1,256
South-West Total		4,367	3,295
Grand Total		33,814	24,868

Table 1 Housing Connections 2021 and 2022

Presenting the 2022 domestic connections quarter by quarter, the highest quarter was Q4 2022.

New Connections Completed January to December 2022					
Connection Type	Q1	Q2	Q3	Q4	Grand Total
G1 Large Developments, Apartments	1,815	2,516	2,560	2,894	9,785
G1 Large Developments, Housing Schemes	2,895	4,010	3,696	4,940	15,541
G2 Single Dwellings	1,870	2,032	2,296	2,290	8,488
Grand Total	6,580	8,558	8,552	10,124	33,814

Table 2 2022 New Domestic Connections by Quarter

For 2023 year to date, new domestic connection delivery is shown in Table 3.

New Connections Completed January to May 2023						
Connection Type	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Grand Total
G1 Large Developments, Apartments	809	712	1,057	542	584	3,704
G1 Large Developments, Housing Schemes	891	1,156	1,203	1,166	1,639	6,055
G2 Single Dwellings	478	559	629	608	698	2,972
Grand Total	2,178	2,427	2,889	2,316	2,921	12,731

Table 3 New Domestic Connections for 2023 to end of May

The trends we are seeing in new connections in 2023 are as follows:

Large Development Connections (G1):

Large Developments consist of connections to two or more housing units. We classify these as G1 connections.

- In Q1 2023, completed connections for Apartments (2,578) increased by 42% versus Q1 2022 (1,815).
- Completed connections for Housing Schemes (3,250) were up 12% on the same period last year (2,895).
- To end of May 2023, the overall increase in G1 connections on same period 2022 was 7%.

Rural Domestic Connections (G2):

Rural Domestic Connections are typically for one off homes in rural Ireland. We classify these as G2 connections.

- For Q1 2023, single rural domestic connections (1,666) decreased by 10% on the same period last year.
- To end of May 2023, single rural domestic connections (2,972) decreased by 8% on the same period last year.

Engagement with Housing-related Stakeholders

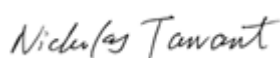
- ESB Networks fully supports the “Housing for All” Government initiative which plans to ensure 300,000 new social, affordable, cost rental and private homes are built by 2030. We have put resource plans in place to ensure that we meet the Government’s projections. We will adapt and scale our delivery capability to meet any changes in targets.
- ESB Networks has regular meetings with both the Construction Industry Federation (CIF) and its associated organisation, the Irish Home Builders Association (IHBA). In this context, ESB Networks meets with both the Executive and the Council of the IHBA to exchange views and work on any enhancements that may be required to improve the delivery of new connections.
- ESB Networks collaborates with Local Authority stakeholders including County Chief Executives and relevant Directors of Service. ESB Networks’ Area Managers liaise regularly with their counterparts in Local Authorities.
- The following gives a sample of our engagements:
 - Land Development Agency to discuss their needs for electricity infrastructure.
 - Office of Public Works to progress modular housing.
 - Local Government Management Agency, The Irish Council for Social Housing, and Approved Housing Bodies to present our connections process and overview of our new connections delivery.
 - Private Housing Developers to plan and coordinate work, both short term and multi-year.
 - Quarterly meetings with Road Management Office (RMO) to discuss road opening licences and reinstatements.

Conclusion

ESB Networks is fully focussed on meeting domestic new connections growth targets as outlined in both “Housing for All” and the National Development Plan 2021 - 2030. While delivering on these targets, we are delivering electricity connections for business to support a growing economy.

We are also building and maintaining our network to allow for major increases in renewable connections while also enabling the progressive electrification of the heating and transport sectors. These are fundamental to delivering CAP23 and Ireland’s Net Zero targets.

The requirements for housing, a growing economy and delivering on CAP23 will require major and sustained investment in the electricity network. This can only be achieved by having skilled people, a robust supply chain, and public support for the growing programme of work over the years ahead.



Nicholas Tarrant
Managing Director
ESB Networks

Appendix

Regional Map with associated 34 Customer Planner Groups

