Driving Competitiveness, Delivering Climate Action: Ireland's European Council Presidency Agenda for Energy

24/09/2025

Contact Email: john.bourke@windenergyireland.com

Executive Summary

Ireland will hold the Presidency of the Council of the European Union in 2026 at a critical moment for Europe's energy future.

Energy costs in Europe are far higher than in the US or China, holding back competitiveness and leaving families and businesses exposed to volatile fossil fuel prices. Clean, homegrown, renewable electricity is the solution - but progress is held back by delays, outdated rules and insufficient investment in infrastructure.

Wind Energy Ireland argues that Ireland should use its Presidency to lead on four priority areas that will unlock cheaper, cleaner, energy for Ireland and the EU:

1. Upgrade Europe's Electricity Grids

Challenge: Grid bottlenecks are the single biggest obstacle to renewable energy deployment. In Ireland, delays such as the North–South Interconnector show how weak grids drive up prices and increase fossil fuel dependence.

Solution: Ireland should champion a strong European Grids Package with binding timelines for grid permits, anticipatory investment in cross-border projects and better access to EU funding. This would unlock renewable projects, lower costs and strengthen Europe's energy security.

2. Accelerate Electrification

Challenge: Heat, transport and industry are not electrifying fast enough. Outdated tariffs and rigid grid rules make it harder to adopt clean technologies like EVs and heat pumps.

Solution: Ireland should push for dynamic electricity pricing, flexible connection rules and integrated planning across electricity, hydrogen and gas networks. This would cut fossil fuel imports and support a competitive clean economy.

3. Speed Up Permitting

Challenge: Renewable projects face long delays due to slow permitting systems across Europe.

Solution: Ireland should host a high-level EU conference on permitting best practice, promote one-stop shops, digital platforms and ensure Member States fully implement the EU's permitting rules (RED III). This would mean faster delivery of projects, lower costs and stronger public confidence.

4. *Embed Flexibility in the Energy System*

Problem: Without storage and demand-side flexibility, clean energy is lost and prices are volatile.

Solution: Ireland should lead on implementing EU flexibility assessments, promote investment in storage and demand response, and shape Europe's future market design. This would ensure more reliable and affordable electricity, lower curtailment of renewables and increased energy resilience.

1 Introduction

The European Commission has identified innovation, decarbonisation and reducing import dependencies as the three most vital issues to address for Europe to regain its competitiveness. The Draghi Report on the *Future of European Competitiveness* identified the key challenge facing European industry when electricity prices across Europe are, on average, 2-3 times higher than in the United States and China; and higher yet again in Ireland.[1] Ensuring low electricity costs through electrification with clean energy and modern grid infrastructure are the main objectives of the Clean Industrial Deal and the Action Plan for Affordable Energy.

Ireland must use its European Council Presidency as a platform to demonstrate leadership in clean technology deployment, whilst advancing practical solutions at home – notably on infrastructure delivery and the price of electricity for families and businesses.

As a European leader in onshore wind development, Ireland has a unique opportunity to shape the future of EU energy policy. In 2024, wind energy provided one-third of Ireland's electricity needs. This clean, indigenous energy source is not only reducing emissions but also saving consumers money. Between 2022-2024 Irish wind farms cut spending on imported fossil fuels by €3.3 billion and spending on carbon credits by €968 million while, across the island of Ireland, displacing 6.7 billion cubic metres of fossil gas.[2]

Research earlier this year from Baringa demonstrates that since 2000 renewable energy has – conservatively – saved electricity consumers nearly €1 billion. Between 2020 and 2023 alone, at the height of the energy crisis and the COVID-19 pandemic, renewable electricity cut bills by an average of €320 per person.[3] However, to unlock the potential of renewable energy, key barriers must be addressed. Constraints on the electricity grid, delays in permitting, and lack of investment in flexible and enabling infrastructure – including batteries

[1] The Draghi Report
[2] Cutting Carbon, Cutting Bills Report
[3] Good for your Pocket – How renewable energy helps Irish electricity consumers

and Long-Duration Energy Storage (LDES) – are limiting the market value of renewable electricity.

As Ireland prepares to assume the EU Council Presidency in 2026, there is a strategic opportunity to lead a European agenda that supports competitiveness by removing these bottlenecks.

Ireland has demonstrated significant leadership and credibility in the clean energy transition, underpinned by pioneering initiatives such as the Delivering a Secure, Sustainable Electricity System (DS3) Programme, which enables the integration of up to 75 per cent non-synchronous renewable generation on the grid among the highest globally.[4] Additionally, the Enduring Connection Policy (ECP) has streamlined access for renewable projects to connect to the grid, providing long-term certainty for developers and accelerating decarbonisation.[5] These initiatives showcase Ireland's technical expertise, regulatory innovation and successful delivery of complex system changes.

With this proven track record, Ireland is well-positioned to lead Europe's clean energy transformation during its 2026 EU Presidency, while also securing economic and climate resilience at home.

Summary of Key Priorities

Priority	Relevant Policies	Presidency Action	EU Benefit
Advancing the European Grids Package	Grids Package TEN-E Regulation Recovery and Resilience Facility	Secure agreement on grids legislation with strong governance and permitting reform.	Faster deployment, lower curtailment, lower prices.
Advancing Electrification	Electrification Action Plan Guidance on Network Tariffs	Back tariff reform and flexible connection rules.	Decarbonisation, competitiveness, lower fossil fuel imports.
Accelerating Permitting	REDIII Omnibus Package	Organise a two-day conference on Accelerating Permitting for Renewable Energy.	More renewables delivered on time, public confidence.
Embedding Flexibility	Electricity Market Design Flexibility Needs Assessments	Prioritise early delivery of Ireland's National Flexibility Needs Assessment. Engage in Union wide FNA and Future Market Design Discussions.	Higher penetration of renewable electricity and greater energy security.

[4] EirGrid, DS3 Programme
[5] ESBN, Enduring Connection Policy

2 Priorities

Priority 1: Advancing the European Grids Package

The Problem: Grid Infrastructure is Holding Back Europe's Energy Transition

Grid infrastructure is the single greatest constraint on scaling up renewable energy across the EU. While renewable generation has grown rapidly, investment in transmission and distribution systems has lagged behind. The European Commission's Competitiveness Compass recognises this directly, noting that investing in Europe's grids is vital to building a Net-Zero system.[6] This problem is particularly acute in Ireland. Projects like the long-delayed North-South Interconnector illustrate how insufficient grid capacity undermines decarbonisation, affordability and energy security.

The consequences are especially evident in energy prices. At the height of the 2022 energy crisis, gas set the electricity price 63 per cent of the time in the EU, even though it made up only 20 per cent of generation. In Ireland, gas determined the price 80 per cent of the time, despite generating just 40 per cent of electricity.[7] These imbalances expose Ireland to higher costs and greater market volatility.

The European Grids Package, as announced in the Action Plan on Affordable Energy, will strive to further improve transmission and distribution network planning, speed-up permitting, improve cost-sharing, boost innovation and support supply-chains. The European Commission will also continue to assist Member States and stakeholders to find innovative new ways to finance grid infrastructure, including anticipatory investments.

What Ireland Should Do During Its EU Presidency

Ireland's Presidency in 2026 offers a timely platform to lead on the European Grids Package, expected from the European Commission in late 2025. A successful outcome will depend on aligning Member States around new legislation and driving institutional and funding reforms. Wind Energy Ireland recommends the following actions for Ireland's European Council Presidency to support the European Grid's Package:

1. **Champion Grid Legislation with Binding Permitting Timelines**
   Ireland should lead negotiations to include binding deadlines for permitting grid infrastructure in the European Grids Package. It should also advocate for extending

[6] Competitiveness Compass for the EU
[7] JRC Report, The Merit Order and Price-Setting Dynamics in European Electricity Markets

priority status to Projects of Common Interest and ensure electricity storage and hybrid connections benefit from fast-track procedures.

2. **Lead on Long-Term Grid Planning and Anticipatory Investment:** Ireland should push for reforms that embed anticipatory investment into EU grid planning, particularly through a strengthened TEN-E Regulation. This includes promoting improved cross-border coordination and aligning infrastructure development with projected energy system needs.
3. **Align and Strengthen EU Funding for Grid Infrastructure:** Ireland should promote better alignment and accessibility of EU funding tools such as the Connecting Europe Facility, the Recovery and Resilience Facility, and the Innovation Fund for grid projects. This includes calling for dedicated funding streams under the EU ETS Innovation Fund for advanced grid technologies. Ireland should also push to ensure that the Multiannual Financial Framework will provide additional, and accessible, funding to invest in reinforcing Europe's electricity system.
4. **Lead on the creation of an Important Project of Common European Interest (IPCEI) focused on electricity grid infrastructure (see page 10):** This would help unlock large-scale investment in next-generation grids and support deep cross-border integration of clean electricity systems.[8]

Benefits for Ireland and the EU

Advancing the European Grids Package will bring significant benefits for consumers. For Ireland, this strategy directly addresses one of the root causes of our high electricity prices and overreliance on imported fossil fuels. Improved grid infrastructure will also unlock the full potential of domestic renewables, reducing dispatch-down and strengthening energy security.

At the EU level, stronger grids will accelerate the path to climate neutrality, enable affordable access to clean energy and finally deliver on the long-standing political goal of a genuine Energy Union. Better cross-border planning and governance will also enhance Europe's strategic autonomy in energy.

Ireland has the credibility and experience to lead this agenda. The 2026 Presidency is a chance to not only shape Europe's energy future but also secure economic and climate resilience at home.

[8] Important Projects of Common European Interest (IPCEI)

Priority 2: Advancing Electrification

The Problem: Barriers Are Slowing the Transition from Fossil Fuels to Clean Electricity

Electrification of heat, transport and industry is essential for reducing greenhouse gas emissions and unlocking the full potential of domestic renewable energy. Transitioning to electric heating systems such as heat pumps and electric vehicles enables greater direct use of renewable electricity. This local consumption is key to reducing the dispatch-down of renewable generation caused by network constraints. Analysis by Cornwall Insight shows that electrification could cut renewable dispatch-down by over 50 per cent in 2030, ensuring that more of the green energy we produce is used rather than wasted.[9]

Electrification is a cornerstone of the Clean Industrial Deal, which aims to increase the economy-wide electrification rate from 21.3 per cent today to 32 per cent by 2030. This transition is underpinned by key legislative initiatives including the European Grids Package, the Action Plan on Affordable Energy and the Industrial Decarbonisation Act.

However, the pace of electrification remains too slow. Ireland Electrified, a coalition focused on this transition, has identified several critical barriers:

- Electricity pricing structures (especially network charges);
- Grid connection policy;
- Underinvestment in enabling infrastructure; and
- Lack of public awareness.[10]

While grid investment is covered under Priority 1, this section focuses on the remaining obstacles – pricing, connection policy, and enabling regulation.

Today's electricity pricing structures fail to incentivise demand-side flexibility, resulting in wasted renewable energy and greater reliance on fossil fuels. Meanwhile, rigid grid connection policies limit the ability of consumers and industry to adopt flexible, clean energy solutions at scale.

What Ireland Should Do During Its EU Presidency

Ireland's EU Council Presidency offers a strategic moment to drive the delivery and implementation of the forthcoming Electrification Action Plan (expected in Q1 2026) and lead on reforming the legislative and regulatory conditions necessary to accelerate electrification. Wind Energy Ireland recommends the following actions in support of the Electrification Action Plan:

[9] Ireland Electrified – Incentivising Electrification in Ireland modelling results
[10] Ireland Electrified, Electrification Barriers

1. **Advocate for Electricity Pricing Reforms that Enable Flexibility:** Ireland should support EU reforms that align electricity pricing with system needs, including the adoption of dynamic pricing models and updated network charges by remedying the limited availability of dynamic-price contracts where smart meters are deployed and replacing flat, purely volumetric, network charges with cost-reflective, time-varying, tariffs that reward demand shifting. These measures should reward smart consumption and encourage demand during periods of high renewable generation, in line with best practices identified by ACER.[11] While pricing policy is set nationally, Ireland can also lead here by example in working with industry between now and the Presidency to reform our electricity pricing system to deliver better value to consumers and to incentivise electrification.
2. **Prioritise Implementation of Flexible Connection Policies:** Ireland's Presidency should champion the rollout of flexible connection frameworks under Directive (EU) 2024/1711. A guidance document has recently been prepared by the European Commission outlining how Members States should implement flexible connections, encouraging reduced network charges for non-firm generators.[12] These policies are key to integrating electrified heat and transport cost-effectively, helping unlock demand-side flexibility and accelerate decarbonisation.
3. **Promote Integrated Planning and Permitting Across Energy Sectors:** Ireland should lead efforts to harmonise planning and permitting across electricity, hydrogen and gas networks. This includes supporting cross-sectoral infrastructure mapping and joint permitting processes to fast-track delivery of electrification-enabling infrastructure.

Benefits for Ireland and the EU

Progress on electrification will deliver direct benefits to consumers and the wider economy. For Ireland, it offers a path to reduce fossil fuel dependence, enhance energy security and enable competitive, clean industrial development. At the EU level, an accelerated shift towards electrification will support climate goals, reduce system costs and create good green jobs.

A successful Presidency can ensure the Electrification Action Plan is grounded in practical, effective measures that address real barriers and deliver results across Member States. It could also serve to help accelerate electrification in Ireland by showcasing achievements across Europe and using the opportunity to provide supports to industry in Ireland to electrify.

[11] ACER Report, Network Tariff Practice
[12] European Commission Guidelines on future proof network charges for reduced energy system costs

Priority 3: Accelerating Permitting

The Problem: Delays in Permitting Are Undermining Renewable Energy Targets

Permitting and spatial planning remain among the most significant obstacles to renewable energy deployment across the EU. Despite strengthened legal frameworks under the revised Renewable Energy Directive (RED III), implementation has lagged. Some twenty-six Member States missed transposition deadlines in 2024.[13] These delays are contributing to slow project delivery, increased costs and continued reliance on dirty fossil fuels imported into the EU.

The root causes are well-documented: fragmented and uncoordinated procedures, lengthy environmental assessments, workforce shortages, outdated systems and insufficient spatial planning. While the European Commission is prioritising this issue, there is a clear need for enhanced coordination and best-practice sharing at Member State level.[14]

What Ireland Should Do During Its EU Presidency

Ireland should use its 2026 Presidency to prioritise permitting reform and support effective implementation of RED III. A central focus should be promoting structured exchanges on best practices and lessons learned between Member States. Ireland should also work with the Commission to monitor Member State progress in RED III implementation and provide targeted support where capacity gaps exist.

To streamline processes and reduce administrative burdens, RED III has required Member States to establish One-Stop Shops to simplify and unify the permitting process, making it more efficient for applicants.[15] Alongside this, the digitalisation of permitting platforms is encouraged to enhance application tracking, improve transparency and accelerate decision-making timelines.

Another key initiative involves the creation of Acceleration Zones, pre-assessed areas designated for renewable development where permitting can proceed more swiftly, even beyond the standard requirements for Renewable Acceleration Areas (RAAs). Finally, early and meaningful community engagement is crucial; involving local stakeholders from the outset helps minimise opposition and build lasting local support for renewable projects.

While RED III sets the framework, the real barriers often lie in national planning systems and implementation.

---

[13] Commission takes action to ensure complete and timely transposition of EU directives

[14] Commission Recommendation (EU) 2024/1343

[15] SEAI is the Single Point of Contact for guidance on the licencing and permitting requirements for renewable energy projects in Ireland

During the EU Presidency Ireland should host a major two-day conference to identify, discuss and disseminate best practice from across Europe in implementing the RED III Directive and in accelerating the permitting of renewables more broadly.

By bringing together experts, policymakers and industry leaders Ireland could lead on driving the practical changes needed right across the EU to solve the permitting challenge once and for all.

Benefits for Ireland and the EU

Accelerating permitting will directly support Ireland's own climate and energy targets by reducing bottlenecks and de-risking project pipelines. It will also help create a more consistent and efficient framework across the EU, boosting investor confidence and accelerating the delivery of renewable energy infrastructure across Member States

Ireland's leadership can ensure that this critical issue remains high on the European agenda and that the EU moves from legislative ambition to practical delivery.

Priority 4: Embedding Flexibility

The Problem: The lack of flexibility in our electricity system is delaying the Energy Transition

Flexibility is essential to a reliable, low-cost and decarbonised electricity system. As renewable generation grows, the ability of the system to respond dynamically to changes in supply and demand becomes increasingly critical. Without adequate flexibility, Member States face increased renewable curtailment, inefficient use of grid assets and persistent price volatility.

The European Parliament's ITRE Committee has underlined the urgency of embedding flexibility in EU energy systems, calling for the removal of regulatory barriers and the reform of market signals to unlock investment in flexible technologies.[16] Furthermore, the 2025 ACER report reinforces this concern, warning that network costs could double by 2050 if flexibility is not adequately valued.[17] The report stresses the need for tariff reform to improve grid efficiency and encourage behaviours that reduce congestion and total system costs.

The 2024 Electricity Market Design Reform provides a comprehensive framework to address these challenges. It introduces a formal definition of flexibility as "the ability of an electricity system to adjust to the variability of generation and consumption patterns and to grid availability, across relevant market timeframes". The reform mandates regular Flexibility Needs Assessments (FNAs) based on a common EU methodology, which must inform

[16] Increasing Flexibility in the EU Energy System
[17] ACER report on network tariff practices

indicative national targets for non-fossil flexibility such as demand response and energy storage and be integrated into National Energy and Climate Plans (NECPs).

What Ireland Should Do During Its EU Presidency

Ireland's Presidency of the Council of the EU in 2026 presents a timely and strategic opportunity to demonstrate leadership in the implementation of the Electricity Market Design Reform (EMDR) and Future Electricity Market Design. During Ireland's Presidency, a review is expected of the functioning of the current EMD, on which the Commission is required to submit a report to Parliament and Council by 30 June 2026, as set out in Article 69, paragraph 2 of Regulation (EU) 2019/943.

According to the EMDR timeline, methodology development is expected to conclude by mid-2025, followed by the start of national data analysis and report drafting in Q3 2025.[18] By engaging early and proactively in this process, Ireland can showcase best practices, influence EU-level flexibility policy and reinforce its commitment to a resilient, decarbonised energy system.

Ireland should lead by example in ensuring the timely delivery of its National Flexibility Needs Assessment (FNA), positioning itself at the forefront of discussions on Non-Fossil Flexibility Targets and the Union-wide Assessment, which is set to begin in Q3 2026 following approval of the National Reports.

Furthermore, the Commission is also expected to publish a White Paper on deeper electricity market integration by early 2026.[19] Taking a leadership role in this area would not only support effective national implementation but also allow Ireland to shape the broader direction of the EU's energy transition.

To maximise this opportunity, Ireland should prioritise advancing discussions on Future Electricity Market Design in the Council Working Party on Energy with a view to having key principles on Future Market Design agreed by Member States by the end of the Irish Presidency.

Benefits for Ireland and the EU

Embedding flexibility into EU energy planning delivers multiple benefits. For Ireland, it will reduce renewable curtailment, ease grid congestion and enhance energy security while lowering system costs. According to Baringa Energy Consultants, the strategic deployment of energy storage in Ireland could deliver net savings of up to €85 million annually to end consumers by 2030.[20] At the EU level, coordinated implementation of FNAs will help ensure

[18] DSO Entity and ENTSO-E Public Webinar on Flexibility Needs Assessment Methodology
[19] European Commission Communication, Action Plan for Affordable Energy
[20] Game changer: how energy storage is the key to a secure, sustainable, clean energy future in Ireland

long-term reliability, unlock clean technology investment and improve the competitiveness of European industry.

Ireland's global leadership in integrating non-synchronous generation provides it with unique credibility to guide this agenda. The 2026 Presidency is a strategic opportunity to mainstream flexibility in EU energy policy and deliver a system fit for a decarbonised future.

3. Coordination with European Partners

To maximise impact and deliver meaningful progress on the energy transition, Ireland must work in close partnership with other EU Member States during its 2026 Council Presidency. Building coalitions and developing shared initiatives with likeminded countries will strengthen Ireland's influence and ensure that key reforms, particularly around grid development, electrification, permitting, and flexibility are supported across the Union.

Ireland should initiate informal working groups or trilogues with progressive Member States such as **Spain, Denmark, Germany and Greece**, which have demonstrated strong leadership in clean energy deployment. These collaborations can help to coordinate positions, propose joint initiatives, and streamline decision-making across Council files.

One strategic opportunity is for Ireland to **champion the creation of an Important Project of Common European Interest (IPCEI)** focused on **electricity grid infrastructure**. While IPCEIs already exist for batteries, hydrogen and microelectronics, none currently address electricity transmission or smart grid technologies. Ireland could take the lead in coordinating a group of at least four Member States to submit a proposal under Article 107(3)(b) of the TFEU. This would help unlock large-scale investment in next-generation grids and support deep cross-border integration of clean electricity systems.

Ireland should also leverage its unique geopolitical position to act as a bridge between the EU and **Great Britain**, particularly in the areas of energy market cooperation, interconnection infrastructure and offshore renewable development. The Presidency could be used to facilitate dialogue on enhanced EU-UK collaboration that benefits both sides in terms of energy security, price stability and decarbonisation.

4. Conclusion and Next Steps

Ireland's 2026 Presidency of the Council of the European Union comes at a critical juncture for the continent's energy future. The European Green Deal, Clean Industrial Deal, and Electricity Market Design Reform have laid out a bold legislative framework. The task ahead is delivery – converting ambition into action.

If Europe is to meet its 2030 climate and competitiveness targets, urgent progress is needed on:

- Upgrading and expanding electricity grids;
- Accelerating electrification across sectors;
- Streamlining permitting for renewable energy;
- Embedding flexibility in system planning and investment.

Ireland is uniquely positioned to lead this transformation. With a proven track record in integrating renewable energy, modernising grid operations, and enabling storage and system services, Ireland can offer both leadership and practical solutions.

Wind Energy Ireland, Energy Storage Ireland and Ireland Electrified are committed to supporting the Government in preparing for and delivering a Presidency that drives meaningful European progress on energy and climate. We recommend that Government departments:

1. **Initiate a structured consultation process** with industry in Q4 2025 to inform the development of Ireland's energy and climate Presidency priorities.
2. **Convene regular coordination meetings** between the Department of the Climate, Environment and Energy, the Department of Foreign Affairs and key stakeholder groups to align objectives and messaging.
3. **Work with EU counterparts** to build early support for flagship proposals.
4. **Establish dedicated working groups** to support the implementation and monitoring of the European Grids Package, RED III, the Electrification Action Plan and the Flexibility Needs Assessments.

The 2026 Presidency is more than a diplomatic responsibility; it is a once-in-a-decade opportunity for Ireland to shape the future of European energy policy. By using this platform to focus on delivery, Ireland can help build a clean, secure and competitive energy system for all Europeans.