



All-Island  
Generation  
Capacity  
Statement  
2017-2026  
Synopsis



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## About the Generation Capacity Statement

The Generation Capacity Statement (GCS) forecasts the likely balance between supply and demand for electricity during the years 2017 - 2026. It covers both Northern Ireland and the Ireland and is produced jointly between SONI and EirGrid.

EirGrid and SONI consulted widely with industry participants and most of the input data was frozen in November 2016.

### Demand Growth

The GCS found that electricity demand across the island of Ireland is growing.

It predicts growth in demand of 17% on the island over the coming 10 years. This contrasts with a fall in demand at the start of the decade in Ireland and Northern Ireland, and flat demand in recent years following the economic recession.

In Ireland, total electricity demand over the next ten years is forecast to grow by 21%, largely driven by new large users such as data centres. In Northern Ireland, growth is more modest, with a likely increase of 4%.

The report provides low, median and high electricity demand forecasts for both Ireland and Northern Ireland.

In Ireland, total electricity demand growth in the low demand scenario is 15% and 36% in the high scenario.

In Northern Ireland, the low scenario predicts a decrease in demand of 2%, while the high scenario forecasts 9% growth.

### North South Interconnector

In Northern Ireland, a significant amount of electricity generation is due to decommission or be restricted due to emissions legislation, leading to potential issues with security of supply. The report found that this situation would be relieved by the proposed North South Interconnector.

It also found that without the interconnector, it will not be possible to share enough capacity from Ireland to address the security of supply issue facing Northern Ireland from 2021 onwards.

### New Capacity Market

The report also highlights forthcoming changes to capacity payments that will occur following the introduction of the new Integrated Single Electricity Market (I-SEM) in 2018.

Under the current arrangements, all available generators benefit from capacity payments. In the future, such payments will only be made to generators who are successful in the new I-SEM Capacity Market.

The Statement concludes that it is possible that some generating units that fail to secure capacity payments may not be commercially viable. It acknowledges that future uncertainty makes it more difficult to predict how the generation portfolio will evolve.

### Renewable Energy

The GCS predicts a substantial expansion in renewable sources of energy, particularly wind, in Ireland and Northern Ireland.

Based on current information, it assumes that up to 100 megawatts of Biomass Combined Heat and Power will be delivered under the REFIT 3 biomass incentive scheme in Ireland.

Altogether, this will make significant progress towards meeting both jurisdictions' renewable energy target of 40% contribution to gross electricity consumption by 2020.

**The Generation Capacity Statement is available at [www.eirgrid.com](http://www.eirgrid.com)**