

An aerial photograph of a coastal landscape. A river flows from the top left towards the bottom right, bordered by a sandy bank. The surrounding land is covered in lush green vegetation, with some rocky outcrops visible. In the bottom right corner, a rocky beach meets the ocean, with white waves crashing against the shore. The overall scene is vibrant and natural.

Securing Today. Sustaining Tomorrow.

Annual Report 2024

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Group Strategy to 2025

Our Purpose

Transform the power system for future generations

Our Primary Goal

Lead Ireland's electricity sector on sustainability and de-carbonisation

Our Supporting Goals

Operate, develop, and enhance Ireland's grid and all-island market

Work with partners for positive change

Engage for better outcomes for all

2023-24 Year In Review

1 October 2023 to 30 September 2024

Profit before tax

€9.8m

Underlying profit

€25.6m

New max peak demand for Ireland:

5,577 MW

18 January 2024

New max wind record for Ireland:

3,866 MW

6 December 2023

75%
SNSP in place

665 hours over
70% SNSP
Studies for 80%
SNSP underway

Capacity energised this year:

239 MW Solar

214 MW Wind

289 MW Storage

Reduced minimum number
of conventional generators
required on the system from

5 to 4 ↓

Construction of
Celtic Interconnector Project

575km

energy cable connecting
Ireland to France

Over

800,000

– the estimated number of
work hours dedicated to
the project since contract
signing

€992,437

provided by EirGrid's Community
Benefit Funds supporting
communities and local good causes.

Publication of
Tomorrow's
Energy Scenarios
2023

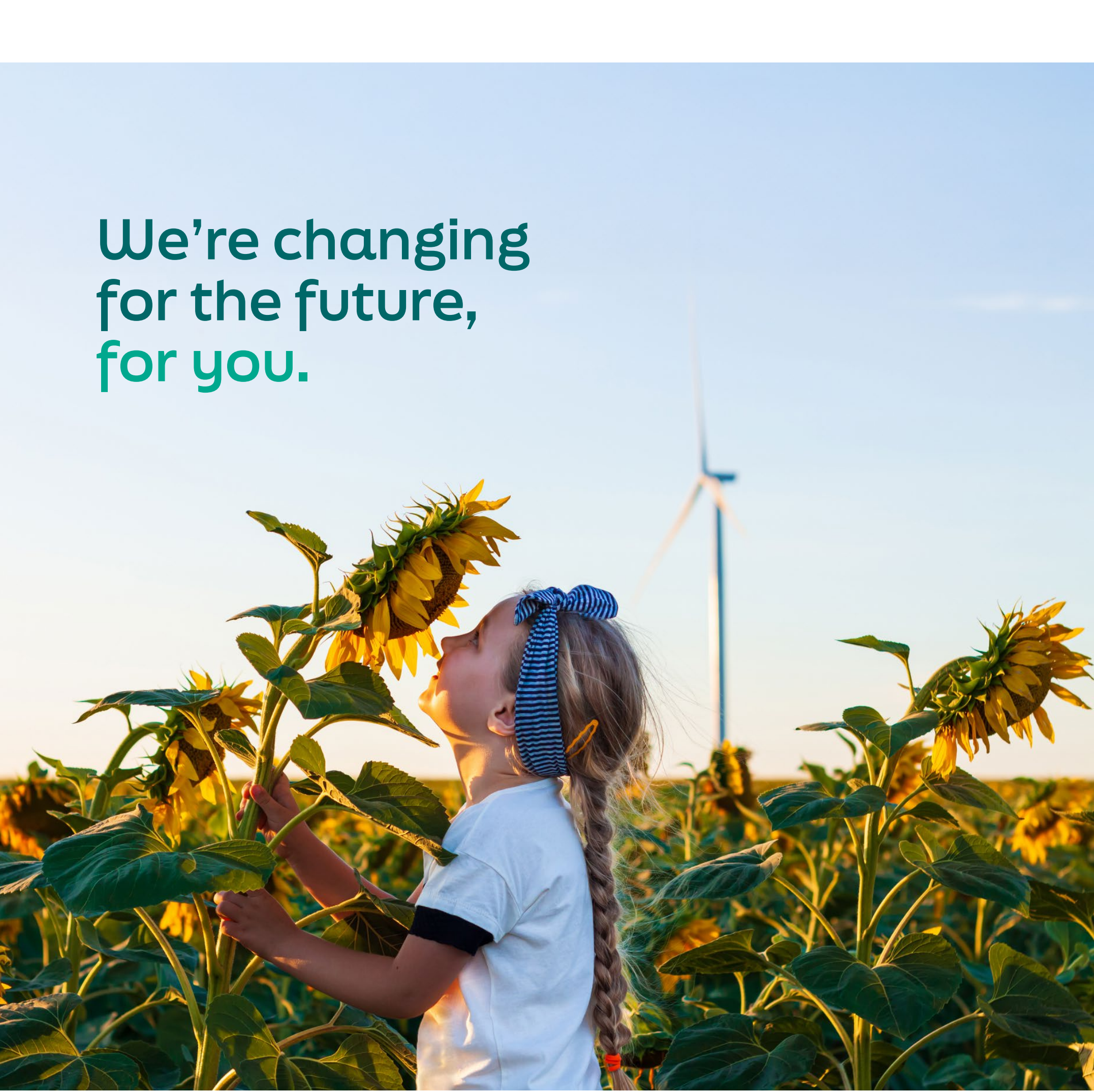
– planning for Ireland's
future energy needs

9 Energy Citizen
Roadshows

informing over

900

attendees



We're changing for the future, for you.

EirGrid operates and develops the electricity transmission system in Ireland and, more recently, has been mandated to operate, develop and own Ireland's offshore transmission grid. We operate, develop and enhance the power system and the wholesale electricity market. We also develop and operate interconnections with neighbouring grids and enable third-party interconnectors. We send power from where it is generated to where it is needed.

The growth in clean electricity from renewable sources will require transformative change to the electricity system, and EirGrid has a central role to play in this. As electricity can be generated without carbon emissions, it will play a crucial role in the response to climate change.

This Annual Report covers the period from 1 October 2023 to 30 September 2024. During this period, we continued work to deliver the electricity sector transformation required to meet Ireland's 2030 energy and climate targets, particularly in achieving significant milestones for transforming how we operate the power system and progressing our highest priority major infrastructure projects.

Alongside driving the energy transition and decarbonisation as efficiently and cost effectively as possible, it is critically important that security of supply is maintained. EirGrid has continued to work closely with key stakeholders to address the issue in the short-term and provide advice and recommendations in relation to potential longer-term strategies required.

Report from the Chair

01

Introduction

I am very pleased to present the Annual Report for EirGrid Group for the financial year 2023-24. EirGrid has had a successful year operating the electricity system safely and securely, despite challenging circumstances, whilst also delivering on key aspects of [EirGrid's Strategy 2020-2025](#) to contribute to the achievement of the Government's renewable energy and climate targets.

EirGrid has been internationally recognised for delivering innovative technology solutions to integrate more renewable energy onto the grid, which will support the delivery of a cleaner energy future. At any one point in time, 75% of Ireland's electricity generation can come from variable renewable energy sources such as wind and solar, and during the

financial year we advanced our work to increase this to 80%, a significant undertaking.

Whilst recognising our world-leading achievements on integrating renewable energy onto the electricity grid, there remains work to be done and challenges to overcome in order to achieve the Government's ambitious decarbonisation targets. The climate crisis has never been more prevalent and its effects continue to intensify. 2023 was the planet's warmest year since records began; in global records spanning the last 174 years, the ten warmest years have all occurred within the last decade (2014-2023), and 2024 is on course to break records again.



Brendan Tuohy,
Chair, EirGrid plc



The international strategy that has been adopted for addressing the impact of climate change is to electrify what can be electrified (at as reasonable cost as possible) and then decarbonise the electricity system. The role that electricity and the power system will play in future economic and social progress will be critical, and EirGrid is placed in a central role not only for supporting Ireland's objectives to address climate change, but also for helping to underpin this future progress.

In 2023-24, EirGrid made significant progress across a number of areas to play our part in meeting Ireland's targets to tackle climate change. This included the continued delivery of our [Shaping Our Electricity Future v1.1 \(SOEF v1.1\) Roadmap](#) to plan and implement the grid operational changes required, transforming the electricity market, as well as progressing the [Celtic Interconnector](#) and our extensive portfolio of transmission network development projects. We also set out our ambitious vision and objectives for the next five years through our preparations for our Price Review 6 (PR6) submission to the Commission for Regulation of Utilities (CRU) to meet the increasing energy demands of the future, enabling 80% of Ireland's electricity to be produced from renewable energy sources and providing consumers with a secure, reliable and affordable electricity system.

European Energy Policy Focus

It was a significant year in terms of energy policy development at an EU level. Ireland is working on the transposition of the revised [Renewable Energy Directive \(RED III\)](#), which sets an EU-wide target of at least 42.5% (but aiming for 45%) renewable energy in gross final consumption by 2030. In December 2023, an agreement was reached between the European Parliament and the Council of the EU on updates to the [Electricity Market Design](#). In February 2024, building on the 2030 and 2050 targets already set, the European Commission published its [2040 Climate Target](#), recommending a 90% GHG emission reduction by 2040 compared to 1990 levels, and to ultimately achieve carbon neutrality by 2050.

In May 2024, Ireland, Belgium and the UK signed a [Tri-National Joint Statement](#) on interconnection and renewables cooperation. This will pave the way for increased collaboration between the three countries, with future interconnection enabling Ireland to access more markets and to meet its full potential for offshore wind development.

In September 2024, the European Commission published the [State of the Energy Union Report 2024](#), showing significant and continued progress in the growth of renewable energy. Renewables generated 50% of the EU's electricity in the first half of 2024, and wind energy has now become the EU's second largest source of electricity, surpassing gas. However, significant work and challenges remain in order to meet the EU's [2050 climate neutrality targets](#) and to reduce electricity prices for consumers across the Union.

September also saw the publication of [The Future of European Competitiveness](#), known as the 'Draghi Report', which outlines key findings for the Union's energy sector. The report estimates that €6 billion of investment will be required annually for grid and interconnection projects, noting that upgrades will not only help us to decarbonise, but will also improve efficiencies, reduce costs and increase the EU's competitiveness.

Implementation of EirGrid's Strategy

Having launched our strategy in 2019, it continues to be as relevant as ever, and we have continued to make considerable headway in achieving its aims. The past financial year has witnessed ground-breaking developments in integrating renewables into the electricity system and charting a path to a decarbonised system.

We continue to put into effect the actions outlined in our [SOEF v1.1 Roadmap](#), which are necessary to achieve the electricity policy objectives set out in the Government's [Climate Action Plans](#). The work required to achieve these objectives cannot be overstated, and EirGrid continues to engage with all stakeholders as part of its commitment on delivery.

A significant milestone in Ireland's energy history was made in November 2023, as ground was broken on the Celtic Interconnector, Ireland's first direct energy connection with mainland Europe. We also achieved key milestones on our major grid development projects and we continue to engage with our stakeholders to accelerate the priority projects we have identified to provide the most impact in facilitating renewable generation.

In 2023-24, we achieved a significant undertaking by reducing the minimum number of conventional generators required to operate at any one time from five to four (these generators are necessary to provide inertia on the electricity system) and by progressing the procurement of low-carbon services required to stabilise the grid with high levels of renewable generation. We also commenced studies to analyse further increasing the amount of renewables that can be accommodated on the grid at one time, known as System Non-Synchronous Penetration (SNSP), from 75% up to 80%. For more information on SNSP see page 44.

The development of offshore wind energy continued across both Phase 1 and 2 projects, including significant progress on the regulatory framework required. We continue to engage with Phase 1 developers on grid connection and asset purchase agreements. In May 2024, the Government published the [Future Framework for Offshore Renewable Energy](#) which establishes 29 key actions to develop Ireland's long-term and plan-led approach to offshore wind, a key development for Phase 2. Following the end of the financial year, a significant milestone was reached when the Oireachtas approved the [South Coast Designated Maritime Area Plan](#) (SC DMAP), setting out four maritime areas for future Phase 2 offshore wind development and enabling the second offshore wind auction ([ORESS Tonn Nua](#)) to take place in the first half of 2025.

Public and Community Engagement

With the enormity of the challenges facing us in decarbonising the electricity system, it is imperative that we continue to engage closely with the public and local communities to ensure that our work is aligned with people on the ground. Through our [Public Engagement Strategy](#), we continue to be committed to engaging with the public and having a positive impact on the local communities we work with.

The past financial year saw the continuation of our [Energy Citizens Roadshows](#), with information events taking place in nine counties. Working with our partners in ESB Networks and the Sustainable Energy Authority of Ireland, these events are aimed at informing local communities about our plans to develop and future-proof the grid, as well as providing information about microgeneration, home energy upgrades, retrofitting grants, and our regional development plans.

We also continued our important engagement activities with local communities across the country in areas impacted by our infrastructure projects, including information events, public consultations, community forums and the awarding of substantial community benefit funds to support local causes. In particular, as part of our landmark work on the Celtic Interconnector, we have engaged closely with local communities and landowners along the route during the delivery of this key project. The [Celtic Interconnector Community Benefit Fund](#) was established to recognise the role of local communities in supporting the development of the electricity grid and to ensure they benefit from our work in the area. To the end of the financial year, €838,987 of funding out of a total Community Benefit Fund of €2.4 million was awarded across 29 community projects in East Cork.

Security of Supply

The year 2023-24 saw substantial delivery of the Temporary Emergency Generation (TEG) projects. Despite some delays to delivery, our [Winter Outlook 2024/25](#) report has forecasted a significantly lower potential for system alerts over the winter period, which is an encouraging outcome building on the progress made over the last three years by EirGrid, CRU and the Department of the Environment, Climate and Communications (DECC) to implement the CRU-led Electricity Security of Supply Programme.

In 2023-24 the Regulatory Authorities increased the auction price cap for the capacity market auctions as well as introducing other measures. The successful delivery of capacity through these auctions will assist in addressing security of supply challenges in the coming years.

Sustainability Strategy Delivery

We are continuing to progress the delivery of EirGrid's [Sustainability Strategy](#). The organisation is implementing change to ensure we can deliver on our strategic objectives across environmental, social and governance standards. Further information is highlighted in the Responsible Business section of this Annual Report.

Of note during 2023-24 was the launch of EirGrid's new employee-led diversity networks: Gender Matters, Pride, Culture Connect, and Supported Embraced Enabled and Nurtured (S.E.E.N). We also continued our commitment to the Business in the Community Ireland (BITCI) initiatives including the Elevate Pledge, Low Carbon Pledge and the Business Working Responsibly Mark, and we completed our 2023 carbon emissions footprint exercise. Other initiatives under this strategy include continued excellence in social

partnerships and commitments to protecting and fostering biodiversity.

We continued preparations for alignment of our sustainability programme with the EU's [Corporate Sustainability Reporting Directive](#) (CSRD) through a multi-year implementation plan which will guide the organisation in developing its first CSRD report for the financial year 2026-27.

Board Composition

I would like to welcome Mr. Ivan Schuster to the EirGrid plc Board, having been appointed in March 2024. Mr. Michael O'Sullivan and Mr. Mark Foley retired from the Board in December 2023 and April 2024 respectively and I would like to acknowledge and thank them for their contribution to the company during their tenure on the Board. I would like to thank all Board members for their contributions during the financial year.

As of 30 September 2024, there remained one vacancy on the Board of EirGrid plc, which is for the role of Chief Executive of EirGrid Group, an ex-officio Board member role.

SONI Governance

Following the decision of the Utility Regulator (UR) in Northern Ireland on SONI governance in 2022, EirGrid and SONI continued to progress the required demerger programme during the financial year, focusing on facilitating a pragmatic solution that will minimise disruption to the operating environment.

Looking to the Future

At a time of major geopolitical uncertainty around the world, and as many countries weigh up how they will address climate change, it is vital that Ireland continues its commitment to playing its part in addressing climate change and transitioning to a low carbon society. In striving to achieve these goals, it is important to realise that there are significant challenges to be overcome and that the alternative of not achieving that ambition will pose huge problems for the world.

The challenges to be addressed will include the rolling out of significant electricity infrastructure (generation, storage and transmission) in a timely and efficient manner. The ability to expand the carrying capacity of Ireland's electricity grid should be understood as key to ensuring Ireland's international economic competitiveness and is key to positioning the country to capitalise on the industries and technologies of the future.

The renewable energy resources available in Ireland (wind, solar and limited hydro capacity) are mainly intermittent in supply and this is likely to pose a particular challenge to provide low-carbon generation during periods of low wind and solar availability. As options available in other countries can include a wider range of renewable and low carbon resources (such as large-scale hydro, nuclear and geothermal energy), this may allow other countries to possess a strategic advantage in decarbonisation of their energy systems, which could have serious implications for Ireland's international competitiveness. As such, it is vitally important that all possible options available are considered so as to ensure that Ireland's future energy system is one that is reliable, sustainable, internationally competitive and affordable.

As a minimum, we need to be fully aware of the impact of other countries' wider range of options which are available to them, and the full range of those options needs to be included in our own analyses, so that we can take fully informed decisions. Beyond that, serious consideration should be given on how to increase the range of options available to Ireland, and even though some of the options may not be popular (for example, use of nuclear energy), it is important that they are given serious consideration.

Closing Remarks

I would like to thank the Minister for the Environment, Climate and Communications, Eamon Ryan TD, and wish him all the best following his decision to step down as a TD. We very much appreciated working with him and we acknowledge his strong support not only to EirGrid but also to the wider electricity sector. I would also like to thank his departmental officials and Secretary General, Oonagh Buckley, for their support and collaboration with EirGrid throughout the financial year. I also thank the Commission for the Regulation of Utilities for its work and engagement with us throughout the year.

I thank our colleagues in SONI Ltd for their ongoing collaboration on the implementation of the decision of the Utility Regulator in respect of the SONI governance and modifications to its transmission system operator (TSO) licence.

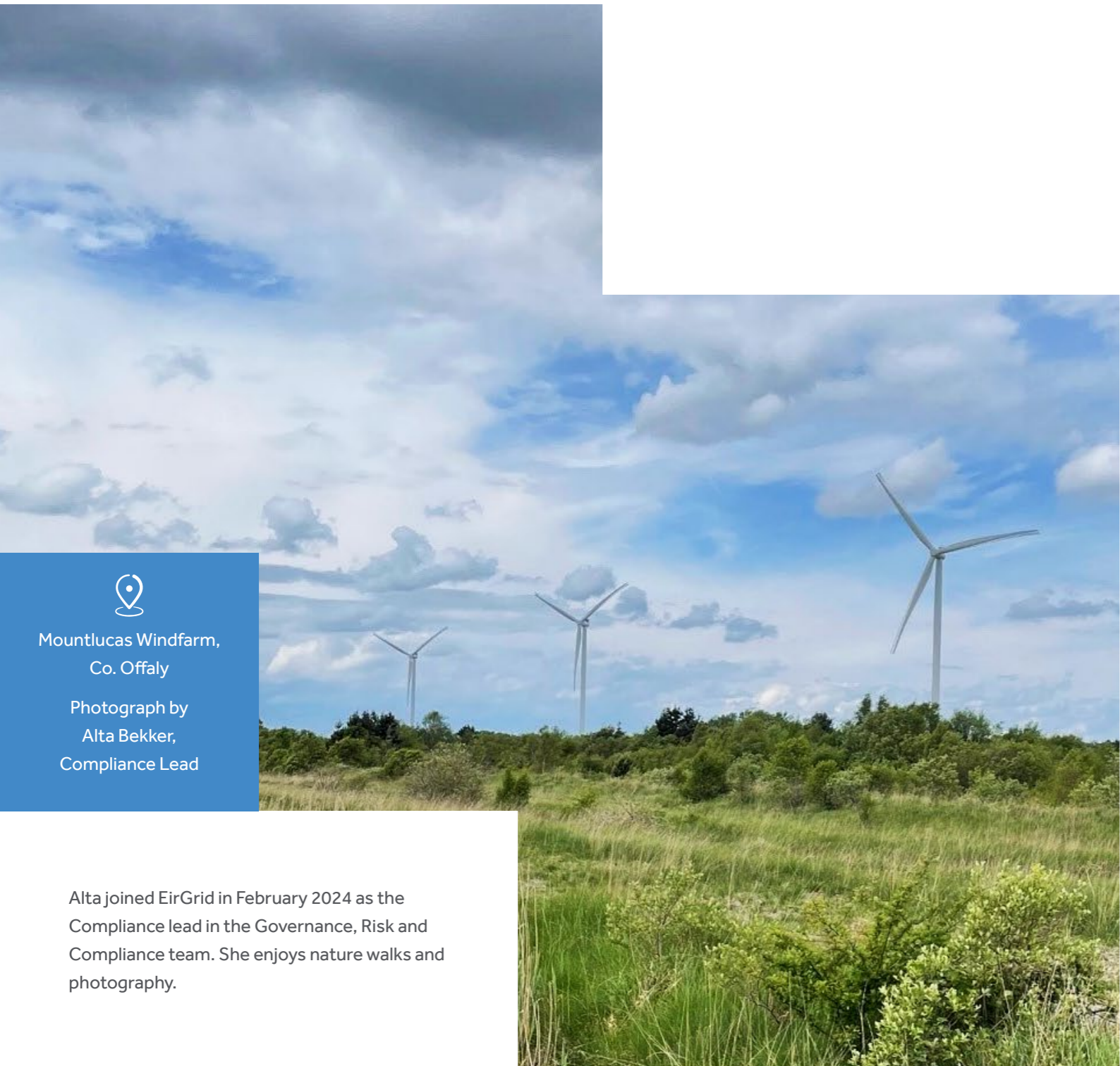
I would also like to thank Interim Chief Executive Martin Corrigan, the Executive Team, and my fellow Board members for their dedication, leadership, and support.



Finally, on behalf of the Board, I would like to commend all of our people at EirGrid for their continued work to successfully drive the implementation of our Strategy. It has been inspirational to see the level of commitment, dedication and motivation among all the staff of EirGrid during the past year and this is hugely appreciated.

Brendan Tuohy
Chair, EirGrid plc





Mountlucas Windfarm,
Co. Offaly

Photograph by
Alta Bekker,
Compliance Lead

Alta joined EirGrid in February 2024 as the Compliance lead in the Governance, Risk and Compliance team. She enjoys nature walks and photography.



Grids continue to grow.
While wind continues to blow,
Ireland leading the lines.

Strong ambition is clear,
While target deadlines grow near,
Ireland leading the lines.

Mosses regrow our bog,
While plans tackle carbon fog,
Ireland leading the lines.

Energy keeps us alive,
While embracing ambition and drive,
Ireland leading the lines.

Rolling green fields remain,
While turbines turn the vane,
It's no surprise – Ireland leading the lines.

'Living Lines'

A poem by
Rachel Berney,
Project Analyst

Rachel has been working in EirGrid since 2019. She works on projects within the Future Operations team. She is passionate about the future energy transition and the environmental impact we make.

Chief Executive Report

Introduction

It is my pleasure to report that successful implementation of our Strategy has continued throughout this financial year, supporting our goals for transforming the electricity system to meet the needs of both current and future generations.

Since October 2023, we have seen construction starting on the Celtic Interconnector, progression on offshore wind readiness, significant improvements in the security of supply outlook for the State, and success in meeting some key milestones across our highest priority grid development projects.

Given that the transition to a decarbonised electricity system will involve contributions from all parties within the ecosystem, we have continued to work with all our stakeholders. In particular, we have continued to support the work of the Department of the Environment, Climate and Communications (DECC) and the Commission for the Regulation of Utilities (CRU) as we work together to enable the achievement of Ireland's energy and climate targets.

02



Martin Corrigan
Chief Executive (Interim)

Key Achievements in 2023-24

The transition to a decarbonised electricity system

Across 2023-24 we achieved a number of significant milestones in our transition plan.

Ireland is world-leading in terms of the level of renewable generation that can be accommodated on the grid at any one time, known as System Non-Synchronous Penetration (SNSP). Having adopted a new standard of 75% SNSP in March 2022, we saw 665 hours where SNSP was greater than 70% during this financial year. Towards the end of the financial year we also began preparation for the commencement of trials to increase SNSP to 80%.

In April 2024, EirGrid reduced the minimum number of large conventional generators that operate on the grid at any one time from five to four following

extensive trials. Furthermore, EirGrid awarded contracts to four renewable energy integration technologies, called synchronous condensers, which will provide Low Carbon Inertia Services (LCIS). Both of these developments will reduce the need for fossil-fuelled generators which will create more opportunity for renewable sources to meet growing energy demands.

Market Developments

The development of market requirements is within the remit of CRU, and on some matters jointly with the Utility Regulator for Northern Ireland through the Single Electricity Market Committee (SEMC). However, we continued to play a key role in implementation during the year.

In terms of future markets, significant progress was also made on design and development activities on our Scheduling and Dispatch project, which aims to improve the access of new renewable enabling technologies into the power markets, and phased go-live is planned across 2025.

Work has taken place throughout the financial year on Future Arrangements of System Services (FASS), a framework for the procurement of System Services, which support secure operation

Infrastructure

During the financial year we made significant progress on a number of key infrastructure projects across the country which enabled handover for delivery to ESB Networks as Transmission Asset Owner (TAO).

EirGrid's *Powering Up Dublin* project continued to progress at pace, with Best Performing Route Options identified for three of the five 220 kV cable replacement projects and emerging best performing route options for the other two. Planning permission was also granted for two of the 220 kV substations.

The North Connacht 110 kV project achieved a major milestone in December 2023 when it was handed over to ESB Networks (ESBN) for delivery, and extensive engagement with stakeholders and the local community continued throughout the year.

We submitted our planning application to An Bord Pleanála for the East Meath-North Dublin upgrade project in March 2024 and ground investigations are on-going as we await the decision.

Continued progress was made across a range of other projects, details of which can be found from page 56.

Security of Supply

In October 2023, we published the Winter Outlook 2023/24 report which noted that while the outlook had improved considerably from the previous year, it remained below standard. The Loss of Load Expectation (LOLE) for the five months of the winter 2023-24 period was forecasted at 21 hours, considerably reduced from 51 hours for winter 2022-23. We managed this successfully throughout 2023-24, with only one system alert in Ireland due to generation capacity not meeting demand in the period.

We continued to make progress on the implementation of the CRU-led Electricity Security of Supply Programme, under which 505 MW of Temporary Emergency Generation (TEG) is now available if required. In addition, 190 MW of new gas-fired generation and 270 MW of new battery storage are now available for winter 2024-25, delivered through capacity market auctions.

This progress has been reflected by further improvements highlighted in our *Winter Outlook 2024/25*, published following the end of the financial year.

Interconnection

We have continued to make strong progress on the Celtic Interconnector, a 700 MW, 575 km undersea cable connecting the electricity grids of Ireland and France. Following contract agreements in financial year 2022-23, onshore construction work commenced in November 2023.

By the end of the financial year, 28 km of the land route in Ireland was trenched and ducted while 27 km of the underground High Voltage Alternating Current (HVAC) cable was installed. A range of preparatory works were progressed in advance of commencement of cable landfall works in Cork from late 2024 and submarine cable installation from 2025.

In 2023-24, EirGrid also completed the operational and market readiness activities for the Greenlink Interconnector, running from Great Island in Co. Wexford to Pembrokeshire in Wales, in advance of the customer's readiness for commercial operation. This is another key element in providing energy security and enabling the energy transition.

In addition to our work on the Celtic and Greenlink interconnectors, we continued to operate the East-West Interconnector safely and securely during the year.

Offshore Wind Development

The offshore renewable electricity industry is being developed in phases. For Phase 1 projects, the development and construction of the transmission assets to connect the wind farms is developer-led, but the those assets will ultimately be owned by EirGrid. In phase 2, the transmission assets will be developed and owned by EirGrid. In both phases, the generation assets will be built by developers.

During the financial year we engaged with Phase 1 project developers on the technical specifications for the assets EirGrid will ultimately own. We also drafted Transmission Connection Agreements and Asset Purchase Agreement contracts and ran a consultation on this from June to September 2024.

We made significant progress on the development of options for the transmission assets required for Phase 2 projects, in preparation for public consultation following approval by the Oireachtas of the South Coast Designated Maritime Area Plan (SC DMAP). This sets out four areas off the South Coast for offshore wind development.

Another notable development in 2023-24 was the inclusion of our Phase 2 offshore transmission project in the European Network of Transmission System Operators for Electricity's (ENTSO-E's) Ten-Year Network Development Plan (TYNDP). This is a precursor to our application for inclusion in the forthcoming Projects of Common Interest (PCI) list which has important benefits from a consenting and finance perspective.

Tomorrow's Energy Scenarios

We made significant progress in 2023-24 on our extensive forecasting and planning for our future electricity network requirements. The [Tomorrow's Energy Scenarios 2023](#) (TES 2023) report, published jointly by EirGrid and SONI, was published in May 2024 and presents long-term energy scenarios for Ireland and Northern Ireland and considers how electricity demand and generation might evolve from 2035 to 2050. Building on this work, we have commenced the initial stages of planning our Net Zero Network, which will examine the grid infrastructure development required in the context of a maximum electrification scenario for all sectors of the economy, and potential use cases for the Government's offshore wind ambitions.

Price Reviews

We submitted our SEMO Price Control business case to the Single Electricity Market Committee (SEMC) in March 2024. Subsequent to our financial year end, we submitted a comprehensive business case to CRU in respect of Price Review 6 (PR6), covering the period 2026-2030.

We look forward to continuing our close engagement with the Regulatory Authorities in the coming months to reach a final outcome on these price controls.

Customer Engagement

We continued to make progress in implementing our customer vision. During the year we launched our Customer Relationship Management tool, held a customer engagement survey and made further improvements to the frequency and quality of our customer engagement to support more effective engagement across their range of projects and operational sites.

Sustainability

We continued to make progress on the implementation of our sustainability strategy. During the year we successfully delivered no net loss of habitats for 100% of our overhead line uprate projects (whereby we increase the capacity or rating of electrical equipment) and station projects, and delivered a net biodiversity gain for one overhead line uprate project and one station project. We continued our partnership with SciFest and the Young Social Innovators to support the development of the skillsets that will be required to enable the energy transition. We have continued to evidence our performance through our disclosures on a range of mandatory and non-mandatory platforms. We have also made good progress on our preparations for compliance with the requirements of the Corporate Sustainability Reporting Directive (CSRD) required in advance of our financial year 2025-26.





Conclusion

I would like to extend my sincere thanks to Brendan Tuohy, Chair of EirGrid plc, and the members of the EirGrid plc Board. They have provided valued support to me and my Executive Team as we continue to execute EirGrid's strategy and ensure the successful operation of the electricity grid and markets.

I would like to thank Minister for the Environment, Climate and Communications, Eamon Ryan TD, and Departmental officials, who have supported us throughout the year. I wish the Minister well following his decision not to seek re-election.

I would like to thank the Commission for the Regulation of Utilities for continued engagement on our shared work, both present and future.

I would like to thank our colleagues in SONI as we progress the implementation of our demerger.

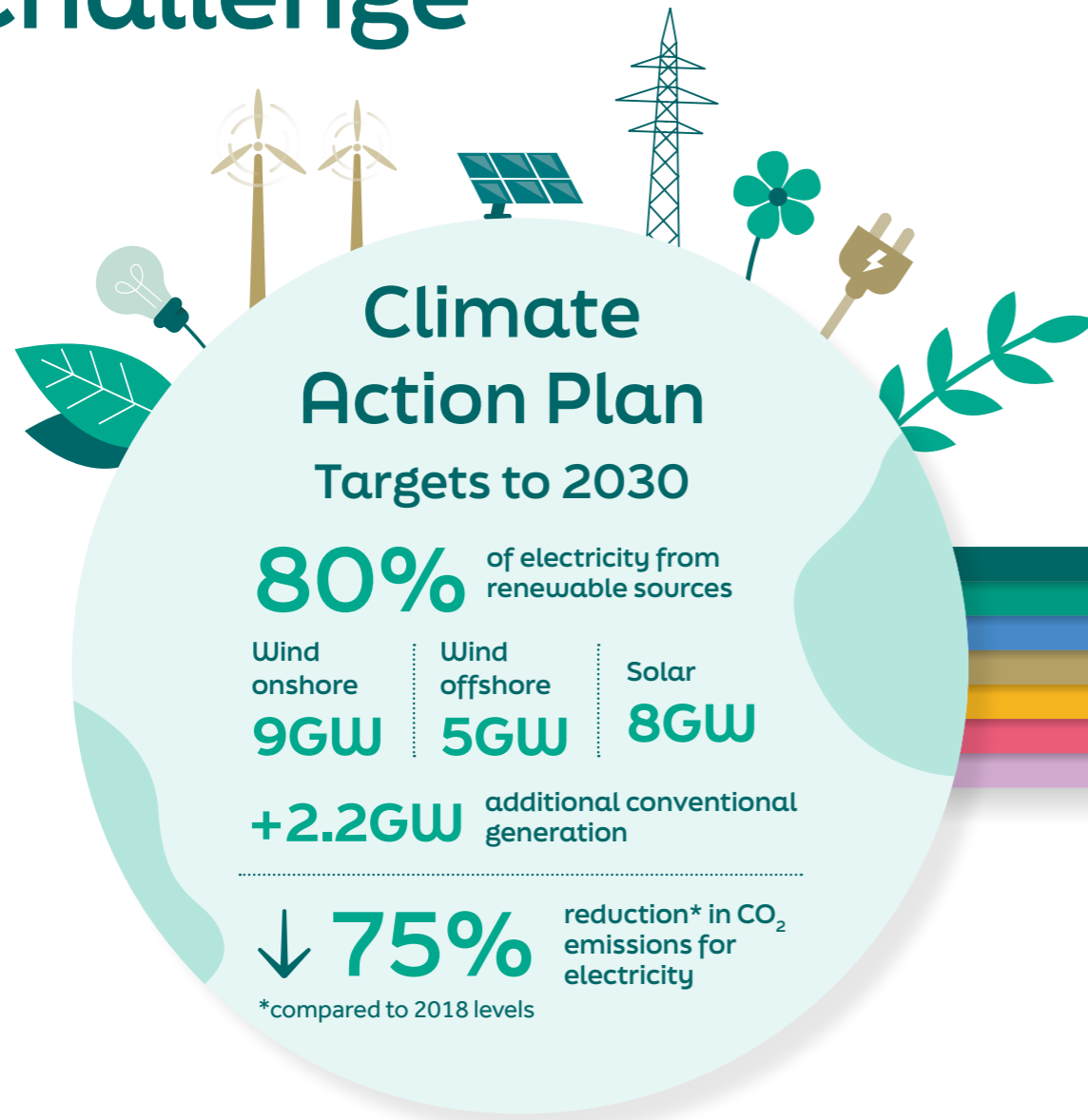
Finally, I would like to thank our people for their incredible hard work to successfully operate the power system, support our energy transition, and deliver major Strategy milestones throughout the year.

In the coming year, we will continue to make progress on our transition to a decarbonised electricity system, and we will continue to engage with stakeholders from across the ecosystem to support the collective effort required by all to achieve our objectives and unlock the benefits of such a system for Ireland.

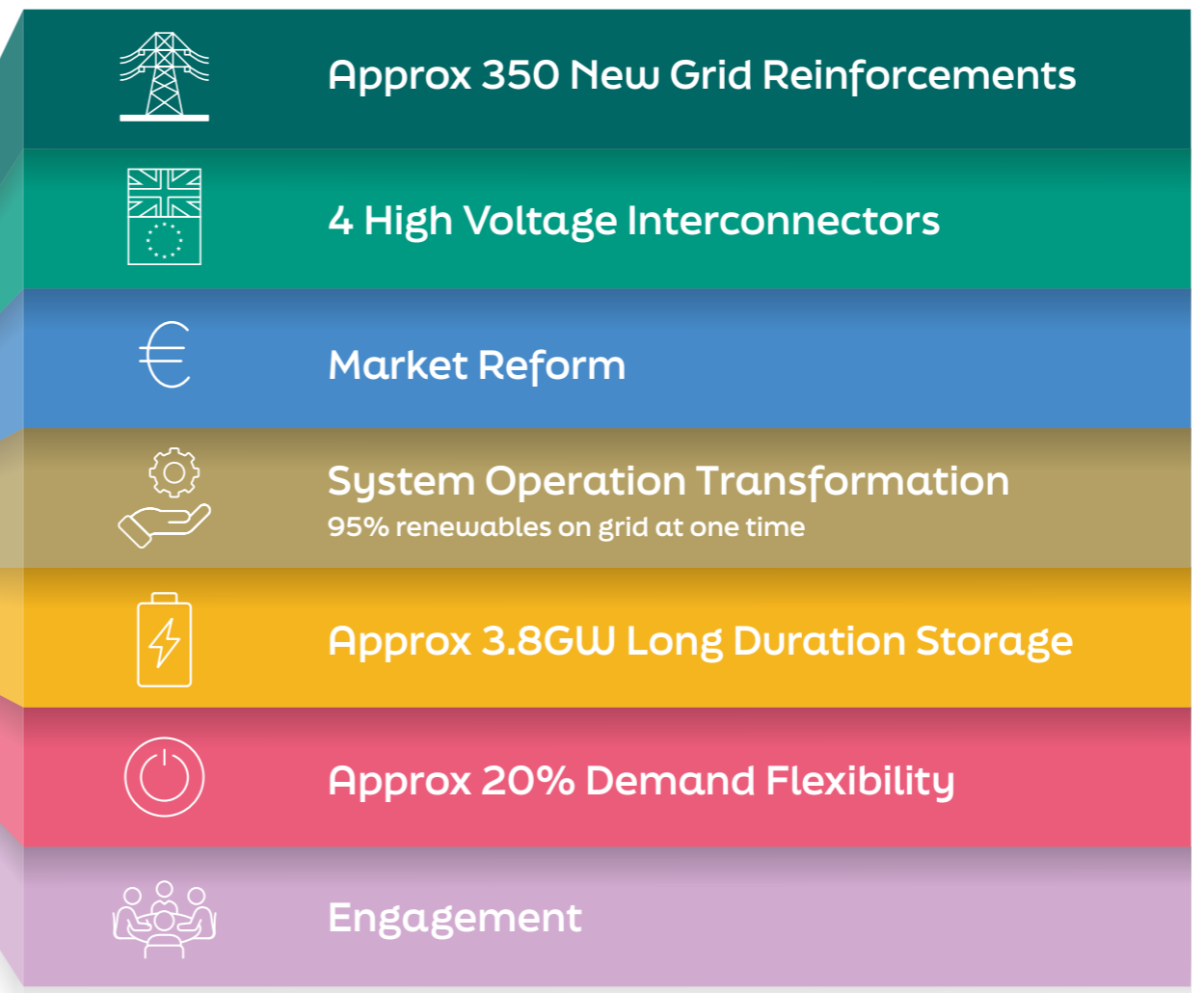
Martin Corrigan
Chief Executive (Interim), EirGrid plc



2030 Electricity Challenge



Shaping Our Electricity Future



2030 Electricity Demand

Approx **50%** increase in electricity demand



'Sparkle'
A poem by
Almero de Villers,
Energy Research Engineer

Almero has been working at EirGrid since 2023 in the Power Systems Research and Insights Authority team. He was inspired to write this by the beauty of rural Ireland and by the love of literature and poetry instilled by his mother from a young age.


Bantry, Co. Cork
Photograph by
Noirin Clifford,
Graduate Engineer

Was there ever a more beautiful place
Than our very own emerald isle
So let's keep it that way
And tarry for a tiny while
Wind and water we have in abundance
And oft the quick dance of the sun
So give us a whirl
With a twirl twirl twirl
And see how we flourish at will



Noirin joined EirGrid in September 2024 as part of the graduate programme and is currently working in the Future Power Markets' policy team.

Financial Review

Revenues and Profitability

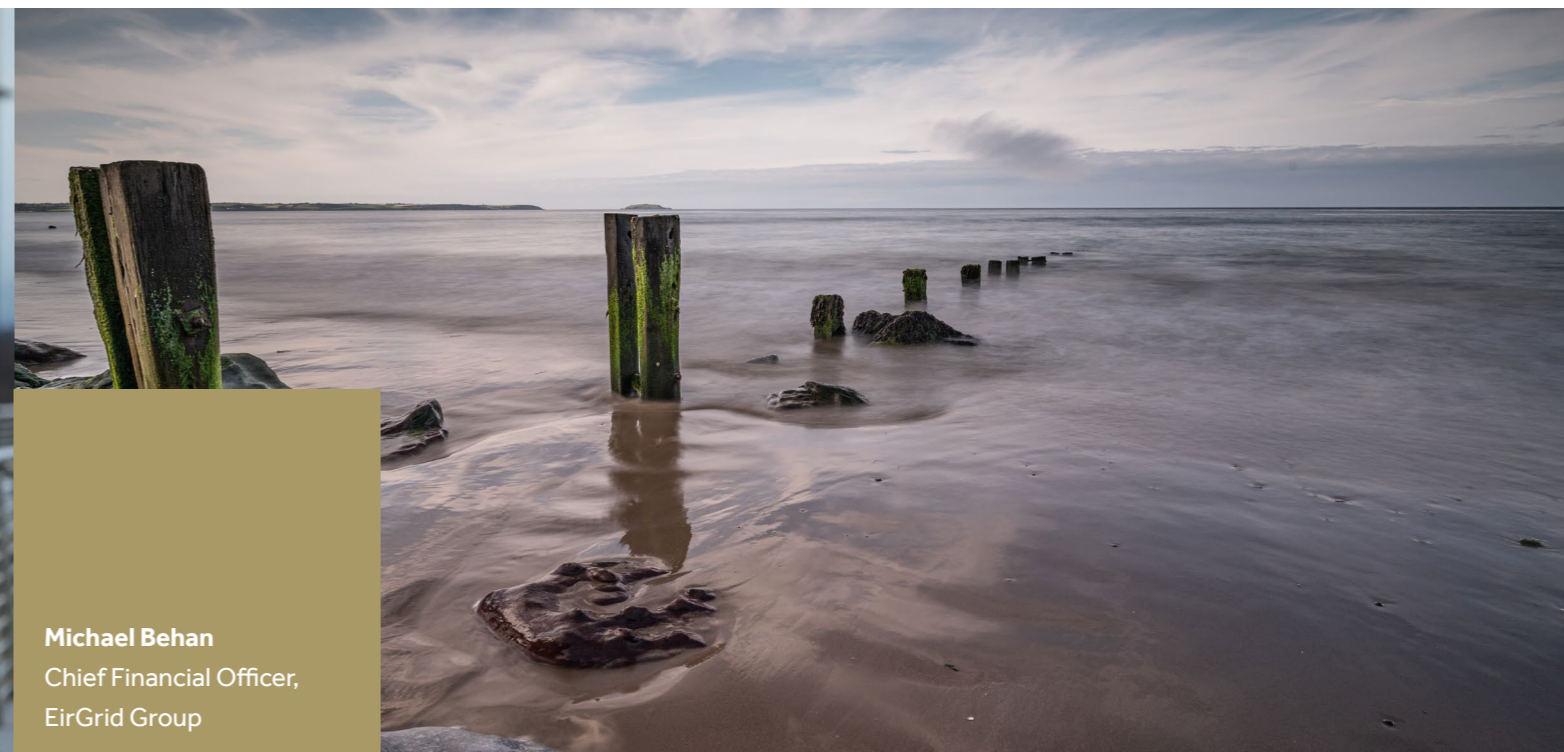
Group revenue for 2024 was €1,106m which was 3% lower than the previous year. The Group's revenue is primarily derived from regulated tariffs. The main revenue is the Transmission Use of System (TUoS) tariff which is a charge payable by all users of the transmission systems in Ireland.

We also earn tariff revenue as Market Operator and Nominated Electricity Market Operator for the Single Electricity Market (SEM). The East West Interconnector (EWIC) earns revenue from congestion income arising from price differentials between the SEM and Great Britain markets and also for the provision of system services. Any revenue earned on this interconnector is used to reduce EWIC tariff requirements.

In advance of each tariff year, each licensee submits a forecast to the relevant regulatory authority. This covers customer

demand, direct costs, and other revenue requirements. Following a detailed review process, the regulators issue a formal determination of the allowable revenue that the business can recover. In any year, the revenues collected under these licences may vary from the levels that were previously agreed with the regulators. This is because tariffs are agreed based on forecasts and are collected based on actual energy consumption. Costs may also vary from forecast levels. Therefore, the financial results in any year can include regulatory over or under – recovery of tariffs in the year in question or the correction of prior year over or under-recoveries. Under International Financial Reporting Standards (IFRS), these regulatory over or under-recoveries are recognised in the year in which they occur, even though they will be reversed in future years tariffs.

03



Michael Behan
Chief Financial Officer,
EirGrid Group

Alternative Performance Measures provide evidence of financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. The Group views Underlying Profit as an important Alternative Performance Measure for the business as it gives an indication of the level of profitability when regulatory over or under recoveries are eliminated, given these will be adjusted for in future years tariffs, whereas reported accounting profit before tax is in adherence with IFRS. Underlying profit is an internal estimate of the Group's profitability and is mainly comprised of the various regulatory allowances earned for carrying out our licenced activities and non-regulated activities.

The accounting profit before tax under IFRS for 2024 was €9.8m. This has decreased from €71.2m in 2023, due to costs associated with Article 13.7 of the Clean Energy Package (see note 21(a) of the Financial Statements for more information) and regulatory timing differences, partly offset by a gain on the deconsolidation of a subsidiary as set out in note 6 of the Financial Statements. Excluding the impact of over and under recoveries on reported profit, underlying profit for 2024 was €25.6m (2023: €40.6m).

EirGrid paid a dividend of €4.0m in July 2024 in respect of 2023. A dividend of €4.0m in respect of 2024 is proposed to be paid in the second quarter of 2025.

Regulation

EirGrid Group consists of several licensed activities. EirGrid plc is the Transmission System Operator (TSO) in Ireland, and these activities are regulated by the Commission for Regulation of Utilities (CRU). The Group also holds two licences as Interconnector Operator, one from CRU and one from the Office of Gas and Electricity Markets (Ofgem) in the GB. In addition, EirGrid and SONI jointly act as Single Electricity Market Operator (SEMO) for the SEM, which is regulated by the SEM Committee (SEMC). This committee comprises CRU, UR, an independent member, and a deputy independent member.

Finally, EirGrid plc and SONI Limited were designated as Nominated Electricity Market Operators (NEMOs) by CRU in Ireland and Utility Regulator in Northern Ireland respectively. We provide NEMO services through SEMOpx, which is a 75/25 contractual joint venture between EirGrid plc and SONI Ltd. The Group's licensed activities are subject to multi-year price controls. These generally are for a five-year period.

Financing

We continue to maintain a focus on the Group's cash flows and available cash resources and adequate working capital facilities have been put in place to protect the Group's liquidity.

The Celtic Interconnector project achieved Financial Investment Decision in November 2022 and €800m of funding facilities were put in place (in November 2022) with a number of EirGrid lenders (European Investment Bank, Danske Bank, Barclays Bank, and BNP Paribas), consisting of €600m term loans and €200m revolving credit facilities. A total of €582m of these term loans has been hedged via interest rate swaps.

The Celtic Interconnector project is also funded by a Connecting Europe Facility (CEF) grant of €530m from CINEA. The Celtic Interconnector project is a joint venture between EirGrid plc and the French TSO, Réseau de Transport d'Electricité (RTE).

The Group's other significant borrowings relate to the East West Interconnector, which have long repayment dates and are fully hedged against interest rate fluctuations.

We welcome Minister Ryan's press release in October 2024 regarding an initial direct equity injection of €750 million for EirGrid to develop electricity infrastructure, in particular, to support Phase 1 of offshore grid development.

The priorities in the coming year will be to continue to manage liquidity effectively, including securing additional funding for our new role as owner of Offshore transmission assets over the coming years. We look forward to continuing to work with all of our lenders to finance EirGrid's activities in 2025.



SONI Governance

On 30 August 2022, the Utility Regulator (UR) published its decision on the proposed licence modification to the SONI Transmission System Operator, which came into effect on 26 October 2022.

The licence modifications fundamentally alter the governance arrangements between SONI Ltd and its parent (EirGrid plc) and also require the managerial and resource separation of SONI Ltd from the EirGrid Group in terms of employees, premises, IT and other systems, equipment, facilities, processes and assets. The new licence conditions also require the restriction of shareholder decision making to those matters reserved for shareholder decision under the UK Companies Act 2006.

On 1 October 2023, a new independent SONI Ltd board was appointed following on from approval by UR, the first significant step in the implementation of the licence modifications. All decision making and responsibility for the performance of SONI now sits with the new SONI Ltd board.

As set out in note 6 of the Financial Statements, the Consolidated Financial Statements incorporate the Financial Statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company has power over the investee, is exposed, or has rights to variable return from its involvement with the investee and has the ability to use its power to affect its return. On that basis, SONI Ltd had been consolidated into the Group Financial Statements up to

30 September 2023. SEMO and SEMOpx were established as a 75/25 contractual joint operations between EirGrid plc and SONI Limited. As a result, the 25% portion of SEMO and SEMOpx is no longer consolidated as part of the Group and the SEMO and SEMOpx segments represent EirGrid Plc's 75% interest in the contractual joint ventures. Given the governance changes required as a result of UR's SONI governance decision, the Company is no longer able to demonstrate control over SONI Ltd, and as a result, from 1 October 2023 it has been deconsolidated from the Group Financial Statements. The assets and liabilities of SONI have been derecognised at their carrying amounts; the fair value of retained interest has been recognised as an investment in financial asset; the difference between the carrying value and fair value on 1 October 2023 has been recognised as a gain in the Income Statement; and the change in value between 1 October 2023 and 30 September 2024 has been recognised in the Statement of Other Comprehensive Income.

Financial Outlook

EirGrid's balance sheet increased during 2023-24 with Total Assets of €2.5bn as at 30 September 2024. EirGrid has a significant capital investment programme for the coming years and we will continue to build EirGrid's financial strength to enable the delivery of critical electricity infrastructure supporting Ireland's transition to a low carbon society.



Michael Behan
Chief Financial Officer, EirGrid Group



Financial Summary

	2024 (€m)	2023 (€m)
Revenue	1,106.1	1,140.5
Direct Costs	(977.2)	(868.0)
Other Operating Costs	(157.5)	(186.1)
Operating (Loss)/Profit	(28.6)	86.4
Gain arising from deconsolidation of subsidiary	37.1	–
Net Finance Income/(Costs)	1.3	(15.2)
Profit Before Tax	9.8	71.2
Underlying Profits	25.6	40.6

'From Rock and Sea'

A poem by
Abbey Corr,
Graduate Engineer

Abbey joined the EirGrid graduate programme in September 2023 and works in the System Operations team. She has a passion for running, poetry, and the outdoors.

When heather sways purple, paws scamper below
White towers bask in the sun, and glow,
When trees lift their limbs, shake green arms great,
White towers will spin to celebrate.

When breath sweeps the lands, bare and bleak
And with fright does our green isle creek,
When Éire turns tides of the skies at night,
They'll whirl their arms in the starlight.

White towers will rise from rock and sea
Send pulses electric out steadily,
Each shift in the wind that brings times anew,
White towers, they're listening and planning for it too.



Coumeenoole,
Co. Kerry

Photograph by
David Corcoran,
Senior Lead Power
Systems Engineer

David joined EirGrid in 2017 and is a Senior Lead Engineer in the System Integrity team. He is the Multi-year Delivery Programme Lead and System Work Stream Lead for the Joint Outage Transformation Programme between EirGrid and ESB. He also works as a Transmission Relief Grid Controller at the National Control Centre.

Business Review

04

Climate Law and the Electricity Sector

Climate action and the decarbonisation of our economy and society are key Government objectives, and electricity plays a vital role in achieving this objective. While we work to decarbonise the electricity sector by upgrading the grid, EirGrid is also planning for growing electricity demand as sectors such as transport and housing continue to decarbonise through electrification.

Under the Climate Action and Low Carbon Development (Amendment) Act, Ireland must deliver a 51% reduction in its greenhouse gas emissions by 2030 compared to 2018 levels, as part of its pathway for delivering a climate resilient, biodiversity rich and carbon neutral economy.

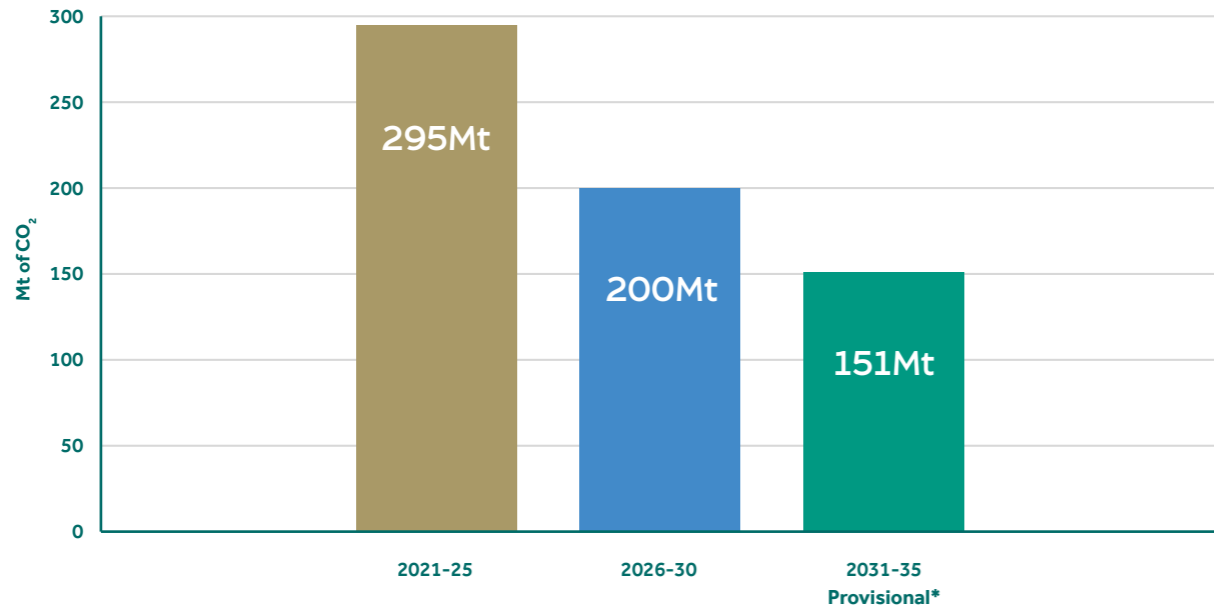
In 2022, the Government introduced Carbon Budgets, setting out limits for total emissions for the periods 2021-25, 2026-30 and 2031-52, and Sectoral

Emissions Ceilings, setting the maximum greenhouse gas (GHG) emissions per sector within each budget period. The latter of these has an impact for EirGrid's work, as the electricity sector has a 75% total emissions reduction target by 2030 compared to 2018 levels, the most significant contribution across all sectors.

Renewable electricity generation is a key contributor to achieving these decarbonisation targets, and the Government has increased the ambition for this sector, setting a target of 80% renewable electricity by 2030 in the Climate Action Plan 2023 (CAP23).

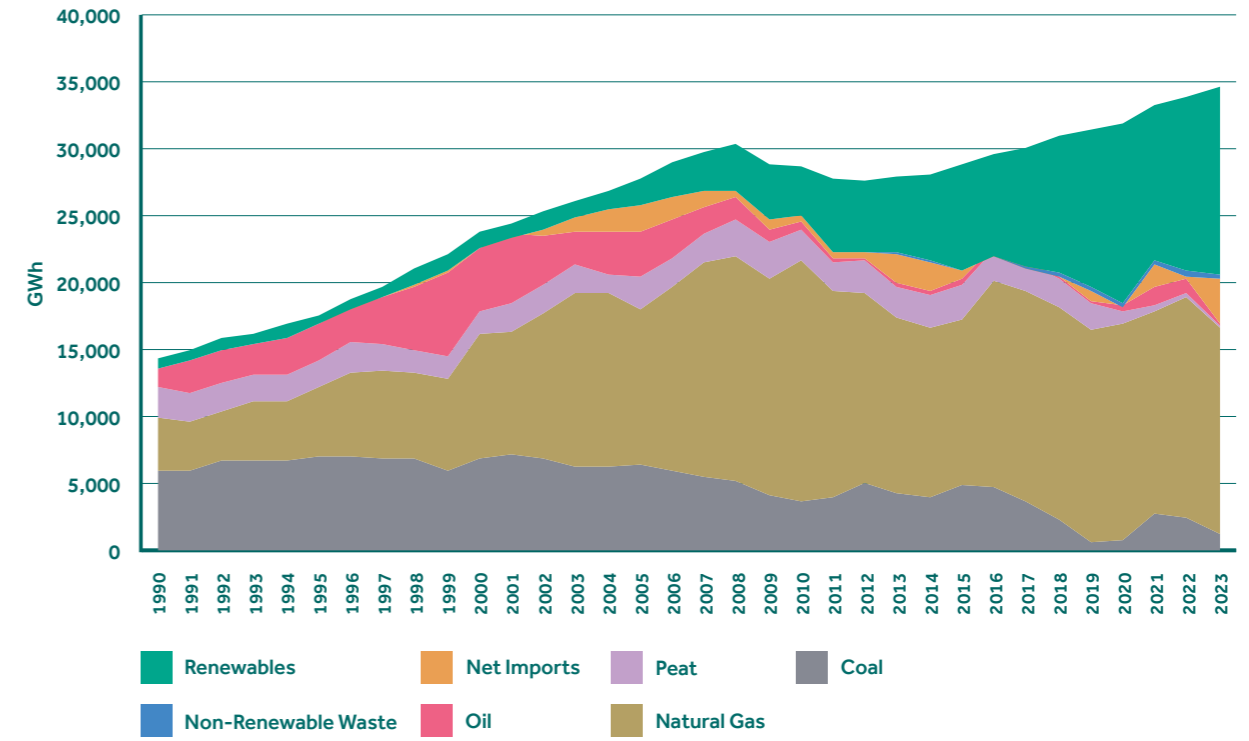
Through our work, we are mindful that achieving Ireland's ambitious targets, coupled with increased demand from the decarbonisation of other sectors, will be challenging and require active collaboration across the entire ecosystem.

Carbon Budgets

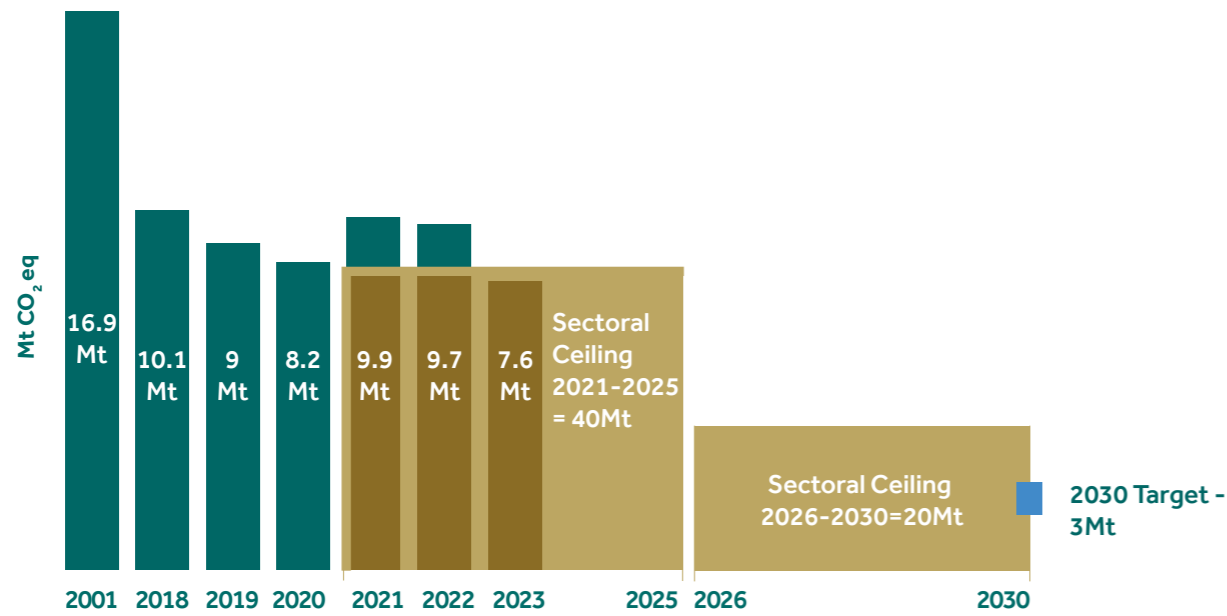


*The Climate Change Advisory Council has proposed to formalise the 2031-2035 carbon budget as 160Mt, and has proposed a carbon budget of 120Mt for the 2036-2040 period.

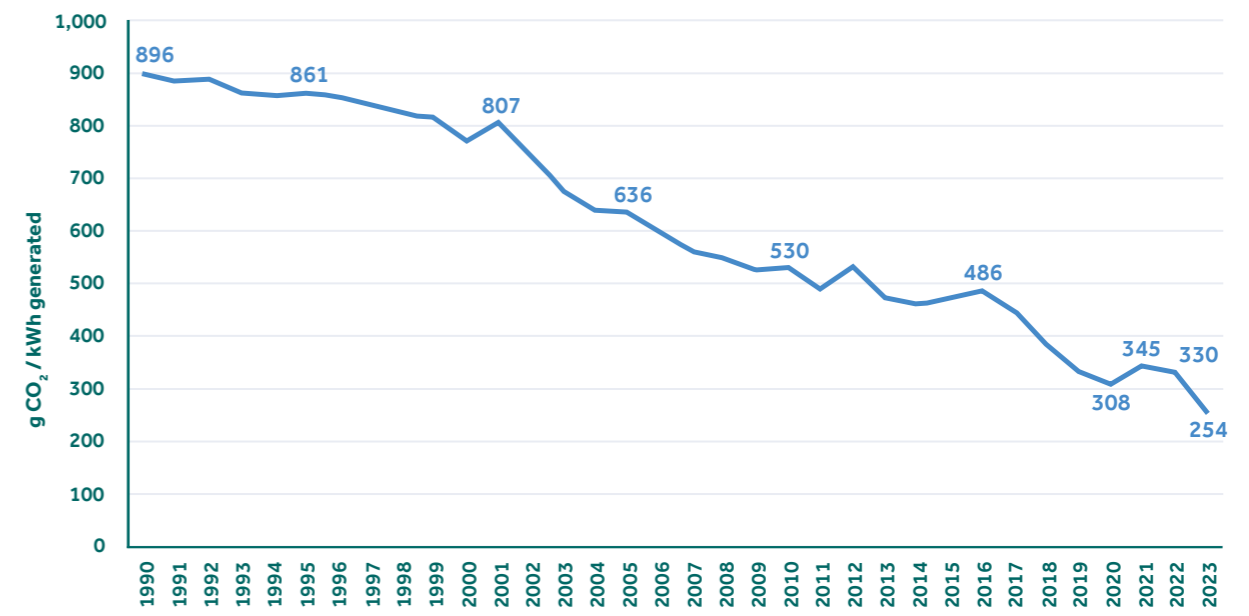
Ireland's Historical Electricity Production by Fuel Type



Ireland's Sectoral Emission Ceiling – Electricity



Emissions Intensity of Electricity Generation 1990-2022*



*Data sourced from the Sustainable Energy Authority of Ireland (SEAI). Includes revisions to data in previous years by SEAI.



Energy Policy and Regulatory Landscape

Ireland

The following policy developments with actions assigned to EirGrid occurred in the past financial year.



Climate Action Plan 2024

(Approved by Government in December 2023)

9 actions for EirGrid (both as a lead and a stakeholder), including reducing the minimum number of conventional synchronous generation units from 5 to 4 in Ireland to facilitate higher levels of renewables on the system and a reduction in carbon emissions from non-renewable generation.



Energy Security in Ireland to 2030

(Published November 2023)

8 actions for EirGrid, including implementation of CRU's Security of Electricity Supply Programme, building of a fit-for-purpose electricity grid, and accelerating delivery of power system flexibility.



Future Framework for Offshore Renewable Energy

(Published May 2024)

EirGrid tasked with rollout of our Grid Implementation Plan from Q2 2024 to Q2 2025.



Electricity Storage Policy Framework

(Published July 2024)

5 actions for EirGrid including working with Department of the Environment, Climate and Communications (DECC) and ESBN on the creation of a 'sandbox' project to advance both System Operators' technological knowledge of emerging electricity storage technologies from 2024 onwards.



Government Engagement

The Climate Action Plan 2023 (CAP23) called for the establishment of the *Accelerating Renewable Electricity Taskforce* "to coordinate the fast-tracked and increased deployment of onshore renewable electricity generation"¹. EirGrid has been actively involved in both the Taskforce and its relevant Working Groups throughout the past financial year, including the development and delivery of its programme of work. Similarly, the *Offshore Wind Delivery Taskforce* was established in 2022 and EirGrid continues to play its part in delivering its programme of work and contributes strongly to the Working Groups.

The *Energy Security Emergency Group* (ESEG) was established by DECC to coordinate Ireland's response to the impact of the war in Ukraine on the energy system in Ireland. The work of the group has been focused on the *Energy Security Package* to reduce Ireland's reliance on fossil fuels, support consumers, and ensure security of supply. EirGrid participates in the delivery of several of the initiatives under this programme.

¹ *Accelerating Renewable Electricity Taskforce, Terms of Reference 2023*

European Union

At a European level, there was a continued development of EU energy and climate policy during the financial year, including further initiatives to progress the green energy transition driven by the *European Green Deal and Clean Energy Package*. Acceleration of renewable generation development is a pillar of EU energy ambitions, with the revised *Renewable Energy Directive* (RED III) and *Electricity Market Design Directive* entering into force at an EU level in November 2023 and July 2024 respectively, with transposition to Irish law to follow. The *EU Action Plan for Grids*, launched in November 2023, outlines actions for electricity grid enhancement, to allow for accommodation of more renewable generation.

In September 2024, the *Future of European Competitiveness* report was published, within which Mario Draghi, former President of the European Central Bank, identified a range of requirements including the need for greater cross-border interconnection and grid investment in order to enhance the Union's competitiveness and energy security.

Secure Transition

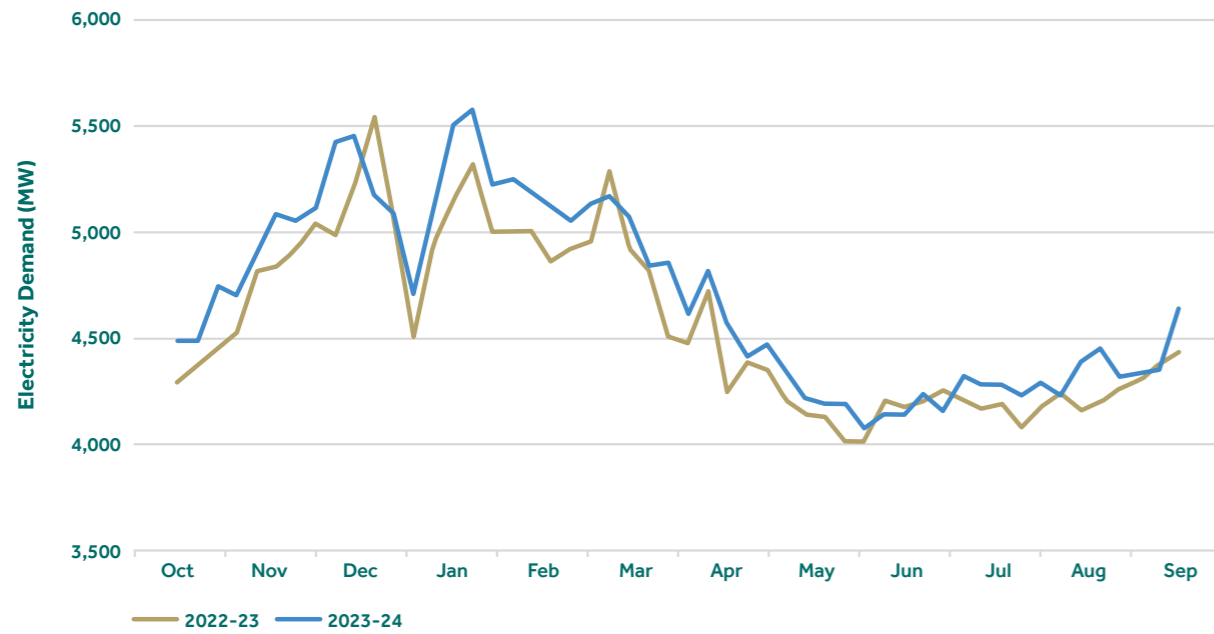
System Operations

During the financial year, we continued to successfully operate the electricity system and the market. Despite a challenging winter outlook for Winter 2023-24, only one system alert was issued in Ireland in this period due to good availability of conventional generation and close coordination with stakeholders, including TSOs in Great Britain and European countries that are interconnected with Great Britain, to secure imports on days that the system would have been tight.

A new peak demand record of 5,577 MW was recorded on 18 January 2024 at 17:50. A new Ireland wind record of 3,866 MW was recorded on 3 December 2023 at 15:42.

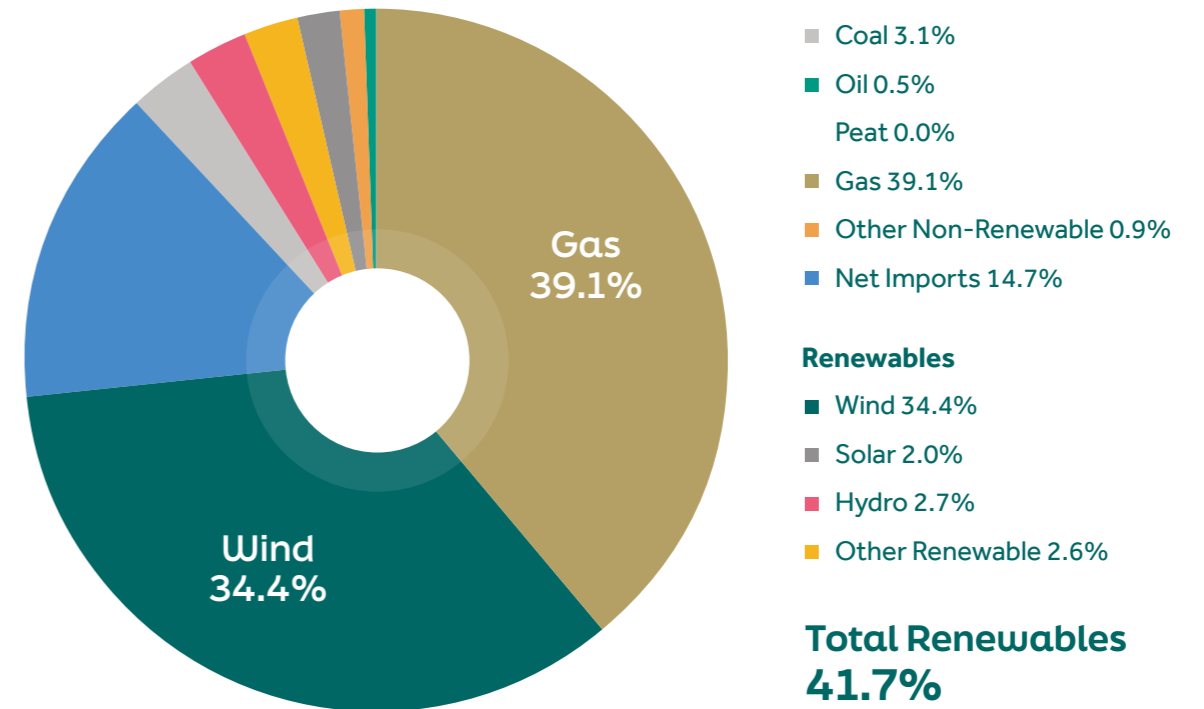
In order to achieve the 2030 targets laid out in CAP23, we have continued to make progress in transforming the way we operate the power system. In the past we operated a power system based on conventional generation that could be sent an instruction to generate at an output with no variability and with each generating unit synchronised with each other. Our future power system will be at times utilising fully variable and non-synchronised renewable sources of power. Ireland is lightly interconnected compared to other jurisdictions and this makes operating the power system more complex as it is less flexible. As such, EirGrid, in its role as TSO is addressing system operational challenges first, before they are experienced in the years to come in other heavily interconnected systems.

Ireland Weekly Peak Electricity Demand



Ireland Electricity Fuel Mix as Percentage of Demand

*Figures have been rounded for ease of presentation.



System Non-Synchronous Penetration (SNSP)

Having adopted a new standard of 75% System Non-Synchronous Penetration (SNSP) in March 2022, a key achievement was the successful operation of the system at above 70% SNSP for over 665 hours. Increasing SNSP is a key component of our Shaping Our Electricity Future

v1.1 (SOEF v1.1) Roadmap (see page 54). Studies commenced in 2023-24 to increase the SNSP figure to 80% and our plans are to increase it to 95% by 2030, which is a critical enabler to achieve Ireland's renewable energy targets. Our achievements in this area are world-leading and EirGrid is recognised by our peers at an international level for this work.

What is SNSP?

In the past, conventional generators operated at the same frequency, synchronised to the electricity grid. Renewable generation, such as wind and solar, operate differently (or asynchronously). To achieve Ireland's 2030 renewable targets, we will need to develop the capability of operating the grid with almost 100% of electricity sources that do not synchronise with the electricity system. EirGrid monitors the overall amount of SNSP connected to the grid at any one time. This metric is important to ensure a safe, secure, resilient, and reliable system, even with high levels of non-synchronous sources of electricity.

Reducing the Number of Large Conventional Generation Units

In April 2024, we completed a critical trial outlined in the *SOEF v1.1 Roadmap* and reduced the minimum number of large conventional fossil-fuelled generators that must operate on Ireland's electricity grid at any one time from five to four. A minimum number of large fossil-fuelled generators are required to run to ensure the stability of the power system and EirGrid has now successfully demonstrated that this can be reduced from five to four generators. This will allow for a reduction in both carbon emissions and constraints costs for consumers and create more opportunity for renewable generators to meet our electricity demand requirements.



System Alerts

Managing our security of supply ensures that there is enough electricity being generated to meet the demand for power. The total electricity generated must also include a generation capacity margin, which allows us to manage uncertainties. These uncertainties include the variable output of wind generation and the risk of conventional generators shutting down unexpectedly due to faults.

Where such margins do not meet the criteria we have set out, a System Alert is issued. This is typically when all available generation has reached or is forecast to reach its maximum output. Alerts tend to be active over the peak demand period of the day, generally between 17:00 and 19:00. During these times, we use all available measures, including generation and demand side actions. The three 'status levels' of the electricity system are outlined below:

Status of Electricity System	Definition
Alert	A System Alert warns of the potential for temporary electricity supply issues in the near future, so that our engineers and the wider electricity sector can prepare to take pre-planned actions to protect the integrity of the grid. A System Alert often passes off without incident once a sufficient buffer (margin) between electricity supply and demand is restored.
Emergency	A System Emergency is issued by the TSO when there is a high risk that not all electricity demand can be met. TSO engineers work closely with Distribution System Operator (DSO) engineers to take pre-planned actions to protect the integrity of the grid. These actions may include controlled outages and a temporary reduction in electricity supply for some users.
Major Power System Incident	A Major Power System Incident is one when more than 50% of the electricity system has lost power, or when the system has been split into sections, some of which are without power. In such circumstances, pre-prepared step-by-step actions are taken by the TSO, including the Power System Restoration Plan.

The first level is known as a System Alert state and the second level is a System Emergency state. Loss of a large conventional generator or interconnector during a System Alert state could risk the supply needed to meet peak electricity demand. In a worst-case scenario, this would lead to the disconnection of electricity consumers (a Major Power System Incident).

System Margin Warnings

The Temporary Emergency Generators installed under CRU's *Electricity Security of Supply Programme* provide capacity that can be called on to avoid a System Alert or Emergency. A System Margin Warning will be issued by the System Operator when the availability of these non-market units avoids issuing a System Alert or Emergency state.

System Alerts and Margin Warnings

Two System Margin Warnings were issued during 2023-24, on 18 July and 23 July, due to a reduction in the margin between supply and demand below what would otherwise have been the prescribed standards for triggering a System Alert.

In addition to the Margin Warnings, two System Alerts were issued during the financial year. This is in comparison to nine occasions in the financial year 2021-22 and two occasions in 2022-23. The first of these System Alerts was issued on 11 November 2023, due to a combination of conventional generation being unavailable, very low wind generation, and demand tracking higher than forecast. The second System Alert was issued on 21 January 2024, due to transmission line trippings during Storm Isha.

We continuously monitor generation margins, and work with our stakeholders, both market participants and large energy users, to proactively manage risk periods and prepare for system warnings and alerts, minimising the risk of disruption and ensuring the secure supply of electricity.



Security of Supply

As we progress significant changes required to transition to a decarbonised power system, maintaining security of supply is critically important.

In Ireland, the Commission for Regulation of Utilities (CRU) is responsible for security of supply, as set out in SI 60 of 2005, European Communities (Internal Market in Electricity) Regulations 2005. Where EirGrid is of the view that security of supply is threatened or likely to be threatened, we will advise CRU and make recommendations on measures to address it. CRU then has responsibility for taking such measures, or other measures, as it considers it necessary to protect the security of supply.

Under the CRU-led *Electricity Security of Supply Programme*, EirGrid has worked closely with CRU and the Department of the Environment,

Climate and Communications (DECC) to implement a coordinated approach to address security of supply challenges in Ireland in the short to medium term, as well as measures to address security in the longer term.

Significant progress was made with the delivery of Temporary Emergency Generation (TEG) under this programme during 2023-24. In October 2021, CRU issued a direction to EirGrid under the EC Regulations, to secure circa 300 MW of emergency generation, known as Temporary Emergency Generation 1 (TEG1). TEG 1 units at two sites were successfully delivered, tested and made available for Winter 2023-24, providing 250 MW of capacity. In June 2022, CRU issued a further direction to EirGrid to secure circa 450 MW of Temporary Emergency Generation (TEG2) which are at a further two sites. At the end of the financial year the delivery of these projects was nearing completion.

Operation of the Power System Winter 2023-24

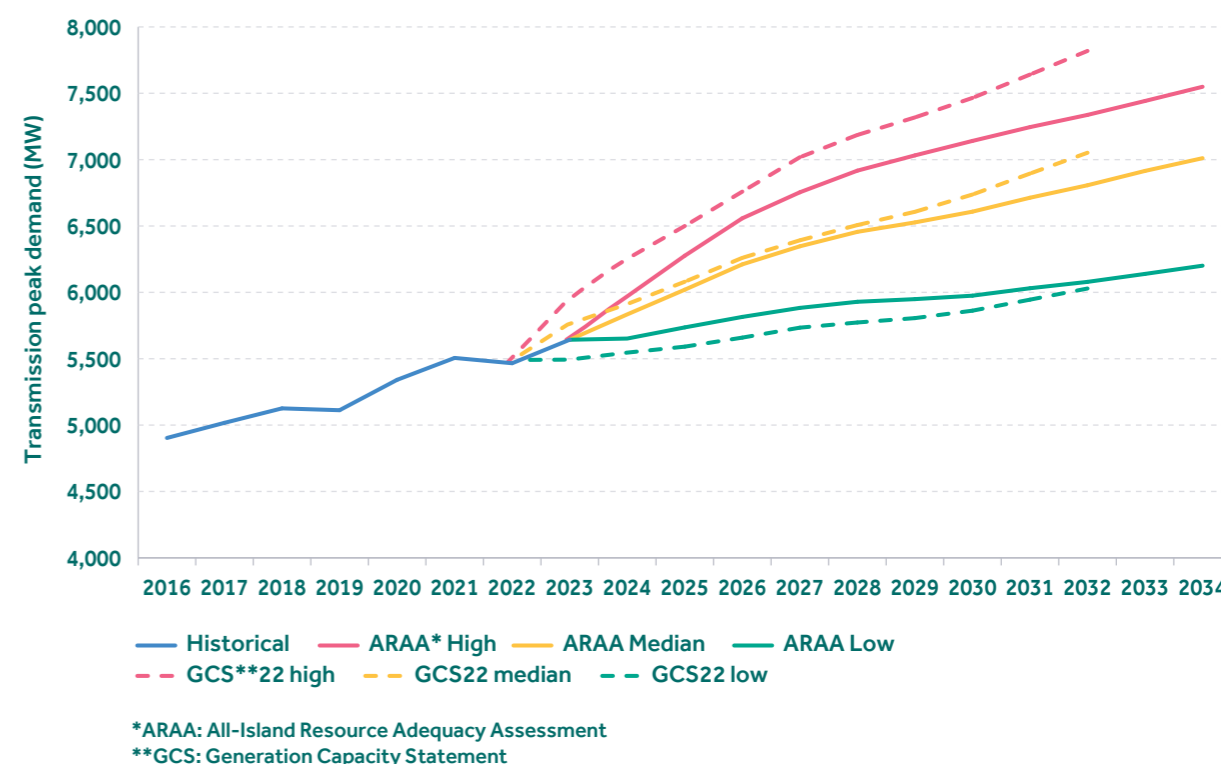
Our Winter Outlook reports help to inform the electricity industry and support preparation for the winter months, covering the period from 30 October to 31 March. EirGrid studies the expected generation capacity and the forecast electricity demand to determine if there is adequate generation capacity margin. The Winter Outlook then identifies periods where the margin between generation capacity and forecast peak demand is low, and the security of supply of the electricity system may be at risk. The assessment is based on the best information available at the time and is therefore subject to change.

Over the course of the 2023-24 winter period, generation adequacy remained tight during times of low wind generation. Reciprocal support arrangements with TSOs in Great Britain and

European countries that are interconnected with Great Britain helped to minimise the number of System Alerts during these periods. As a result, only one System Alert relating to reduced generation capacity margins occurred in Ireland in the 2023-24 winter period.

In the *Winter Outlook 2023/24* report, published in October 2023, the expected Loss of Load Expectation was 21 hours in 2023-24, reduced from 51 hours in the 2022-23 winter period. During the financial year 2023-24, we completed our preparedness for Winter 2024-25, and the LOLE has further reduced to 3.6 hours largely driven by the delivery of 505 MW of Temporary Emergency Generation, as noted in the *Winter Outlook 2024/25* report published in October 2024.

Forecasted Demand for Electricity in Ireland



Loss of Load Expectation

Loss of Load Expectation (LOLE) is the number of hours in a period, typically a year, during which the available generation is forecast to be inadequate to meet the instantaneous demand, computed by a mathematical formula based on system studies. The higher this number is, the greater the risk that there will be insufficient generation available to meet the demand at all times. DECC sets the LOLE standard which acts as a maximum level of risk that it has judged the system should be operated at. As of December 2024, the LOLE standard is three hours per year (previously eight hours per year).

Emergency Preparedness

Under our emergency preparedness programme we have reviewed and enhanced our coordinated emergency communication plans. During the financial year, we executed a range of exercises outlined in the Risk Preparedness Plan for Ireland, published by CRU in May 2023. This programme also informs the National Emergency Coordination Group's (NECG) readiness for energy sector emergencies.

The transition to a decarbonised electricity system

Ireland's target of 80% RES-E (gross final consumption of electricity from renewable sources) by 2030 requires the connection of 9 GW of onshore wind generation, 5 GW of offshore wind generation and 8 GW of solar generation by 2030.

Electricity generation in a renewable heavy system is asynchronous and subject to variability due to weather conditions, with the potential for a periodic mismatch between availability of high levels of generation and periods of high demand. An unprecedented transformation of Ireland's electricity grid is required to maximise the use of renewables when abundant and enable the transmission of electricity from renewable energy sources to locations of high energy demand.

Critical investment by EirGrid is required across its transmission system network and operations, as well as continued implementation of market changes, to meet Ireland's renewable energy targets. Rapid growth in renewable and low carbon generation technologies is also required, with implementation and connection of new technologies enabling a grid that can both meet the RES-E targets and operate reliably and safely with up to 95% non-synchronous generation.

Guiding our work on decarbonising the electricity system and meeting Ireland's renewable and climate targets is the *SOEF v1.1 Roadmap*, which sets out a whole of system approach with proposed multi-year plans across the following four workstreams for enabling Ireland's climate ambitions:

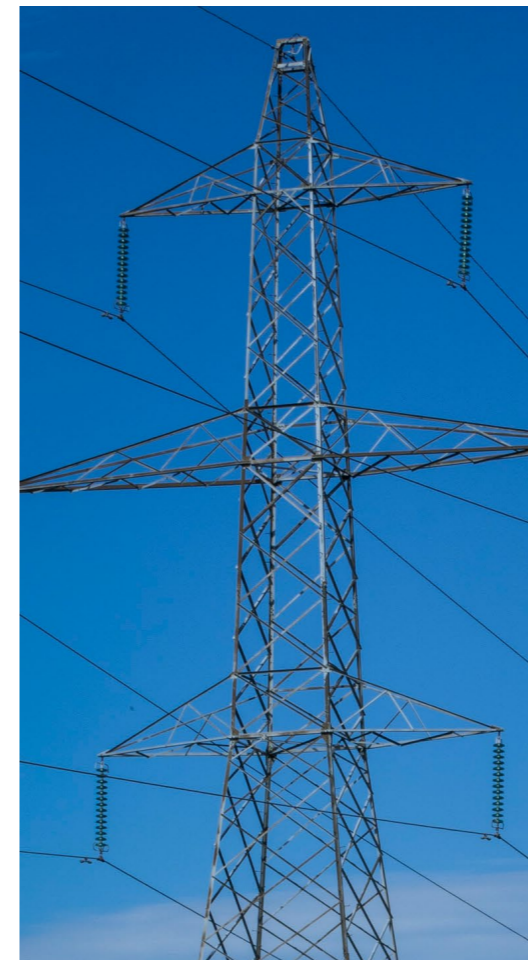
- Network Infrastructure;
- System Operations;
- Electricity Markets; and
- Engagement (refer to the Responsible Business Section, pages 98-105).

Network Infrastructure

EirGrid is progressing over 370 network reinforcement projects to strengthen the grid to support the successful achievement of Ireland's 2030 targets. Investing in and developing new network infrastructure is complex and requires long-term planning, consenting, and engagement activities and capabilities. Therefore, maximising the use of existing network infrastructure and optimising our planning approach for new network infrastructure projects is vital.

Significant progress has been made on network reinforcements during the financial year to enable handover to ESB Networks (ESBN) as Transmission Asset Owner (TAO) for final project delivery. We continue to collaborate extensively with ESBN and explore all available options to identify opportunities to accelerate the progression of our grid delivery projects. We have placed particular emphasis on our highest priority projects across our broader portfolio which have been identified as delivering the maximum benefits to the grid and our stakeholders. Please refer to pages 56-67 for further details on the latest progress of our major network infrastructure projects.

During the financial year, we continued to make significant progress on a number of key initiatives for supporting the delivery of our project portfolio.



In January 2024, EirGrid and ESBN published the Joint Outage Transformation Programme (JOTP), which is now underway and delivering positive impacts. While necessary for delivery of new infrastructure, the management of electricity system outages is logistically challenging due to the pace and scale of the network transformation required by 2030. To tackle these challenges, solutions set out in the JOTP focus on increasing outage availability and maximising the utilisation and effectiveness of outages.

The first Dynamic Line Rating (DLR) device, a technology which determines the maximum power flow that can be safely accommodated on an overhead line at any time based on prevailing weather conditions, became operational in March 2024 on the Lisheen-Thurles 110 kV circuit. In addition, a composite pole construction trial was completed and we anticipate using this type of technology in the future to accelerate delivery timelines and realise other associated benefits such as reduction in visual impact and increased durability, where appropriate.

System Operations

To deliver Ireland's 2030 targets, a major evolution in how the power system operates is required, and we are working on four key programmes to achieve this:

- We are developing new operational protocols and policies;
- We are ensuring that we have the appropriate operational standards and system services in place;
- We are enhancing our modelling capabilities and operational tools in the national control centre; and
- We are enabling new technologies and innovations on the power system.

EirGrid has been working with SONI, the TSO in Northern Ireland respectively, and with ESBN as the Distribution System Operator (DSO), across all four programmes.

During 2023-24 we achieved many key objectives, some of which are detailed in the following pages.

System inertia is one of the key requirements for a System Operator to operate a secure power system. In July 2024, EirGrid concluded a procurement process to award contracts for synchronous condenser technology, which will provide Low Carbon Inertia Services (LCIS). Once these projects are connected, LCIS will enable the minimum number of fossil-fuelled generators, which have been traditionally used to provide system inertia, to be further reduced in the future from the current minimum of four.

To ensure a coherent approach to operating and optimising the power system as a whole, an agreement on a high-level design of the TSO and DSO Future Operating Model was reached during financial year 2023-24. This model provides a set of agreements, frameworks, protocols, and systems that will enable the safe and secure coordination between the TSO and DSO, while providing shared solutions for the challenges ahead.

Operational Policy Roadmap

The *Operational Policy Roadmap 2023-2030* sets out our plan to 2030 to accommodate continued growth in variable, non-synchronous renewable generation. It outlines the context, drivers, timelines, milestones, actions, and stakeholder impacts that are needed in each operational policy area to achieve the ambition of Ireland's decarbonisation targets for the electricity sector.

EirGrid is awarded for Best Technological Innovation and System Integration

In November 2023, EirGrid was awarded the Renewables Grid Initiative 'Good Practice of the Year' award in technological innovation and system integration for our initiative in doubling the maximum allowable rate of change of frequency on the grid from 0.5 to 1 Hertz per second. The Rate of Change of Frequency (RoCoF) is a technical term describing the rate at which the frequency changes during a system imbalance event. Detailed studies identified a need to increase the maximum allowable RoCoF on the power system to support Ireland's renewable energy targets.

Prior to receiving this award, EirGrid concluded a multi-year and multi-stakeholder programme of work to change the RoCoF standard with multiple strands and numerous stakeholders. This has increased levels of renewable generation on the power system, thus reducing the carbon intensity of electricity supply and resulting in a more sustainable overall power system.

Eoin Kennedy, Director of Innovations and Planning, receiving the Renewables Grid Initiative 'Good Practice of the Year' award.



Electricity Market

Change to the electricity market design is necessary in response to regulatory policies and directions, in order to achieve Ireland's increased decarbonisation targets and ensure affordability for end consumers. Electricity markets must be aligned to the operational challenges of facilitating the integration of large quantities of renewable energy, and fully coupled trading arrangements are required between the Single Electricity Market, Great Britain, and the EU markets. To achieve this objective, the following multi-year plans are presently underway:

Scheduling and Dispatch Programme (SDP)

The SDP aims to improve the access of new renewable enabling technologies into the power markets. It also ensures compliance with elements of the Clean Energy Package (CEP). The SDP facilitates control centres to better manage the increasing levels of renewables and complexity associated with evolving asset technologies for the grid. It also enables compliance with current and future regulatory mandates and provides revenue certainty for investments in renewables and innovative technologies for the market and grid.

Significant progress was made in 2023-24 on design and development activities, with go-live to be phased across 2025.

Future Arrangements for System Services (FASS)

System services ensure the secure and stable operation of the grid by regulating frequency and voltage levels, and by providing responses when system disturbances occur. These services are traditionally provided by conventional generators, but increasingly wind, demand side, battery storage units and other technologies fulfil this role. The objective of FASS is to deliver a competitive framework for the procurement of system

services, that ensures the secure and reliable operation of the electricity system with higher levels of non-synchronous generation.

During 2023-24, EirGrid successfully completed a number of key activities including publication of the first iteration of the *FASS Phased Implementation Roadmap* in March 2024, the holding of a public consultation on the implementation of the new *All-Island System Services Charge* in July 2024, and the publication of the updated *FASS Phased Implementation Roadmap Version 2.0* in September 2024, in collaboration with SONI.

Long Duration Energy Storage (LDES)

Analysis by EirGrid has identified Long Duration Energy Storage (LDES) as a key facilitator of the transformation required to achieve Ireland's energy and climate objectives. As the penetration of non-synchronous renewable generation continues to increase, so do issues such as network constraint, renewable surplus, and renewable curtailment. The implementation of LDES aims to tackle these issues, including reducing carbon emissions and all-island generation costs.

In October 2023, we engaged with industry and stakeholders through a Call for Evidence on the Market Procurement Options for LDES, with a remuneration gap for investors in LDES development being identified. Our Response to the Call for Evidence on LDES in March 2024 examined these potential barriers to investment and detailed options for new revenue streams to ensure storage gets secured in a way that provides the greatest value for the consumer.

DECC has instructed CRU and EirGrid to design an enduring procurement mechanism for the connection of storage assets.

Shaping Our Electricity Future Advisory Council

EirGrid and SONI established the *Shaping Our Electricity Future (SOEF) Advisory Council* after assessing potential options for facilitating ongoing industry engagement on the plans, objectives and challenges set out in the *SOEF v1.1 Roadmap*. The SOEF Advisory Council is a group of approximately 30 subject matter experts, representing various sectors of energy industry.

The successful delivery of our *SOEF v1.1 Roadmap* can only be achieved with industry and local community collaboration and support, and the SOEF Advisory Council is an essential component for this. The council members provide invaluable insights, so progress on implementation can and is accelerated. This forum meets three times in the year to discuss, review and ultimately support the implementation of the *SOEF v1.1 Roadmap*. During 2023-24, following an invite for expressions of interest, the membership of the SOEF Advisory Council was refreshed and expanded.



Celtic Interconnector

The Celtic Interconnector is a subsea electricity cable currently under construction to enable the exchange of energy between Ireland and France. Since 2011, EirGrid has been working with its French TSO counterpart, Réseau de Transport d'Electricité (RTE), to plan, develop and build the interconnector, which will be approximately 575km long and have a capacity of 700 MW. It has a projected cost of approximately €1.6 billion and is part-funded by the EU as a designated European Project of Common Interest (PCI).

The Celtic Interconnector will provide important benefits for customers and markets in Ireland, France and the EU. It will ensure the supply of electricity is more secure, diversifying energy supply as Ireland's first interconnector to mainland Europe. It will also contribute to reaching Ireland's decarbonisation targets and help to reduce the cost of electricity.

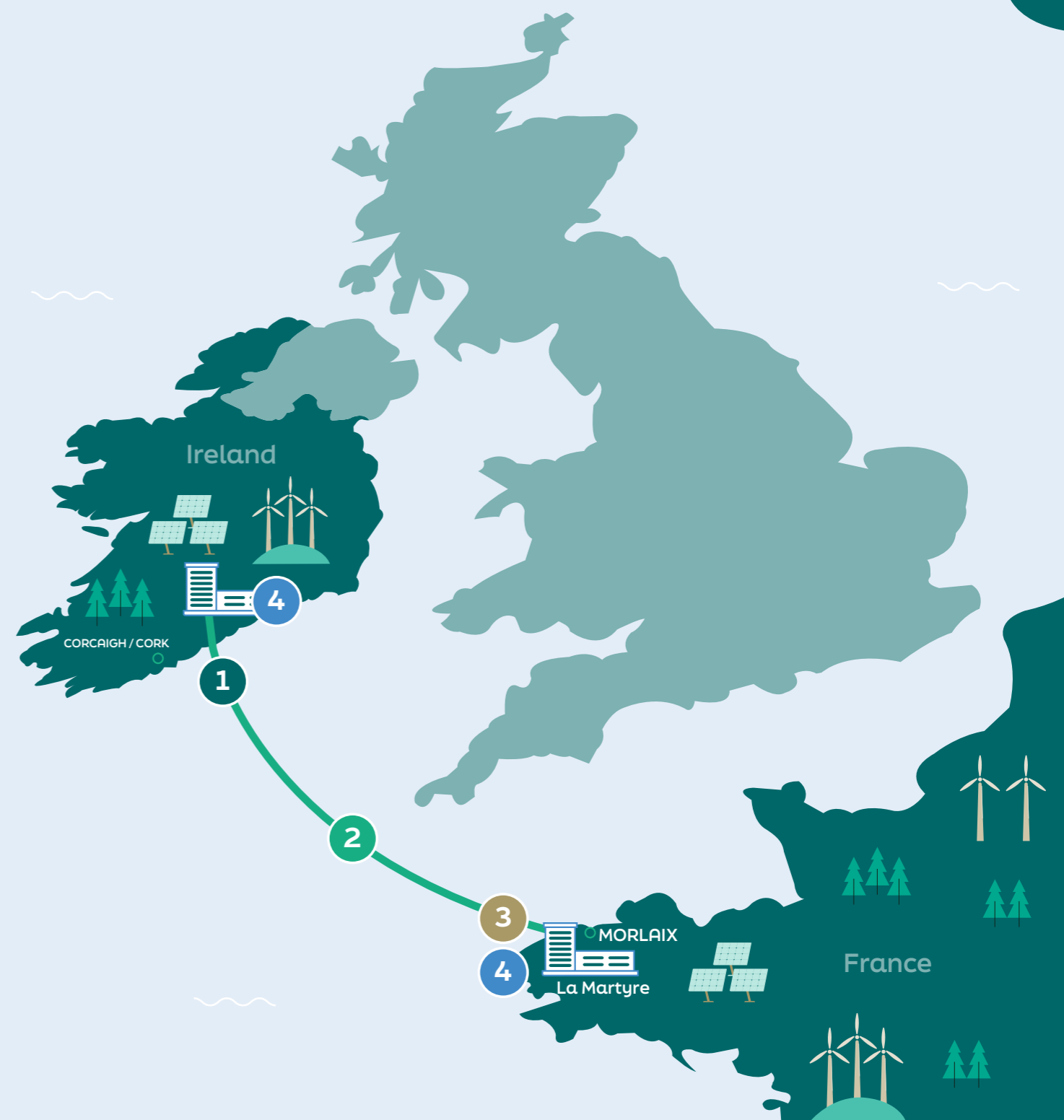
To the end of the financial year, over 800,000 hours of work were completed on the project since contracts were signed with Siemens Energy and French cable manufacturer Nexans. Significant work was carried out during the financial year, with 25km of the 42km land cable route in Ireland ducted and over 27km of High Voltage Alternating Current

(HVAC) underground cable installed. Construction was also advanced on the converter station in Ballyadam, Co. Cork. At the grid connection point in Knockraha, Co. Cork, civil works were nearing completion at the end of the financial year. Initial archaeological investigations took place at Claycastle Beach, Youghal, Co. Cork, in preparation for cable landfall works to commence towards the end of 2024.

Marine surveys for sections of the submarine cable route continued to progress during the financial year, in preparation for the first installation of the cable in the Celtic Sea. Trenching trials, route boulder clearance, and out-of-service cable cutting all took place throughout the summer months in 2024, in preparation for laying of the marine cable scheduled to commence in 2025.

In France, construction also progressed at pace during the year, with 20% of the land cable route trenched and ducted, and construction of the converter station at an advanced stage.

For information on community engagement and the Celtic Interconnector Community Benefit Fund see page 100.



- 1 Connecting to the Irish Grid
- 2 Subsea Connection
- 3 Connecting to the French Grid
- 4 Converter Stations



Co-financed by the Connecting Europe Facility of the European Union





Infrastructure Delivery

As already referenced in previous sections, EirGrid is progressing over 370 transmission projects in order to reinforce the power system to support the future economic and social development, ensure security of supply and facilitate the connection of the significant volumes of renewable energy required to meet Ireland's 2030 targets. The following section provides an overview and status update on some of our critical, high-priority infrastructure investment programmes and projects.

Powering Up Dublin

The Powering Up Dublin programme, established in 2022, involves a major upgrade of the Dublin electricity grid to facilitate the delivery of the Government's Climate Action Plan targets, and the replacement of aging infrastructure to meet the growing energy demand in the capital. The project includes the replacement of approximately 55km

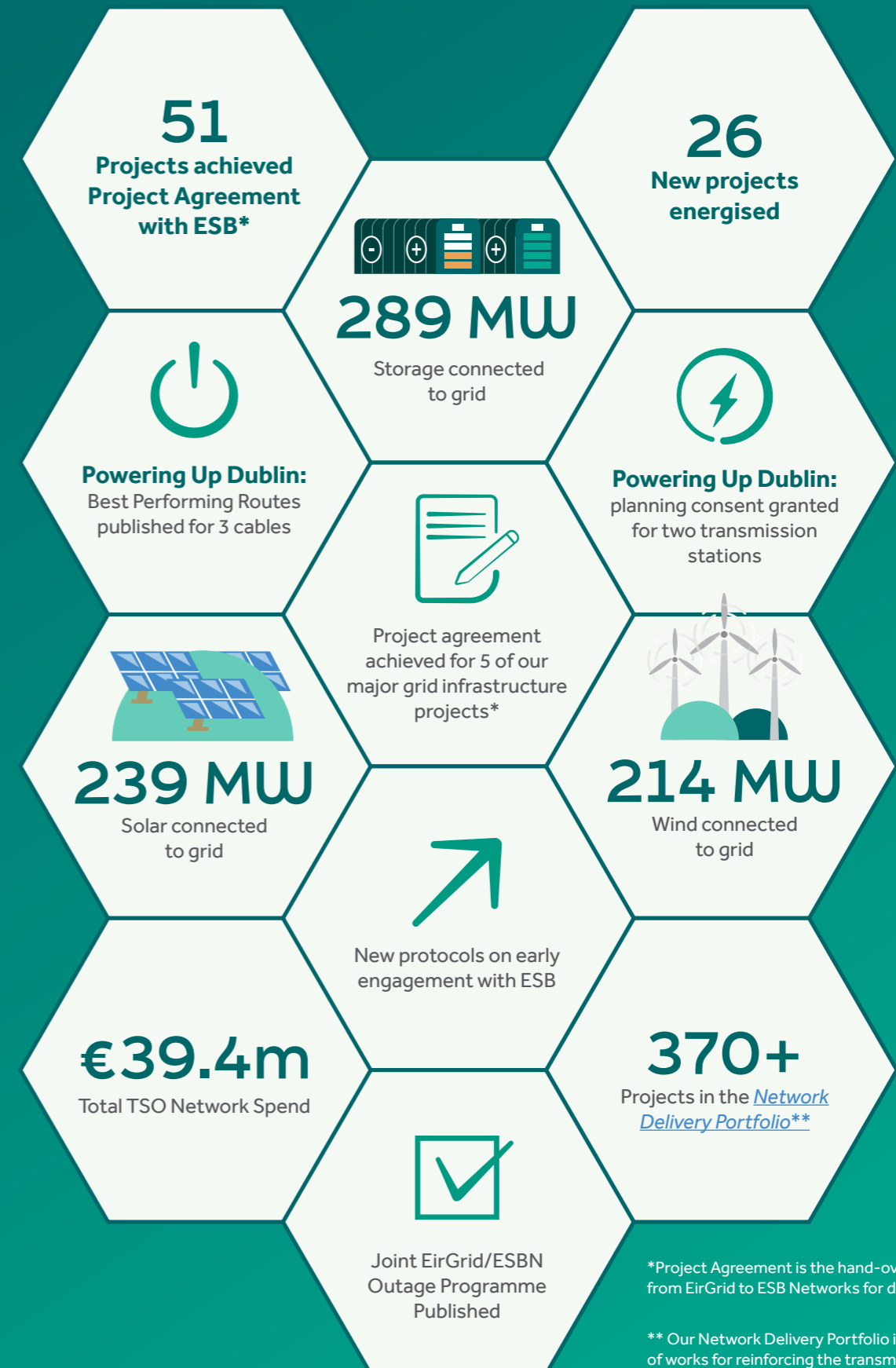
of underground cables throughout the city, as well as the expansion of existing substations and provision of new substations in key areas to provide additional capacity.

During the financial year we continued to advance these critical projects at pace, achieving a number of key milestones. Following a public consultation, EirGrid published the Best Performing Route Options (BPRO) for three of the five 220 kV cable replacement projects. We plan to utilise offshore cabling techniques on multiple routes to minimise disruption to the public and businesses, whilst meeting the project objectives.

The BPROs were communicated by letter to homes and businesses in the community along the routes and also through public information events and presentations made at the project's local community and business fora.

Infrastructure Delivery in 2023-24

1 October 2023 to 30 September 2024



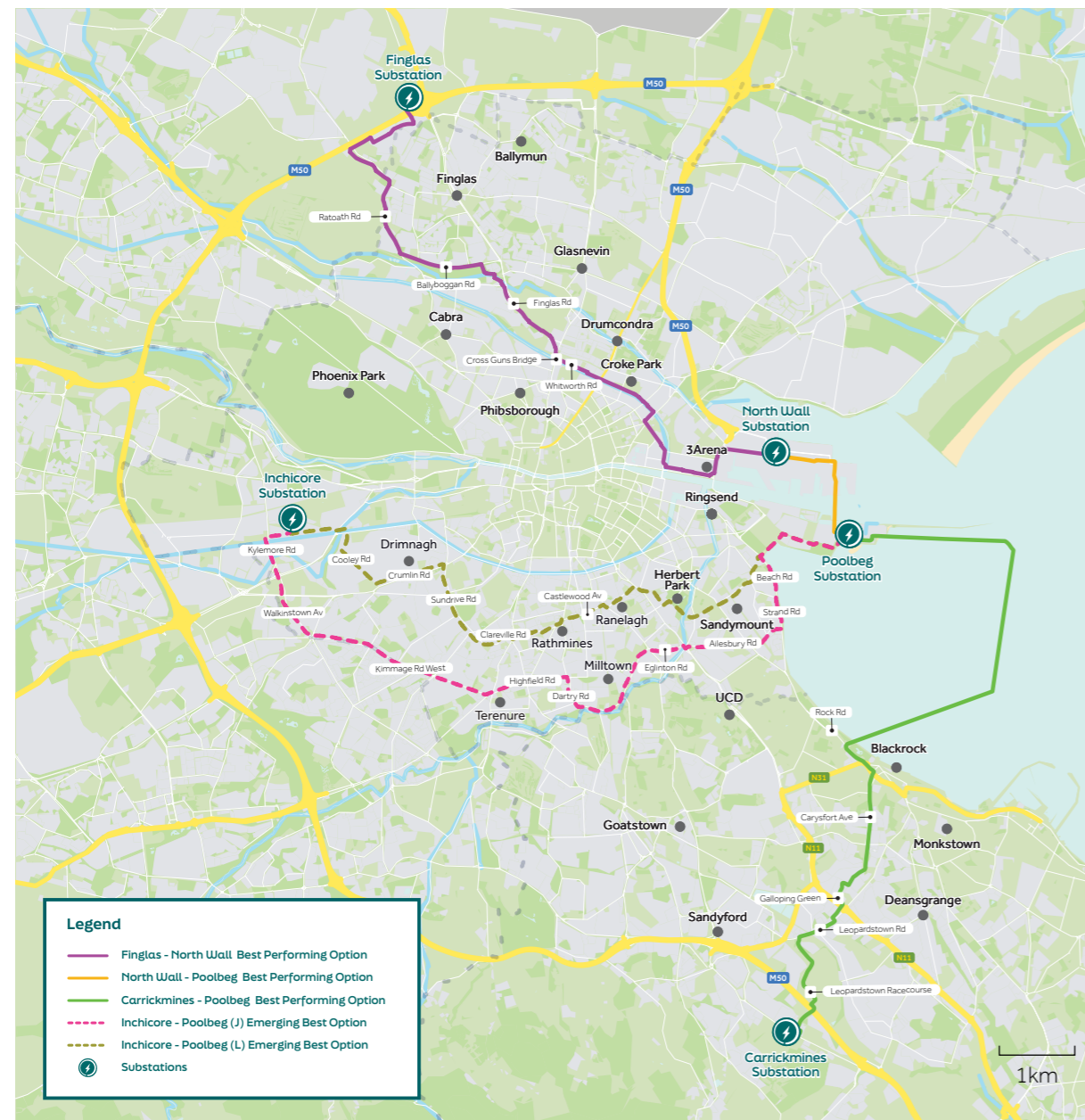
*Project Agreement is the hand-over of projects from EirGrid to ESB Networks for delivery.

** Our Network Delivery Portfolio is our programme of works for reinforcing the transmission system in Ireland and connecting onshore and offshore wind, solar and conventional generation.

The map below identifies the BPRO for the Finglas to Northwall, Carrickmines to Poolbeg and North Wall to Poolbeg projects and the emerging BPRO for the two Inchicore to Poolbeg routes. Finglas to Northwall is the most advanced of the cable replacement projects and is expected to be formally handed over to ESBN by the end of 2024 for detailed design, procurement and construction.

The extension of existing substations and development of new substations are key aspects of the Powering Up Dublin programme, and significant progress was made during the financial year, as we secured planning consent for the extension of the Belcamp 220 kV substation and the development of a new Poolbeg 220 kV substation in December 2023.

Powering Up Dublin: Map of Best Performing Route Options



For both substations we continued to develop the remaining design and construction details in conjunction with ESNB and are preparing to formally handover these projects to ESNB by the end of 2024 who will then take them forward during the detailed design, procurement and construction phases.

Following a request from ESNB, we progressed studies on two grid reinforcement projects relating to interfaces between the transmission (high voltage) and distribution (lower voltage) networks. These projects, Fingal East-Meath and Kildare-Dublin, will provide capacity to meet growing demand from residential and commercial property development and the electrification of heat and transport across the greater Dublin area. Public consultations were prepared to launch in Autumn 2024.

The Dublin Central Bulk Supply Point (BSP) is a critical interface point between the higher voltage transmission network and the lower voltage distribution network. Following detailed studies, several options for this substation site were evaluated, with a best performing option identified on a site owned by ESNB. Extensive public consultation was undertaken during summer 2024, including the holding of information events, briefings to elected representatives and local councillors, the delivery of project brochures to over 5,000 homes in the area and a briefing to members of the Dublin Infrastructure Forum.

Dublin Infrastructure Forum

The Dublin Infrastructure Forum was established by EirGrid, with an independent Chair, to enable effective collaboration with ESB Networks (ESNB) as DSO, other state-owned utilities, transport providers and local authorities. The objective of the Forum is to coordinate the planning, development, implementation, and monitoring of relevant projects across the programme of works being carried out to strengthen key electricity infrastructure in Dublin and the surrounding areas. Members include Dublin Airport Authority, Dublin City Council, Dublin Port Company, Dún Laoghaire-Rathdown County Council, EirGrid, ESNB, Fingal County Council, Gas Networks Ireland, Irish Rail, Irish Water, National Transport Authority, South Dublin County Council, Transport Infrastructure Ireland and Waterways Ireland.

The Dublin Infrastructure Forum is working effectively and since its inception it has eliminated the need for an additional 22km of cable in the road networks, possible through collaboration with agencies and local authorities to minimise disruption to local communities and businesses whilst expediting programme delivery.

North Connacht 110 kV Project

The North Connacht project consists of a new 60km 110 kV underground electricity cable from Moy substation in Ballina, County Mayo, to Tonroe substation in Ballaghaderreen, County Roscommon. Upgrades and extension work to Moy and Tonroe substations, and an upgrade of the existing 110 kV overhead line between Tonroe and Flagford substations in County Roscommon, are also required and form part of the project.

At present, a large amount of renewable electricity is generated in the North Connacht region, and additional capacity is planned over the coming years. The new transmission cable and upgrade of the overhead lines will strengthen the grid in the region to allow for the expected increase in capacity and demand. This will help support the continued social and economic development of the area and further enable the transition to low carbon.

Following planning approval by An Bord Pleanála (ABP) in September 2023, the project was handed over to ESNB for delivery in December 2023. Since then, the working group established to collaboratively address planning observations, comprising of Transport Infrastructure Ireland (TII), EirGrid, ESNB and other relevant stakeholders, continued to engage on an extensive design review, additional surveys and redesign undertaken throughout the year, culminating in an agreement on the design at the end of the financial year.

In August 2024, advanced construction was progressed on the installation of 900m of road cable ducting in Swinford. This work was conducted prior to scheduled road resurfacing works by Mayo County Council, a collaborative approach taken to minimise disruption in the area and avoid

re-excavation of the road. Extensive engagement with stakeholders and the local community continued throughout the year, including participation at municipal district meetings where collaboration between all stakeholders was acknowledged and commended. The Community Forum convened at regular intervals throughout the year, providing project and Community Benefit Fund updates.

Kildare-Meath Grid Upgrade

The Kildare-Meath Grid Upgrade will add a high-capacity 400 kV underground electricity connection between Dunstown, County Kildare, and Woodland, County Meath. The project is considered essential to meet Ireland's 2030 renewable energy targets, which include the transmission of electricity from future offshore wind farms. The project will also support the growing demand for electricity in the east of Ireland, driven by increased population growth and economic activity in the region.

In July 2023, a change to planning regulations introduced new requirements regarding hedgerow removal, with a full Environmental Impact Assessment Report (EIAR) now required. An EIAR was submitted with supporting information to ABP in March 2024. Following this, EirGrid undertook a five-week public consultation regarding the additional planning information between May and June 2024, as requested by ABP.

Extensive engagement with stakeholders, landowners and the local community continued throughout the year including through the community forum. As at the end of the financial year, we were awaiting a decision from the planning authority and were working with ESNB on the scope of the project to enable handover for delivery pending planning approval.

East Meath-North Dublin Grid Upgrade

The East Meath-North Dublin upgrade project involves the development of a 37km high-capacity 400 kV underground cable from Woodland, County Meath, to Belcamp in North Dublin. East Meath and Fingal are among the fastest growing population areas in the country, and with this growth comes a greater requirement for electricity. This project will help support the growing demand for electricity in the area.

In March 2024, EirGrid submitted a Strategic Infrastructure Development planning application to ABP, following extensive technical and environmental assessments, consultations, and engagement with local communities and other stakeholders. In July 2024, EirGrid responded to submissions received by ABP, and as at the end of the financial year we were awaiting confirmation of a planning decision and were working with ESBN on the scope of the project to enable handover for delivery pending planning approval.

EirGrid has also commenced ground investigations along the cable route, which are required to identify the ground conditions and determine the presence of underground services which inform the detailed design phase of the project.

Laois-Kilkenny Grid Reinforcement

The Laois-Kilkenny project is a grid reinforcement initiative that involves the development of a new 110 kV transmission line between the two counties and a new connection to the 400 kV network in the region. The proposed infrastructure developments involve several construction projects including two new substations located south-east of Portlaoise and at Ballyragget in North Kilkenny. There will be

an upgrade to a substation in Kilkenny City and a transmission line between the two new stations will also be constructed.

During 2023-24, there were several important developments on this project. The civil contractor was mobilised to the Coolnabacky 400 kV/110 kV substation site and at the end of the financial year extensive ground investigation works were completed and construction works were well advanced, with work on the 110 kV overhead line between Ballyragget and Coolnabacky approximately 90% complete.

The Community Forum met at regular intervals throughout the year and €153,450 awarded to local community and not-for-profit organisations from the Laois-Kilkenny Community Benefit Fund Phase 2. For more information see page 102.

North-South Interconnector

The North-South Interconnector project is a 138km 400 kV overhead transmission line, traversing counties Meath, Cavan and Monaghan in Ireland and counties Armagh and Tyrone in Northern Ireland, where the line will connect to a new proposed 400 kV/275 kV substation in Turleenan, Co. Tyrone. The North-South Interconnector is critical to ensuring we have a robust transmission network which can secure the electricity supply required to support Ireland's energy needs into the future, and to achieve Ireland's renewable energy targets. Overall, the improved connection between our networks will facilitate more renewable electricity generation onto the grid, something which is essential in order to achieve Ireland's climate action targets and to increase our energy independence by reducing reliance on imported fossil fuels. The interconnector will also provide benefits to

local communities of the North-East by boosting electricity capacity in the region, thus helping to attract inward investment and employment.

The project has full planning permission in both Ireland and Northern Ireland and is proceeding to the construction phase under the stewardship of ESBN and NIE Networks. The main construction tender framework was awarded to four Irish-based contractors in December 2023.

In 2023-24, EirGrid commenced engagement with approximately 400 landowners on a voluntary compensation package to secure land access in the form of easements along the overhead line route.

In Northern Ireland, the project was formally handed over to NIE Networks to commence the construction phase from November 2024.



Customer Energisations – Renewable and Storage

During 2023-24, several renewable energy projects were energised at transmission level, including three onshore wind farm projects and four solar farms. These renewable generation projects have a combined capacity of 453 MW and will play an important role in progressing towards achieving Ireland's 2030 renewable energy targets. Three Battery Energy Storage System (BESS) projects were also connected, with a combined capacity of 289 MW. This equates to a total of 742 MW of renewable and storage capacity connected at transmission level in the year.

Connecting this large volume of new technologies onto the transmission system has its challenges. EirGrid has continued to effectively manage the projects through close collaboration with the connecting customers and our delivery partner ESBN, to ensure their successful delivery.

Offshore

Reflecting the Government's increased climate action ambitions of delivering 80% renewable electricity by 2030, CAP24 includes the objective that 5 GW of offshore wind generation will be installed by the end of the decade.

During 2023-24, work continued on implementing EirGrid's expanded role incorporating the operation and ownership of Ireland's offshore electricity transmission grid, as designated by the Government's [Policy Statement on the Framework for Ireland's Offshore Electricity Transmission System \(2021\)](#). This sets out three phases of offshore grid development, with the first phase based on a developer-led and decentralised model, moving to a fully centralised and plan-led model in the third phase. Each phase will align with the Government-led Offshore Renewable Electricity Support Scheme (ORESS) auctions.

Phase 1

From July 2023 to June 2024, EirGrid held a series of engagement sessions with Phase 1 Offshore Wind Farm developers, focused on progressing initial drafts of the Transmission Connection Agreement and Asset Purchase Agreement contracts. This engagement culminated in the launch of a public consultation on these contractual agreements in June 2024. EirGrid also developed the technical specifications for offshore transmission assets which will be built by developers, and engaged with the developers to review their designs.

During 2023-24, EirGrid progressed activities as part of its Offshore Asset Readiness Plan (OARP), a detailed programme for delivering activities required to ensure it can deliver on its remit in relation to each offshore phase. The OARP encompasses 31 programmes of work, with key areas all advancing during the financial year.

Phase 2

In Autumn 2023, EirGrid launched the *South Coast Offshore Transmission Project* and published the [Shaping our Offshore Energy Future Roadmap](#), aimed at raising awareness of its role and activities in the preparation for, and successful achievement of, the Government's offshore energy targets.

The Tonn Nua (ORESS 2.1) project, is a plan-led offshore wind farm development, which will deliver up to 900 MW of additional electricity capacity. Significant onshore and offshore infrastructure is necessary to connect this project to the grid, and throughout October and November 2023 EirGrid conducted several public engagement events across locations in Cork and Wexford to raise awareness of the project.

EirGrid also established a new Offshore Marine Services Framework in 2023-24, following a regulated procurement process. This framework gives EirGrid access to a range of specialised marine survey services, which is a key early-stage activity for the Phase 2 programme and subject to planning consents.

Another notable development in 2023-24 was the inclusion of EirGrid's Phase 2 offshore transmission project in the European Network of Transmission System Operators for Electricity's (ENTSO-E's) Ten-Year Network Development Plan (TYNDP). This is a precursor to an application for inclusion of the project in the forthcoming Projects of Common Interest (PCI) list.

With the approval of the SC DMAP and second offshore auction term and conditions in October 2024, the auction for Phase 2 wind farm development within the first designated area of SC DMAP (Tonn Nua) is scheduled to take place in 2025.

Offshore Future Framework

EirGrid continued to work with ENTSO-E and other European TSOs to produce the first [Offshore Network Development Plan](#) (ONDP) which was published by ENTSO-E in January 2024. The ONDP envisions how a pan-European offshore electricity grid could look in 2040 and 2050 to meet the offshore renewable energy ambitions of EU Member States. The findings of the ONDP supports the assessment of multi-purpose offshore transmission infrastructure between Ireland and other parts of Europe including Great Britain and France.

EirGrid is also actively participating with other TSOs under the Ostend Declaration with the aim of identifying and assessing offshore transmission projects and developing cross-border policy relating to offshore transmission development. This work includes the comparison of different offshore transmission topologies and will continue into 2025.

Interconnection with other jurisdictions will play a major role in enabling Ireland to achieve its significant potential for offshore renewable energy. EirGrid is exploring additional cross-border interconnection opportunities with other TSOs.



ENTSO-E Offshore Roadmap

ENTSO-E established the Offshore Expert Group in 2024 to support coordination between European TSOs on offshore wind topics and to review ENTSO-E positions with respect to offshore development. This includes the development of ENTSO-E's first Offshore Roadmap, outlining a plan for implementing changes required to EU regulations and TSOs' approaches to accommodate the EU's offshore renewable ambitions, including the development of offshore grids, and EirGrid was appointed by the Offshore Expert Group to chair the development of this roadmap.



Beyond 2030

In 2023-24, EirGrid held a consultation on [Tomorrow's Energy Scenarios 2023](#) (TES 2023) and published the [TES 2023 Final Report](#) in May 2024.

TES 2023 presents the long-term energy scenarios for Ireland and Northern Ireland and considers how electricity demand and generation might evolve from 2035 to 2050. This is a key strategic initiative for EirGrid which will inform the long-term planning and development of the electricity system from 2035 to 2050.

Following the publication of TES 2023, EirGrid has been undertaking the TES 2023 System Needs Assessment, which examines the effect of growth in electricity demand and generation outlined in the scenarios once network projects proposed in our [SOEF v1.1 Roadmap](#) are delivered. This is a vital project to support our vision for a net zero network.

In 2023-24, we commenced our Net Zero Network project, which is an initial stage of planning for a net zero network and focuses on a scenario of a maximum rate of electrification of all sectors of the economy, as well as preparation for all scenarios of future electricity demand. The project will also examine the network developments required to meet Ireland's offshore wind ambitions set out in the Government's [Future Framework for Offshore Renewable Energy](#), published in May 2024. EirGrid intends to develop an initial high-level, indicative and cost-optimised network plan identifying the sequence of developments required, which will be further refined as projections of future generation and demand evolve over time.

The successful development and implementation of a future Net Zero Network plan will be dependent on the engagement with, and guidance from, the entire energy ecosystem.

Single Electricity Market (SEM)

SEM Operations

During 2023-24, day-to-day operations of the SEM continued, with all energy auctions run on behalf of the Single Electricity Market Committee (SEMC) completed as planned, imbalance prices calculated on a 5-minute basis, and settlement functions operating within standard key performance indicators.

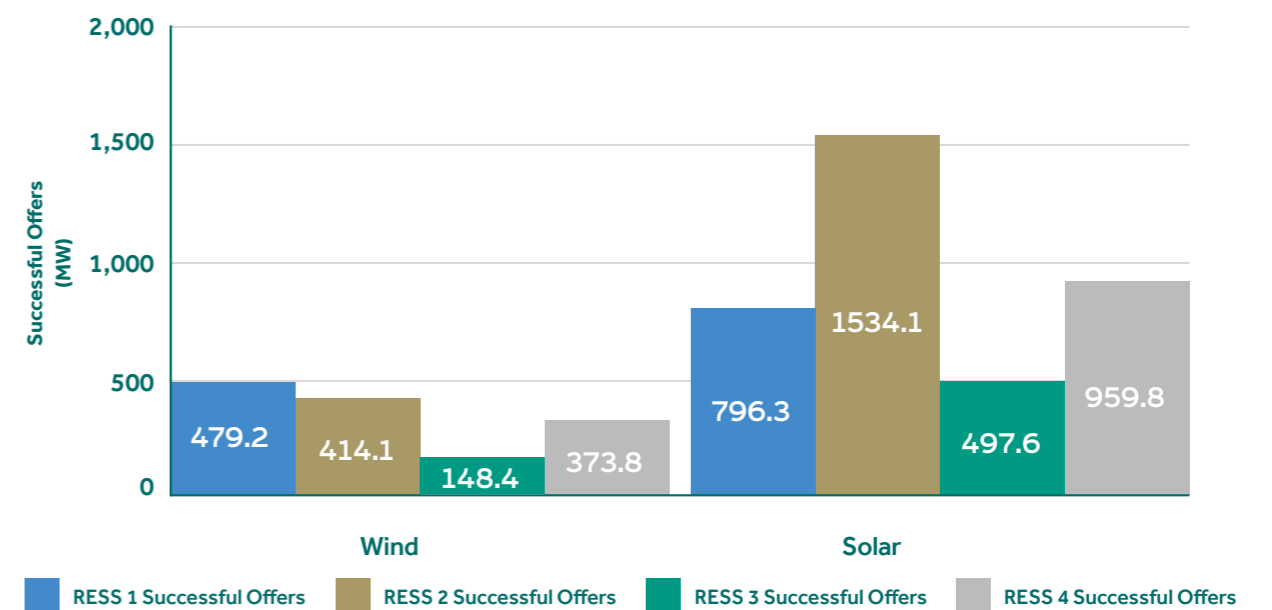
During the financial year, the SEM registered an additional 67 market units, including 19 assetless units, nine wind units, three battery units, five solar units, three demand side units and 20 supply units.

Renewable Energy Support Schemes

The development of renewable generation is supported through the Government's [Renewable Electricity Support Scheme](#) (RESS) which is funded by electricity consumers. EirGrid is responsible for operating the RESS auctions on behalf of the Government.

In May 2024, EirGrid managed the bidding process for the fourth onshore scheme auction (RESS 4), with 43 projects qualified to take part in the process. The auction was held in August 2024 with 27 successful projects, delivering a total of c. 1,334 MW of renewable energy capacity, comprising c. 374 MW of onshore wind and c. 960 MW of solar.

RESS Auction Comparative Results



Capacity Market Auctions

Capacity market auctions are a key element of the all-island wholesale electricity market, and designed to deliver a reliable electricity supply at the lowest possible cost to energy consumers. The auctions also aim to encourage new and more efficient power plants into the market.

In June 2024, EirGrid received a three-fold increase in applications for the T-4 2028/2029 capacity auction (T-4 denoting the securing of capacity four years in advance) compared to the previous T-4 2027/2028 auction held in 2023. Provisional qualification results were published in July 2024 and the auction was scheduled to take place in November 2024.



Global Impacts on Energy

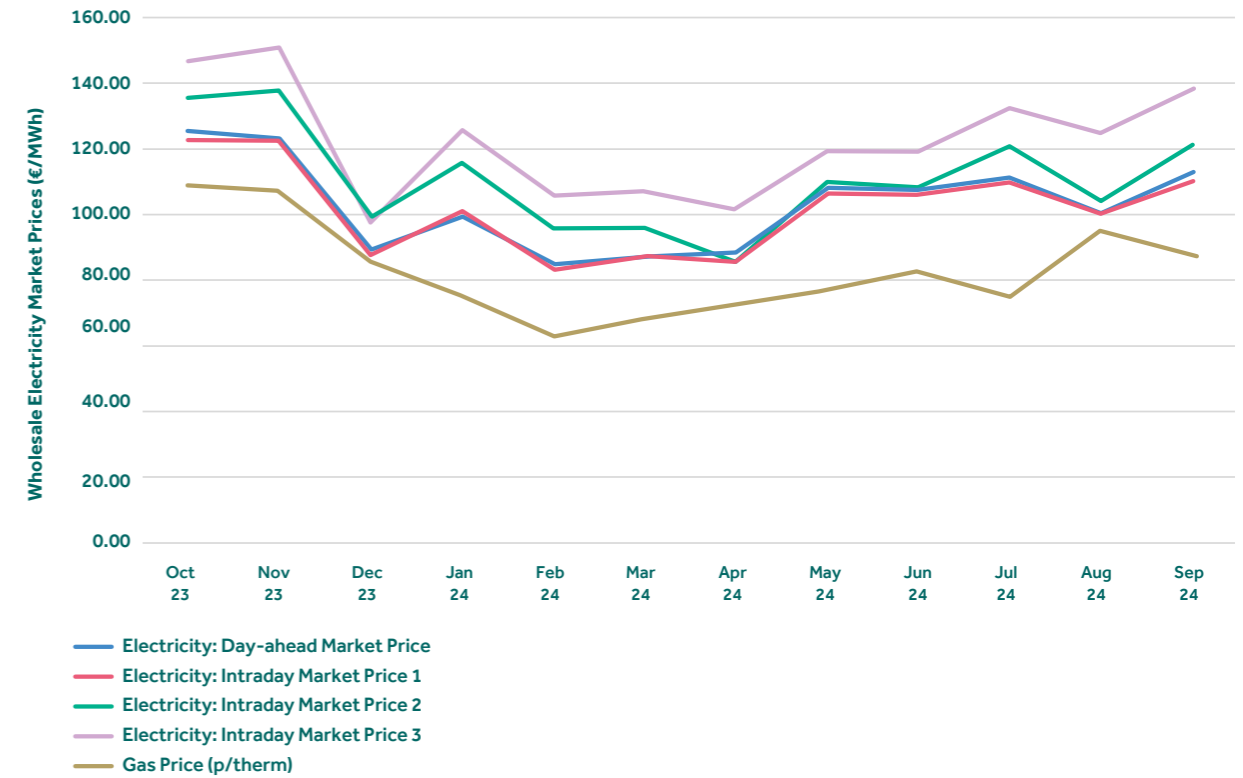
Through the Single Electricity Market Operator (SEMO) joint venture, EirGrid and SONI operate the SEM, and SEMO has no direct influence over electricity prices. During the financial year, wholesale electricity prices in Europe decreased, primarily due to the stabilisation and reduction of gas prices, an increase of renewable capacity in the system, and the recovery of nuclear capacity in France.

Throughout this period, record levels of wind and solar generation were registered, leading to reduced gas consumption in the European electricity mix. This shift resulted in significant energy export flows between countries. Despite the continued growth of renewable energy sources, gas remains a key driver of prices within the SEM. However, due to reducing gas prices and increased renewable generation, Day-Ahead Market (DAM) prices averaged €103.09/MWh in the year, a decrease of 27% compared to the previous year.

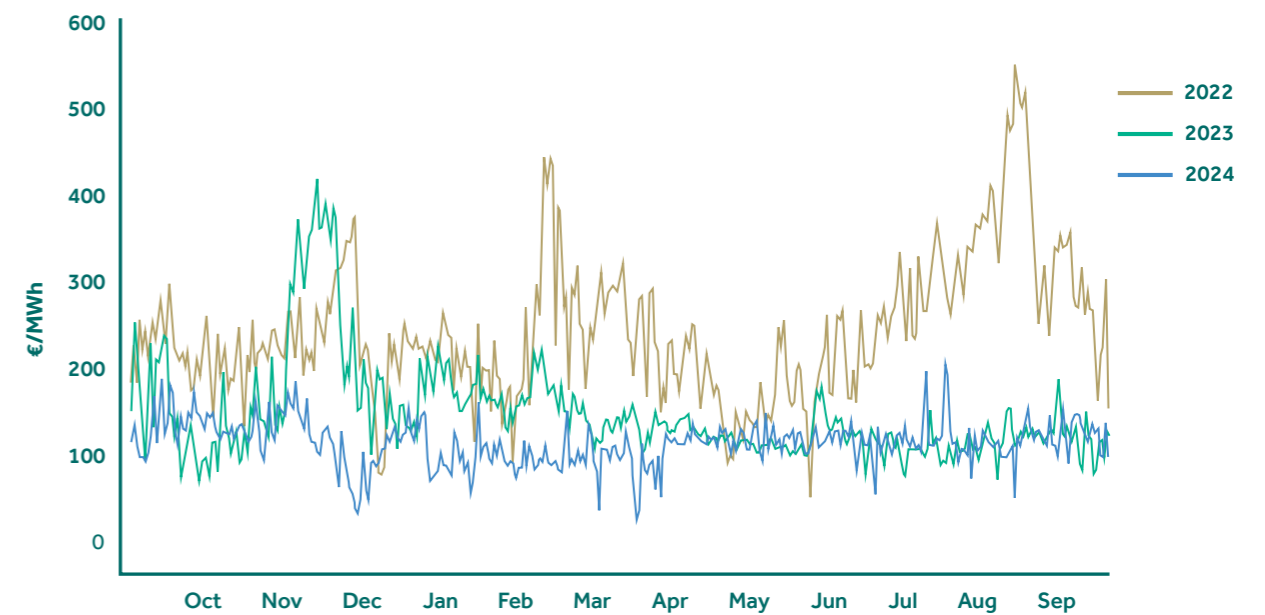
The recovery of nuclear capacity in France, coupled with a substantial increase in solar and wind capacity across Europe and Great Britain, created a situation of energy overproduction. Strong flows of cheap energy made Great Britain, and consequently the SEM, one of Europe's major energy importers.

Continued renewable energy investment in Ireland is, and will continue to be, an important component of ensuring independence of energy supply. However, gas is still an important component of our generation portfolio and it will continue to play a role as a transition fuel, therefore continuing to ensure gas security of supply remains a vital element to protect Ireland's overall energy security.

Electricity Prices Compared to Gas Prices



Single Electricity Market Day-Ahead Market Prices by Year





'The answer, my friend'

A poem by
John Sheehy,
Partner Relationship
Manager

John Sheehy joined EirGrid in 2015, and now works in Vendor and Strategic Partner Management. He believes that language creates mind and is a renewable energy source in itself!

Blow, wind, blow
Along memories of younger days
Through forgotten alleyways
Through the sunny haze
Of dandelion seeds dropping down below

Go, child, go
Through those fields
Your energy like a wheel
Turning, a powerful feeling
Propelling you just so

Blow, wind, blow,
Turn those steely arms
Producing electric charms
For villages and farms –
Let us reap, so let us sow



Co. Louth

Photograph by
Darren Hawdon,
Project Manager

Darren Hawdon joined EirGrid in April 2024 and works in the Network Projects Ireland team.

Responsible Business Report

05



A Year in Sustainability



Community Benefit Fund
€992,437 awarded

43 community groups



Energy Citizens Roadshows

9 locations
Over 900 attendees



Biodiversity

Net Biodiversity Gain delivered on two projects

31.7km

of over head lines retrofit with bird flight diverters to mitigate bird collision



Educational Partnerships

11th Year of Partnership with Ellenfield Community College

SciFest

61 **37** **31**
Students Projects Schools

2nd year of EirGrid Cleaner Climate Grand Award presented at the SciFest National Final



Sustainable Procurement

Offshore Sustainability Assessment

complete



Employee Engagement

Clothes swap

64 swaps

320kg of CO₂ saved

Beach Clean-up

30 employees

100kg of rubbish removed

Employee Inclusion

Elevate Pledge awarded

4 networks established

Gender Matters
Pride

Culture Connect

Supported Embraced Enabled and Nurtured (S.E.E.N.)



Sustainable Travel

Silver NTA Travel Award awarded



83%

of employees commute sustainably



Sustainability Reporting & Standards

ISO4001
ISO45001

accredited

Corporate Sustainability Reporting Directive (CSRD)



Programme on track for

FY2026



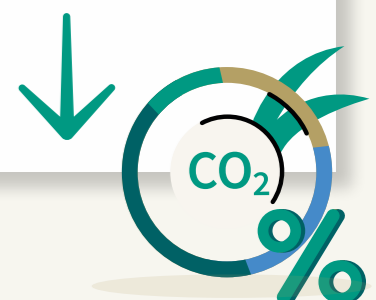
Carbon Footprint

Stationary Combustion

Emissions **down 31%** (heating & backup generators)

Employee Per Capita Emissions

EirGrid employee per capita (scope 1 & 2) emissions **down 9%**






Our Sustainability Journey

To support our primary objective of leading the island's electricity sector in sustainability and decarbonisation, we published the first [EirGrid Sustainability Strategy](#) in 2021. This strategy aligns our goals with the most relevant and impactful UN Sustainable Development Goals (SDGs) and is built upon three core pillars:

- Driving climate action and transformation of the electricity system;
- Commitment to a sustainable society; and
- Being a responsible business.

During financial year 2023-24, we continued to make strong progress across all pillars.

Driving Climate Action and Transformation of the Electricity System

Our objectives under this pillar are:

- Driving a secure transition to a low-carbon electricity system and fostering the essential mindset and skills required to transform the electricity landscape; and
- Incorporating climate change adaptation into our asset management planning.

Driving Climate Action and Transformation of the Electricity System: Under this pillar, we are implementing EirGrid's [Shaping Our Electricity Future v1.1 \(SOEF v1.1\) Roadmap](#) to stay on course to successfully deliver Ireland's 2030 decarbonisation targets, in line with the Government's climate objectives. More detail on the implementation of the roadmap can be found in the Business Review section.

Significant achievements during the year included the reduction in the minimum number of large conventional generators required on the electricity system from five to four, further progression of our world-leading work to eventually increase System Non-Synchronous Penetration (SNSP) up to 80%, and significant progress across our network infrastructure project portfolio to develop the transmission system. In addition, we advanced climate adaptation efforts related to asset management by identifying physical risks and establishing mitigation measures.

This commitment has included the distribution of nearly €1 million to local communities via our community benefit funds. Also falling under this pillar is our education partnership with SciFest and our 11-year partnership with Ellenfield Community College. Highlighting our commitment to diversity, equity and inclusion, EirGrid established four employee led-networks during the year: Gender Matters, Pride, Culture Connect, and Supported Embraced Enabled and Nurtured (S.E.E.N).




Committed to a Sustainable Society

Our objectives under this pillar are:

- Create and inform societal awareness of the challenges we face and the role we can all play;
- Facilitate learning and skills development across society to achieve the transition;
- Support and promote diversity and inclusion through the establishment of our four employee-led networks; and
- Promote a culture of health and safety.

Committed to a Sustainable Society: This year, we reinforced our approach under this pillar by continuing the execution of our [Public Engagement Strategy](#), completing vital consultations supporting our infrastructure delivery programme and maintaining our commitment to community engagement and fostering employee growth and career development.



Being a Responsible Business

Our objectives under this pillar are:

- Further embed sustainability into governance, decisions, and delivery across the business;
- Manage and reduce our own carbon footprint;
- Achieve the highest ethical standards; and
- Increase transparency on our non-financial performance.

Being a Responsible Business: In line with our commitment to transparency and sustainability, throughout 2023-24 we focused on increasing our preparedness for the new mandatory reporting requirements under the EU's [Corporate Sustainability Reporting Directive](#) (CSRD). During the year, EirGrid commenced a detailed assessment which resulted in a multi-year implementation plan which will guide us to our first audit ready CSRD report in 2027, as well as completing our annual carbon footprint assessment.

Driving Climate Action and the Transformation of the Electricity System

At EirGrid, our most impactful contribution from a sustainability perspective is to drive climate action by playing our part in the transformation of the power system. This is key to realising the broader decarbonisation benefits across society and the economy through electrification. In doing so, we are placed at the centre of supporting the enablement of a net zero future for Ireland.

Refer to the Business Review section of this report for more information on the work EirGrid is doing across our networks and operations, guided by our *SOEF V1.1 Roadmap*, to drive the unprecedented level of change required to our electricity system to facilitate Ireland's decarbonisation and renewable electricity targets.

The electricity grid requires unprecedented change in the lead up to 2030 as fossil-fuel based generation is phased out and increasing levels of renewables are integrated into the electricity system. Given that renewable generation is variable due to dependency on weather conditions, availability of high levels of renewable generation does not always coincide with high periods of demand on a daily, weekly or monthly basis. Therefore a key element of our decarbonisation efforts will be to maximise the use of renewables when they are abundant and reduce the need to turn them down during periods of lower demand through technologies such as energy storage.

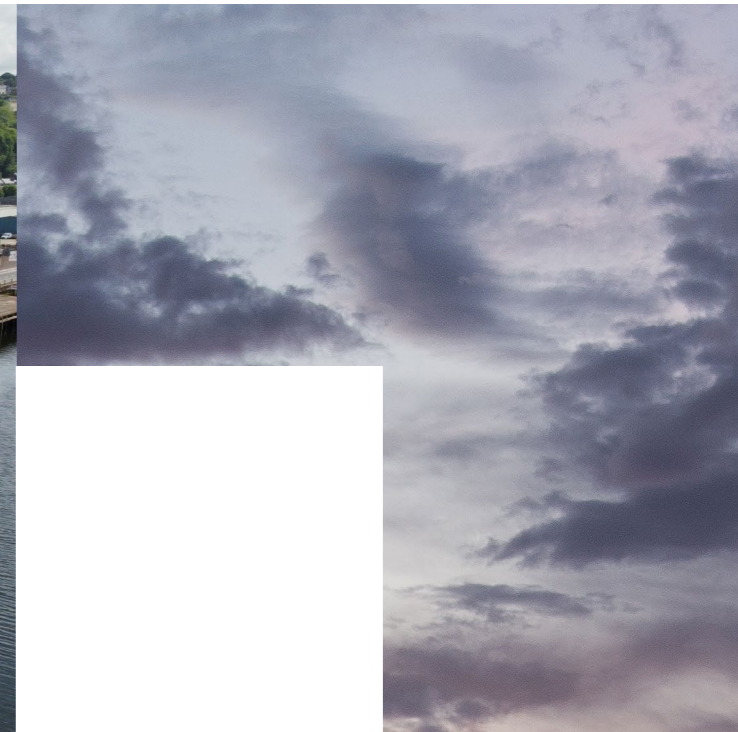
In addition, reinforcement of the grid is required to ensure that electricity can be transmitted from where it is generated to where it is needed.

Our *SOEF V1.1 Roadmap* outlines the operations, networks and market changes required so that 80% of electricity generation can be sourced from renewable energy, such as wind and solar, by 2030. For more information on the implementation of our *SOEF V1.1 Roadmap* in 2023-24, see page 54.

Climate Change Adaptation

Our climate is changing. Ensuring that the power system is prepared for adapting to these changes is a key priority for EirGrid. Physical climate change risks occur because of the changing weather patterns associated with climate change. EirGrid has completed several studies into the impacts of climate change on the transmission system.

The greatest risk to the transmission system has been identified as flooding arising from extreme precipitation events, rising sea levels, and storm surges. Assessments were completed to identify areas and specific stations and overhead line assets vulnerable to the impacts of climate change. Those sites that were identified as vulnerable to the risk of flooding have undergone further studies to identify the adaptive measures required to mitigate this risk.



For stations, we have identified measures to include drainage works, the raising of access roads, digital water level sensors, and construction of embankment flood defences. For overhead lines, buoyancy, settlement, and erosion were assessed, and inspections as part of normal maintenance and post-flood events were recommended. These climate change adaptation projects received capital approval in 2023 and they are now underway with completion expected in October 2028.

EirGrid has also been involved in the Government's [Electricity and Gas Networks Sector Climate Change Adaptation Plan](#). As part of this group, EirGrid is responsible for:

- Implementation of actions from the plan;
- Awareness and consideration in planning and design;
- Identification of risks and areas vulnerable to impacts of climate change; and
- Identification of adaptation measures.



EirGrid is committed to delivering these actions

Transmission Overhead Line Flood Risk Assessment

EirGrid has assessed the risk to and potential impacts of flooding for two sections of the Dunstown – Moneypoint 400 kV line. These two sections were identified for Site-Specific Flood Risk Assessment by reviewing the previous work completed to produce Ordnance Survey maps of Ireland overlaid with the transmission grid and flood maps.

Laois-Kildare Section of Towers 67 to 89

The Site-Specific Flood Risk Assessment confirmed that the section in question is at a high risk of fluvial flooding occurring. Additionally, a site visit shortly after a heavy rain storm confirmed that this section of transmission line can regularly experience flooding.

Clare Section of Towers 460 to 490

The Site-Specific Flood Risk Assessment confirmed that the section in question is at a high risk of tidal flooding occurring.

As part of EirGrid submission to CRU for Price Review period 6, EirGrid is seeking to carry out additional research into climate adaptation measures for the transmission system, with focus on adaptation measures to run the network in higher temperatures and through drought. Both situations can adversely impact operating conditions resulting in a less efficient transmission system.



Biodiversity

When developing electricity transmission projects, EirGrid works to avoid significant impacts on biodiversity. Sometimes external factors or competing sensitivities mean biodiversity impacts cannot be entirely avoided. In these cases, we design projects to reduce impacts to an acceptable level.

In response to the twinned biodiversity and climate crises, while developing critical renewable infrastructure and decarbonising the electricity system, EirGrid seeks to restore nature wherever we can on all major projects.

Irish Business and Finance Awards – Biodiversity

In 2023-24, EirGrid was delighted to be a finalist in the Business and Finance Awards' 'Biodiversity Leadership in Business' category. This recognised the role biodiversity plays in EirGrid's decision-making on the choice of technology, siting and design of grid projects, noting biodiversity is a sub-criterion in EirGrid's multicriteria assessments. Evidence of EirGrid's meaningful action on nature restoration also formed a significant part of the application.





An example of a bird flight diverter installed on an electricity cable.

Nature Restoration Action

Since establishing a contractual requirement for 'Nature Inclusive Design' on all major capital projects in 2022, we have continually grown our nature restoration ambition onshore and offshore.

In 2023-24, we delivered No Net Loss of Habitats¹ on 100% of our overhead line uprate projects (whereby we increase the capacity or rating of electrical equipment), and 100% of our station projects. We went further and delivered Net Biodiversity Gain on one of our uprate projects, and one of our station projects.

Whilst it is not possible to avoid Net Loss of dry and wet grassland habitats on one of our major underground cable projects (East Meath to North Dublin Grid Upgrade), we will deliver net gain of hedgerow and woodland habitats through off-site compensation. This will be delivered by our charity partner Trees on the Land.

We helped mitigate bird collision risk with existing overhead lines by retrofitting 'Bird Flight Diversifiers' (BFDs) on 28 km of overhead line spans (to a total of 53.2 km). This more than triples the length of retrofit as of 2023.

If all overhead line spans with BFDs were laid out, they will stretch from EirGrid's office in Ballsbridge, Dublin City, to Wicklow Town; or the equivalent of 130 laps of an athletics track. The locations of bird flight diversifiers are shown in thick pink in the map shown, while the 17 counties where these are retrofitted are mapped in blue.

Looking offshore, in 2024 EirGrid appointed expert marine ecology consultants WSP and Arc Marine to risk assess and cost the integration of reef-forming, carbon neutral, micro-plastic free features into our offshore cable protection and offshore substations. EirGrid is engaging nationally and internationally with a view to piloting these nature-friendly designs in the coming years.

¹ Net Loss and Net Gain were calculated by simple habitat area; the calculation excluded loss of habitats of low ecological value.

Ecological Record Submission

Supporting Ireland's new [National Biodiversity Action Plan](#) and new [Open Data Strategy](#), EirGrid is helping to strengthen the knowledge base for nature conservation, management, and sustainable use of biodiversity. EirGrid submitted 2,318 ecological records to the National Biodiversity Data Centre in 2023-24. This more than doubles the number submitted in the previous year. These records are of animal and/or plant sighting at a particular time and location. These records are useful in helping to inform future development and research for species distributions, so we require anyone working on EirGrid projects to compile them.

Strategic Environmental Assessment (SEA): EirGrid's New Grid Plan

In September 2024, EirGrid published and adopted its [Grid Implementation Plan 2023-2028](#). This plan sets out the policies and objectives required to sustainably deliver all grid projects both onshore and offshore, as well as future interconnector developments.

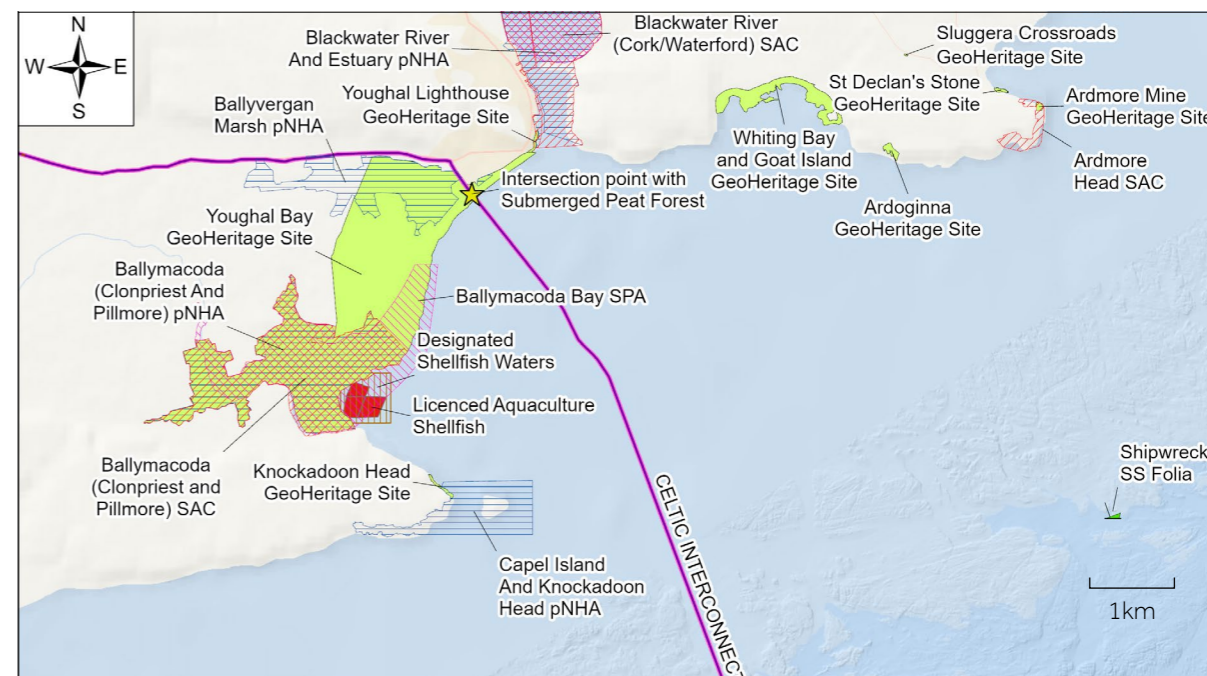
The plan incorporates recommendations from EirGrid's monitoring report on the previous plan for 2017 to 2022. In 2023-24, we commenced Strategic Environmental Assessment (SEA) monitoring of years one (2023) and two (2024)

of the new implementation plan, to determine the actual environmental effects of our plan, identify and develop actions to fill data gaps and reduce future environmental impacts. The refined monitoring framework in the new plan is significantly expanded from that included in the previous plan, and includes greater emphasis on quantitative analyses in a Geographic Information System.

An example of some datasets used in our SEA monitoring analyses can be seen in the Celtic Interconnector project map. The map visualises several metrics within EirGrid's SEA monitoring framework, including intersections of the project with European sites for nature conservation, licensed aquaculture sites, and shipwrecks. Careful planning has avoided any route intersection with these sites. In the case of other metrics, impacts that could not be avoided were minimised and mitigated, with ongoing monitoring in place (see below).

Summary SEA monitoring results for all projects will be reported annually on the EirGrid website. In the case of cultural heritage, specific monitoring results associated with excavation licences obtained from the National Monuments Service will also be publicly available on the [Excavation Reports Database](#) portal.

Celtic Interconnector project map.



Biodiversity and the Celtic Interconnector Project

The Celtic Interconnector project is a flagship project for EirGrid, comprising a subsea cable and associated onshore infrastructure between the transmission networks of Ireland and France. Following a successful planning and consenting process, this project is now under construction, both in Ireland and France, with maritime development in Ireland planned to commence in Winter 2024 and extend throughout 2025 and 2026. See page 56 for further details.

Given its nature, location and extent, the Celtic Interconnector project cannot avoid having an environmental impact. However, the planning and design options considered for the project sought to minimise and mitigate potential environmental impacts. These are now being incorporated into construction methodologies and other associated activities.

The Celtic Interconnector project intersects one proposed Natural Heritage Area at Ballyvergan Marsh, near the cable landing site at Claycastle Beach, Co. Cork. Intensive mitigation is being implemented by EirGrid in collaboration and agreement with Cork County Council. This mitigation has also been addressed by the National Parks and Wildlife Service.

Cable works partially overlap an area of submerged peat forest of cultural heritage interest, which is present at Claycastle Beach. This has provided the opportunity for licensed archaeological surveys on the beach, in collaboration with the National Monuments Service of the Department of Housing, Local Government and Heritage. This will ensure the appropriate excavation and recording of this cultural heritage feature – known as ‘preservation by record’ – while the construction method for the laying of the cable on the Beach has been designed to minimise the extent of intrusion into the existing feature.

Finally, a near threatened native wildflower of conservation concern was identified in pre-consent biodiversity surveys of the Ballyadam converter station site. This allowed for the development of a mitigation methodology was developed for ‘translocation’ of this important species from the works area at Ballyadam. As a result, the ‘greater knapweed’ populations are well established at a new location within EirGrid’s land holding, with long-term management plans in place to protect the species.

This demonstrates how matters of biodiversity are at the heart of EirGrid’s approach to design and decision-making on its transmission infrastructure projects. Such early consideration makes it easier and generally more cost-effective to implement appropriate biodiversity solutions into the planning, consenting and construction of our grid projects.



A knapweed wildflower.



Ellenfield students taking part in an EirGrid mentoring programme.



Committed to a Sustainable Society

Achieving the Government’s climate ambition will require a significant societal change, and EirGrid has an integral role to play in that transition. EirGrid is committed to fostering a sustainable society through meaningful social partnerships, Research and Development (R&D) partnerships and active community engagement. Through education programmes, roadshows and targeted investments through the Community Benefit Fund, we strive to build strong relationships and empower the people and places at the heart of our energy transition.

Social Partnerships

SciFest Partnership

In 2023-24, our partnership with SciFest flourished as we continued supporting the [SciFest@School](#) programme, which promotes science, technology, engineering, and mathematics (STEM) education. This programme provides a platform for students to present their scientific investigations at local, regional, and national levels. Over the last two years, we are proud to have expanded our partnership with SciFest by introducing the EirGrid Cleaner Climate Award to both the [SciFest@College](#) level and the SciFest National Final. The award celebrates projects that demonstrate innovative, creative approaches contributing to a cleaner energy future. Through this partnership, we’re empowering second-level students to explore ideas for a sustainable future, in alignment with our mission to advance Ireland’s power system operations.

Ellenfield Community College Partnership

Building on our existing relationship with Ellenfield Community College (formerly Margaret Aylward Community College), situated in Whitehall, Dublin, we continued our two-year mentoring programme with Leaving Certificate students to the end of the school term in June 2024. In September 2024 we launched the first cycle of a one-year mentoring programme with second year students through the Business in the Community Ireland (BITCI) [Action on Education Programme](#). EirGrid’s Graduate Development Programme employees lead hybrid mentoring sessions, covering topics such as sustainability awareness, presentation skills, and essential life skills. This programme offers a collaborative environment where both students and mentors develop communication, confidence, and self-awareness. Ellenfield Community College is a [Delivering Equality of Opportunity](#) (DEIS) programme supported school, and although small it places a strong emphasis on community and collaboration, reflecting values that closely align with EirGrid’s commitment to fostering meaningful and mutually beneficial partnerships. 2024 marked the 11th year of EirGrid’s exceptional partnership with Ellenfield Community College, and we are thrilled to see this collaboration continue to thrive and evolve. With a new group of dedicated second-year students, we’re proud to carry forward the legacy of this impactful programme, fuelling growth and success for years to come.

Case Study: SciFest - EirGrid Cleaner Climate Grand Award 2023

Students Rebecca Cullen, Freyja Cleary and Clementine van Steenberge from Loreto Abbey Secondary School, Dalkey, Co. Dublin, earned the SciFest EirGrid Cleaner Climate Grand Award for their innovative project ‘Making Waves’ in November 2023.

Despite limitations in equipment and time, the project overcame numerous challenges in engineering, construction, and equipment modifications. Rebecca, Freyja and Clementine’s project highlights the potential of harnessing wave power.

Investigating the possibility of switching to cleaner forms of energy, the team focused on wave power which harnesses the natural movement of the sea to generate electricity. Rebecca, Freyja and Clementine successfully constructed a working ripple tank with a wave generator and electromagnetic induction (EM) apparatus, resembling a real-world point absorber wave energy converter.

This was the first time that the EirGrid Cleaner Climate Grand Award was presented at the SciFest National Final, which aims to empower young minds to tackle real-world climate challenges and contribute towards a cleaner energy future. This accomplishment underscores the power of innovative research and dedicated mentorship in advancing STEM education and addressing global environmental challenges.

Winners of the SciFest EirGrid Cleaner Climate Grand Award.



Friends of the Earth and Renewables Grid Initiative

We have sustained our collaborative project with Friends of the Earth and the Renewables Grid Initiative to engage communities in Ireland's energy transition. This project centres on inclusive conversations with communities, civil society organisations, and stakeholders, fostering open dialogues on the challenges and opportunities in Ireland's energy transformation journey.

Young Social Innovators (YSI)

As part of EirGrid's partnership with Young Social Innovators (YSI), in January 2024 EirGrid invited approximately 70 YSI programme participants from across Ireland to our 'Powering Up Event', held in the Aviva Stadium, Dublin. At the event, EirGrid provided hands on support and insight to the YSI teams for their projects in the EirGrid Sponsored 'Energy and Climate' category of the programme. Participants were also able to discuss topics such as climate justice and biodiversity, giving their views as to how the associated challenges could be addressed.

Research & Development Partnerships

Collaboration and knowledge sharing with our partners is a fundamental part of how we seek to deliver on our current commitments to our

innovation programmes. Alongside existing relationships, we continue to develop new ones, as research and development partnerships are vital for achieving our sustainability ambitions. Outlined below are some examples of our partnerships.

The [Steps for Public Engagement with Energy Transitions in an era of Climate Crisis](#) is a four-year project which will provide an impartial analysis of EirGrid's evolving public engagement processes, and build a framework to codify different elements of existing strategies. Through the project our Public Engagement team has access to the expertise of the researchers from MaREI, the Science Foundation Ireland (SFI) Research Centre for Energy, Climate and Marine at University College Cork (UCC).

NexSys is a five-year research programme, hosted by the University College Dublin (UCD) Energy Institute in partnership with eight other leading research institutions, which will identify credible and accelerated pathways for a net zero energy system as well as develop technologies and talent needed for the energy transition. EirGrid is an industrial partner of the overall programme and has identified three targeted projects with NexSys researchers.

Chair, Brendan Tuohy and Interim CEO, Martin Corrigan, with representatives of University College Cork, at the signing of a Memorandum of Understanding reflecting a commitment to partner on key research projects supporting the transformation of Ireland's power system.



Cleaner Grid Competition

EirGrid's [CleanerGrid](#) competition is open to third-level students working as individuals or in teams of up to six. In 2023, students were asked to use data from EirGrid's [Smart Grid Dashboard](#) and/or from the Single Electricity Market Operator (SEMO) website to create a digital prototype of a website, application or dashboard to encourage citizens to be more mindful of peak energy demand periods and help them to flexibly adapt their electricity use. EirGrid ran, promoted and judged the 2023-24 competition, with the awards ceremony taking place in January 2024. This year's winners were a team from Technological University Dublin (TUD), whose proposal optimised user activity during periods of high wind generation and low demand. The call for applications for the 2024-25 competition was launched in September 2024.



Winners of the EirGrid CleanerGrid competition.

Electric Aid

[ElectricAid](#) is a social justice fund of EirGrid and ESB employees and pensioners, established in 1988. It is a registered charity supporting people in Ireland and abroad. Donations made from participating EirGrid employees' salaries are matched by the company on a two-for-three basis. As a registered charity, it is eligible to participate in the Revenue Commissioners' Charitable Donation Scheme. The scheme allows tax relief on qualifying donations made to approved bodies. In 2023 ElectricAid's expenditure on charitable activities totalled €1.3 million. During the year, ElectricAid supported 85 projects in 36 countries. All projects funded were linked to the United Nations Sustainable Development Goals (SDGs) and geographically distributed across 6 continents.

In general, ElectricAid's focus of support is on development and it supports communities through self-help. However, it also provides funding for emergency relief, and in 2023-24 it provided for humanitarian needs in Gaza and in the aftermath of earthquakes in Turkey and Syria, and Morocco and Libya. In 2023-24 the key areas of focus were health and wellbeing, clean water, sanitation and quality education. Initiatives in Africa received the greatest amount of funding, followed by Asia, while three projects were funded in Ireland.



EirGrid staff at a roller-disco hosted by the Pride Inclusion Network.

Employee Engagement Diversity & Inclusion

At EirGrid, fostering a diverse and inclusive workforce is not just a goal but a fundamental enabler in our mission to transform the electricity sector. Our success hinges on our ability to reflect the communities we serve, embodying the spirit of a modern and innovative Ireland. We are committed to ensuring that everyone feels a strong sense of belonging and is treated fairly and equally, regardless of race, gender, religion, sexual orientation, marital status, or disability.

We are investing in the structures and capabilities required to support the growth of our company and enhance the experience of all who work at EirGrid. We take pride in our talented workforce, which at the time of writing is comprised of 48 nationalities, bringing a wealth of diverse perspectives and ideas. This diversity is crucial as we work towards transforming the power system for future generations.

Inclusive practices are at the heart of our strategy, bringing numerous benefits such as enhanced employee engagement, retention, and attraction, as well as improved innovation, collaboration, adaptability, and wellbeing. This year, we updated our multi-year plan, incorporating insights from focus group engagement.

To create sustainable and far-reaching outcomes, we established four Employee Inclusion Networks. These employee-led networks; Gender Matters, Pride, Culture Connect, and Supported Embraced Enabled and Nurtured (S.E.E.N), play a pivotal role in fostering a culture of inclusion. They celebrate significant achievements, promote opportunities to meet the needs of each community and support EirGrid's broader organisational goals.

Recognising the importance of flexibility in supporting diversity and inclusion, we introduced the 'Flexibility@EirGrid' working model. This initiative enhances work-life balance and empowers our people to excel both at work and in their personal lives. The model supports working from home three days a week, flexible hours and additional flexibility in summer months. It also encourages us to look at part-time contracts to support work-life balance and well-being while encouraging personal development through exchange and Erasmus schemes. In support of our Diversity and Inclusion initiatives we provide 'Summer Flex' which allows employees to work remotely from locations abroad.

We have more women than ever in senior leadership roles, placing us ahead of the wider industry in terms of representation, and we continue to push for further change. Our leadership and development programmes are open to

all employees, and our Graduate Programme continues to maintain an approximately 50:50 gender balance. The 'Earn & Learn' programme, which has a higher representation of women, provides an alternative route to a career at EirGrid, allowing people starting their career journey to work and study for relevant qualifications part time. Additionally, we welcomed female STEM teachers in training, who hosted a 'Women In STEM' panel discussion for our graduates and interns.

To build an attractive and inclusive employer brand, we have increased our engagement with a broader range of institutions, organisations, and communities. Our continued sponsorship of the SciFest science fair network underscores our commitment to inspiring young people to pursue STEM careers.

At EirGrid, we are committed to ensuring that everyone who joins our company is welcomed, nurtured, and supported to be their best in both work and life. We strive to be ambitious, accountable, transparent, and collaborative in all our dealings. As our organisation becomes more diverse, we embrace the positive changes it brings to our culture and look forward to continuing our journey towards a more inclusive future.

Education & Skills

At EirGrid, we recognise that our people are essential to our success. We are committed to finding innovative ways to upskill our teams and enhance our leadership capabilities, aligning with our purpose to 'Transform the Power System for Future Generations'.

Over the past year, we have worked diligently to grow our organisation by attracting individuals with the right skills and experience from both Ireland and abroad. This has enriched our teams with a diverse range of skills and perspectives. When welcoming new colleagues from around the world, we work to provide the right information at the right time through comprehensive onboarding programmes, to ensure they have the resources needed to succeed in their roles.

We continuously update our development framework to ensure it offers a balanced mix of technical and soft skills development modules. Our blended approach, incorporating new digital tools, provides our teams with flexible learning opportunities that fit their schedules. Our online Learning Management System provides EirGrid employees enhanced learning opportunities to refresh their skills or to learn something completely new from anywhere and at any time.

EirGrid and CIGRE

EirGrid is a member of CIGRE, the International Council on Large Electric Systems, a global non-profit organisation committed to collaborative development and sharing of end-to-end power system expertise by professionals from over 90 countries.

Several EirGrid staff play key roles in CIGRE chairing committees, providing thought leadership and coordinating activities of leading experts around the world in developing innovative technical solutions to address power system challenges driven by the energy transition to net zero.



EirGrid's clothes swap event.

We take pride in our colleagues who have invested in their careers by gaining additional qualifications, and we are delighted to support them in their efforts. Over the past year, we have supported 60 individuals in pursuing additional part-time qualifications. We proudly recognise the successful completion of qualifications annually at an award ceremony.

Our Graduate Development Programme continues to thrive, with a new cohort of talented graduates joining EirGrid each year in September. Graduates have the opportunity to work with leading authorities in the energy sector to develop cutting edge solutions, making a difference to the future of our society locally and globally. Graduates participate in a comprehensive two-year development programme to set them up for success at EirGrid and in their careers.

Employee Engagement on Sustainability

EirGrid has taken a step forward to engage with employees in sustainability by launching 'Sustainability Speaks'. This is a platform where employees can read about sustainability actions from different aspects of the business under the ESG pillars of Environmental, Social and Governance. Sustainability Speaks welcomes employees to provide their feedback and suggestions via 'Have Your Say'. As well as this, we host a 'Cuppa for Climate' informal climate

networking group, where employees meet on a monthly basis to discuss current issues facing the climate crisis and share positive solutions for change.

Clothes Swap

As part of a clothes swap event hosted by EirGrid to support a circular fashion economy, we received over 150 pieces of clothing from our employees. Social enterprise and Sustainable Development Goals (SDG) champion 'The Sustainable Life School' presented an interactive talk on 'sustainable fashion' at the event, with the aim of educating employees on how to buy less, buy better and make clothes last longer. During the event, 64 swaps were made, saving average 320kg of CO₂, which would be the equivalent of driving 2,287.3km, and saving around 127,000 litres of water due to not purchasing something new. Circular economy events like this will continue to be hosted by EirGrid, underlining our commitment to a sustainable society.

IT Upcycling Services

EirGrid has implemented circular economy practices to manage the end-of-life use of capital goods including IT equipment and furniture, ensuring all discarded assets are reused or recycled. For this, we have partnered with asset upcycling services, which clean devices and upcycle the goods ensuring our equipment is repurposed.

Health, Safety and Environment

EirGrid is committed to achieving and maintaining the highest standards of health, safety and welfare for its employees and other stakeholders who may be impacted by our activities, as well as to the protection of the environment.

EirGrid operates a Health, Safety, and Environmental (HS&E) Management System based on the requirements of the International Occupational Health & Safety Standard: ISO45001:2018 and the Environmental Management Standard, ISO14001:2015.

Our HS&E management system was reviewed during the 2024 calendar year, ensuring the HS&E processes continued to be aligned with statutory and regulatory requirements. A major

milestone during this period was the successful external review of our ISO45001 and ISO14001 accreditation and our EirGrid TSO technical and safety audit, with zero non-conformances identified on all external audit reports.

Our HS&E Management System enables us to consider various risks associated with our activities to employees and others who may be affected by these activities, as well as to the environment, and enables us to place these risks in the context of any relevant legal or other requirements, ensuring that preventative and control measures are adequate and meet best practice standards.

Our Health & Safety Risk Hierarchy of Controls includes a focus on sustainability within the control methods. We recognise that we have a responsibility to demonstrate sound environmental management and promote sustainability.

Clean Coasts Beach Clean

Our core work of making Ireland renewable ready is the most significant contribution we can make towards sustainability. This year, over 30 EirGrid employees volunteered for the 'Clean Coasts Big Beach Clean' where they collected and removed over 40kg of rubbish from the Poolbeg Peninsula in Dublin.



We have put in place a programme to manage our environmental impacts responsibly, through setting strategic objectives annually and will endeavour to implement best practice when practicable. We continued to conduct our activities in an environmentally responsible manner to protect the environment from harm, degradation, prevent pollution and continually improve the management systems performance. We have actively promoted awareness among our employees, through appropriate communication and training programmes.

The Health, Safety & Environmental Forum, which is made up of employees from across the business, continued to meet on a bi-monthly basis and is responsible for evaluating and proposing suitable health, safety and environmental objectives to the Executive Team.

Merchandising

In 2023-24, EirGrid continued to integrate circular economy practices into its merchandise procurement and management. Merchandise purchases were limited to essential items, and whenever possible, items were reused. Items like boards with outdated information were repurposed for children's projects in several schools. Over the past year, EirGrid repurposed more than 40 pull-up stands and sourced merchandise made from sustainable, renewable materials, including t-shirts from recycled plastics and organic cotton, bamboo notebooks, phone holders and sprout-seeded pencils. In line with our commitment to being a responsible business, we will continue to prioritise sustainable practices in merchandise management.



Martin Corrigan, Chief Executive (Interim), and Reesha Toms, Sustainability Analyst, receiving the NTA Smarter Travel Award at Silver Level.

Smarter Travel

In 2023-24, EirGrid continued its partnership with the National Transport Authority (NTA) and participated in several initiatives under the [Smarter Travel for Workplaces](#) programme, which promotes and supports sustainable travel options for employees.

Responding to suggestions from our newly formed cycling club, EirGrid set up a cycle repair station for cyclists, along with upgraded drying rooms and increased cycle racks in the EirGrid office building. We also updated our Green Travel Pack to include guidelines for sustainable travel, aiming to balance essential travel needs with our sustainability goals and efforts to reduce Scope 3 emissions (see page 110). In our 2023 employee commuting survey, we saw a 5% increase in employees commuting sustainably, bringing the total number of EirGrid

employees who commute by walking, cycling or via public transport to 83%. To support this growth, we increased educational sessions on commuting, including 'Cycle Training' and safety communications for bikers and walkers.

In October 2023, we were honoured to receive the NTA Smarter Travel Award at the Silver Level, a prestigious recognition of our commitment to promoting sustainable travel options such as walking, cycling, and public transport. This award underscores our dedication to sustainable commuting and highlights the environmental benefits associated with it. During the year we worked on measures in place to set us up for a successful Gold Level certification and submitted an application for this in September 2024. We remain committed to enhancing our infrastructure to encourage sustainable commuting for our employees.





Sinead Dooley, Head of Public Engagement, speaking at a Roadshow event.



The EirGrid sponsored Spink Comhaltas music festival.

Community Engagement

We have continued to develop the way we engage with our stakeholders, in accordance with our ambitious [Public Engagement Strategy](#). Engagement is an integral part of our work, and is vital to transforming the power system for future generations. We recognise the value of creating an open, transparent dialogue with the wider society and we intend to engage with a broad range of stakeholders in meaningful discussions about the role of the grid both now and into the future. In this financial year, we have also incorporated a Fisheries Liaison Officer (FLO) into our engagement process. Our FLO has been actively working to strengthen communication and cooperation between our offshore operations and the fishing communities.

Energy Citizens Roadshows

In 2023-24 we continued facilitating our successful [Energy Citizen Roadshow](#) series. These information events are aimed at informing local communities on how the organisation plans to future-proof the electricity grid, as well as providing information regarding microgeneration, home energy upgrades and retrofitting grants, and regional development issues.

Since our inaugural event in May 2022, we have hosted a total of 26 roadshows across 21 counties. In 2023-24, we held nine roadshows across counties Laois, Kilkenny, Cavan, Monaghan, Clare, Wexford, Limerick, Roscommon and Kerry. These events provided us with the opportunity to engage with over 900 members of the public, countless community organisations, business associations and members of the farming community.

Since commencing the rollout of these events, we have partnered with ESN and the Sustainable Energy Authority of Ireland (SEAI). Local SEAI Sustainable Energy Community Mentors have participated as panellists at each of our events.

Throughout the year we also collaborated with a number of Public Participation Networks (PPNs) and Climate Action Offices in County Councils across the country.

As the organisers of these events, we have brought together the key players across the industry to inform local communities of their role in the energy transition and in the promotion of sustainable practices. We invite local suppliers in fields such as retrofitting, solar panel installation and insulation to our exhibition space. Over the course of the year, we welcomed new exhibitors including local Credit Unions promoting their green loan schemes and representatives from local Sustainable Energy Communities providing briefings on the work they do in their communities to promote sustainability.

Our [Energy Citizen Roadshow](#) events have enhanced our understanding of local communities' considerations towards the hosting of grid infrastructure and their ambitions to play a part in the climate transition. This has enabled us to gain a deeper understanding of local communities' perspectives and priorities. We look forward to continuing to roll out these events in 2024-25.

Community Benefit

When we upgrade or construct new transmission infrastructure in an area to strengthen the grid, it will often involve some disruption to local communities near to the development sites.

EirGrid's [Community Benefit Fund Policy](#) recognises the importance of the local communities who support our work. Under this initiative, we establish community benefit funds in proportion to the scale of the project along with a community forum to ensure that the benefit fund is designed for the local community, by the local community. In 2023-24, a total of €992,437 was awarded from community benefit funds to 43 community groups and voluntary organisations across two of our infrastructure projects, the Celtic Interconnector and the Laois-Kilkenny Grid Reinforcement Project. We will see a growing number of community benefit funds over the coming years as further grid infrastructure projects commence construction across Ireland.

Celtic Interconnector Community Benefit Fund

The €2.4 million [Celtic Interconnector Community Benefit Fund](#), established by EirGrid, in line with our Community Benefit Fund Policy, will be delivered in three phases over the project period 2023-2026, and divided evenly across three core streams: Community, Sustainability, and Biodiversity. EirGrid appointed Southeast Cork Area Development (SECAD) as the independent fund administrator, with the responsibility of developing a community benefit strategy and overseeing the issuing of funds to successful projects. SECAD worked with the Celtic Interconnector Community Forum to develop a bespoke strategy relating to the issuing of funds.

In December 2023, the first phase of the fund was launched, totalling €960,000. Over 50 applications to the fund were submitted by community groups and voluntary organisations along the project route. 29 projects were selected by an independent evaluation panel and awarded funding. A total of €320,000 was awarded to community projects and a further €320,000 was awarded to biodiversity projects. EirGrid worked with community organisations along the project route and have

New LED floodlights on the Youghal Rugby pitch.

hosted biodiversity workshops with the community forum and the wider community during the year.

Successful groups and organisations drew down Phase 1 funding during 2023-24 and commenced work on their projects. EirGrid and SECAD have been monitoring the progress of these projects, which will leave a lasting positive legacy in their communities. The second phase of funding will be launched in financial year 2024-25, mid-way through project construction.

Spotlight

Since successful applicants started receiving funds from early 2024, the benefit to communities is already evident. An important part of EirGrid's approach to its Community Benefit Funds is that communities impacted by our work feel the benefit of these funds throughout the life cycle of the project.

Below are examples of some of the projects which have come to fruition as a result of the Celtic Interconnector Community Benefit Fund.

Youghal Community Bus

The Youghal Community Transport Group offer transport services to the people of Youghal, particularly those living in more isolated and inaccessible areas. The group made an application for the purchase of a 6-seater wheelchair-accessible electric vehicle (EV) bus, and received €70,000 under the community stream. The funds allowed the group to purchase the EV bus, which now provides transport solutions to the people of Youghal, in particular older residents and those with disabilities.



The Youghal Community Bus.

Ballintotis Community Centre

Ballintotis Community Council are dedicated to the support of local initiatives of a social, cultural, environmental, sporting and infrastructural nature in the Ballintotis area. The Ballintotis Community Centre is key to their work and their application to the Celtic Interconnector Community Benefit Fund was for the installation of a solar panel and battery system, construction of a new storage shed and the purchase of a new lawnmower. The solar panels were installed in spring 2024 and the community can already see the benefits.



The Castlemartyr School Playground.



Solar panels on the Ballintotis Community Centre.

Castlemartyr School Playground

The Castlemartyr National School Parents Association applied for funding for the construction of a new school playground and received €12,000 as part of the first phase of funding. The school's pupils are now enjoying a range of new activities offered by the playground.

David Scully, chairperson of the parents association, said the new playground 'provides a long-lasting benefit to the school and to the kids for years to come'

Maria Sheehan, a teacher at Castlemartyr National School, said 'it's wonderful to have the support of EirGrid. This playground develops many skills for the kids from fine and gross motor skills, to balance and coordination'.

'The solar panels have reduced our bills dramatically and [improved] our carbon footprint... helping us finance other projects in the community'

Kevin Cronin,
Vice Chair of the Ballintotis Community Centre



Laois-Kilkenny Community Benefit Fund

Phase 1 update

As the Laois-Kilkenny Grid Reinforcement project continues towards completion, in 2023-24 we continued to see the real impact of those projects which received funding as part of the first phase issued in 2022.

The Ballinakill Heated Swimming Pool

The Ballinakill Community Development Association (BCDA) received €40,500 in funding as part of the first phase of the Laois-Kilkenny Community Benefit Fund which it used to support the development of a solar panel heated swimming pool in Ballinakill. As the pool opened for the summer months in 2024, the addition of solar panels to the pool helped to reduce the pool's electricity costs, while also reducing its carbon footprint. Declan Kennedy of the BCDA said people are travelling from neighbouring counties to make the most of the facility, which also employs 10 locals to work as lifeguards during the summer months.

The Ballinakill Heated Swimming Pool.



Phase 2 funding

Phase two of the Laois Kilkenny Community Benefit Fund, totalling €153,450, was announced in April 2024, with fourteen community groups and organisations along the route being selected for funding. This latest phase represents 30% of the total fund, with successful applicants and projects in the local areas of Ballinakill, Ballyouskill, Ballyragget, Rosconnell, Spink and Timahoe all receiving funding.

Successful projects feature a broad range of activities and the funds will enable community infrastructure upgrades for social and sports hubs and support local culture and heritage, as well as environmental and sustainability initiatives. The final phase of funding will be issued in 2025 when the project is energised.



The EirGrid sponsored Brack and Bingo event.

Powering Up Dublin – EirGrid in the community

EirGrid's Powering Up Dublin programme involves an ambitious upgrade to the Dublin transmission system that will be required to continue to support population growth and economic development in the region. Substantial progress was made on this project during 2023-24 and will continue over the coming years. See page 58 for a more detailed update on project activity.

Over the past year, Powering Up Dublin has been supporting communities across the capital by participating in a number of events, including:

Brack and Bingo

This intergenerational event sponsored by EirGrid was organised by teenage members of Swan Youth Services in Dunne Street, Dublin 1. It consisted of bingo, brack, music and tea for over 50 retired members of the local community. This event was successful in creating awareness of the Powering Up Dublin programme and the proposed Finglas to North Wall replacement cable.

Swan Services Community Careers Event

EirGrid participated in a community careers fair organised by Swan Youth Services in April 2024, attended by over 100 students and 15 exhibitors, providing an opportunity to highlight the work that EirGrid is doing as part of the Powering Up Dublin programme and our Earn and Learn scheme to the local community.

Age Action Event

EirGrid participated in an Age Action event in Sandymount Community Centre. We had the opportunity to meet local residents and visit the Ranelagh Community Response volunteer group delivering meals on wheels in Dublin 4 and 6.

Transition Year Workshops

During Engineers' Week in February 2024, EirGrid's Community Liaison Officers and Graduate Development Programme participants visited schools and engaged with over 300 students about the Powering Up Dublin project, highlighting the importance of public engagement and pathways to engineering.

Information Stands

Special Olympics Ireland and the Gallops Residents Association invited EirGrid to set up information stands and engage with their members regarding the Powering Up Dublin programme at their AGM meetings. With over 150 people in attendance at these AGMs.

Forums

In 2023-24 we continued our work under the Powering Up Dublin Community Forum, Business Forum and Stakeholder Forum, all of which were established in 2023. These forums enable EirGrid to connect with local communities, businesses and other stakeholders and use the feedback and insights received to inform optimised cable route designs.



Members of the Public Engagement Team representing EirGrid at a DECC Offshore Public Information Event.

Offshore Community Engagement

EirGrid recognises the key role that offshore wind will play in meeting Ireland’s growing energy demand and economic activity over the next decade and beyond. We are supporting the Government’s ambition, through our engagement and collaboration with our key stakeholders and industry as well as through the work being undertaken within the organisation.

The second phase of offshore wind is currently being developed under a spatial Government-led approach by the Department for the Environment, Climate and Communications (DECC), with the development of the [South Coast Designated Maritime Area Plan](#) (SC DMAP). The first of four areas to be designated under this plan is off the south coast of Co. Waterford and is referred to as Maritime Area A or ‘Tonn Nua’.

EirGrid has launched [Powering Up Offshore South Coast](#), a public engagement initiative relating to the planning for new offshore electricity substations and associated undersea electricity cables off the south coast. This new infrastructure is planned to transmit the electricity generated by future offshore wind farms (built by developers) located in the Tonn Nua area onto Ireland’s electricity grid.

During 2023–24 there was ongoing engagement on the project, in particular with the coastal communities in the region. EirGrid’s dedicated Fisheries Liaison Officer (FLO) has been engaging and building relationships with local communities and fishing communities along the south coast. We also continuously engage with DECC to ensure and streamline alignment of the overall approach to minimise disruption to stakeholders.

Offshore Renewable Energy (ORE) Seafood Working Group

EirGrid understands that Ireland’s seafood and aquaculture industry are important to the national and local economies, as well as vital to the culture of Ireland’s coastal communities. EirGrid is deeply committed to engaging with fishers, representative groups and all involved in marine activities and will engage with all throughout the project.

EirGrid is a member of the Offshore Renewable Energy (ORE) Seafood Working Group, which was established by Government in May 2022 to facilitate discussion on matters arising from the interaction between the seafood and offshore renewable energy industries. We have been meeting on a monthly basis with the working group and have been providing updates on the progress of EirGrid projects to the group. We are also contributing to the development of a seafood coexistence document which is due for publication in 2025. We are committed to the principles for engagement, as agreed by the Working Group and as detailed in the recent publication [Seafood/ORE Engagement in Ireland – A Summary Guide](#).

Customer Engagement

EirGrid’s customers include those directly connected to the transmission system. Some customers generate electricity from conventional or renewable sources, while others have a high demand for electricity, which only the transmission system can provide. Other customers provide the services necessary for operating the transmission system, such as demand side and energy storage units, while interconnector customers provide connection to other countries’ electricity grids.

We also serve the electricity suppliers and broader stakeholders with an interest in the operation and enhancement of the transmission system (including industry representative bodies) and we respond to a wide range of needs across the wholesale energy sector in Ireland.

We recognise that many of our customers are key enablers to meeting Ireland’s 2030 targets through electricity generation, interconnection and the supply of necessary services to operate the system with high penetration of generation from renewable sources. This year we have continued to enhance our engagement to ensure we continue to meet the evolving needs of our customers.

Building on our customer vision initiative that we launched in January 2024, we continue to deliver an enhanced customer journey from start to finish. This work focuses on early engagement and ensuring that customers and industry stakeholders can easily find relevant and up-to-date information on connecting to the electricity grid, as well as the details on its planning, development and operation.

An overview of key initiatives undertaken in 2023–24 to effectively engage with our customers are listed below:

- In February 2024, a customer satisfaction survey was issued to 69 customers regarding their experiences of engaging with EirGrid during 2023. The survey results have informed and enhanced our stakeholder engagement and will drive excellence in customer service within EirGrid.
- In July 2024, a transmission system customer outage requirements survey was circulated to all customers to obtain their outage plans for the forthcoming year. This engagement enables EirGrid to more effectively streamline and maximise the efficiency of the wider transmission outage planning process.
- As part of the Customer Vision Workstream, we have taken steps to deliver closer

engagement with customers including increased monthly, quarterly and ad-hoc meetings. There has been an effort to host more of these meetings in-person and we have also made site visits to customers.

- We hosted 56 customer clinic meetings involving 34 developers across 95 projects to discuss future generation and demand connections with our subject matter experts (SMEs), ahead of submission of connection applications.
- We arranged customer engagements to address any issues that may arise and to lead to better outcomes for all parties in the preparation of customer connection offers. This included how customers would be connected to the grid and how future projects could operate in the electricity market.
- Engagement took place both collectively and bilaterally with offshore Phase 1 customers on technical and contractual matters. More project specific engagement continues with these projects as project delivery momentum increases. Engagement with industry bodies regarding Phase 2 also commenced and will gain further momentum in 2024–25.

Stakeholder Engagement

Effective stakeholder engagement is essential for EirGrid to deliver on its strategy. We produce and publish a yearly review of our stakeholder engagement. In 2023–24, we published the [Network Stakeholder Engagement Report 2023](#) as well as a [Network Stakeholder Engagement Plan for 2024 and 2025](#). These cover a broad range of stakeholders across industry, society, and statutory groups and were subject to public consultation, providing our stakeholders with the opportunity to provide feedback on our activities and plans at different stages of the process. We encourage collaboration with our stakeholders to develop new solutions and approaches in collaboration, and we look forward to continuing work in this area in 2024–25.

Being a Responsible Business

EirGrid is committed to reporting on our strategy and approach, as well as our performance in respect of our governance through a sustainability lens. For more detailed information regarding EirGrid's corporate governance, see page 119. Since 2010, EirGrid has been accredited with the Business Working Responsibly (BWR) Mark, which is an independent external accreditation by Business in the Community Ireland (BITCI) of how EirGrid interacts with the marketplace, the workplace, the environment and the communities we engage with, as well as an assessment of our sustainability strategic approach. Achieving the BWR Mark enhances our brand and reputation, in addition to positioning us as an employer of choice in the marketplace.

Mandatory Sustainability Reporting Obligations

Commercial Semi-State Climate Action Framework

In August 2022, the Government approved the [Climate Action Framework for the Commercial Semi-State Sector](#), developed by the New Economy and Recovery Authority (NewERA), in collaboration with DECC and the Department of Public Expenditure, NDP Delivery and Reform (DPENDPR). The framework will apply to every Commercial Semi-State (CSS) company and covers five commitments:

- Governance of climate action objectives;
- Emissions measurement and reduction target;
- Emissions valuation in investment appraisal;
- Circular economy and green procurement; and
- Climate-related disclosures.

To capture and monitor the implementation status of the framework, inputs are requested by NewERA on a bi-annual basis. These responses are then collated into an Implementation Report which provides an overview of the performance of CSS companies against the five commitments. EirGrid made submissions in March and September 2024 on its implementation of the CSS Climate Action Framework.

SEAI Monitoring and Reporting

The Sustainable Energy Authority of Ireland (SEAI) monitoring and reporting (M&R) system is a software system through which public bodies report energy, emissions and related data each year to enable SEAI to track each organisation's progress towards energy and climate policy targets. Under the [Climate Action Plans](#) 2021 and 2023, the Government has set ambitious targets for public bodies (including schools) to achieve a 51% reduction in energy-related greenhouse gas (GHG) emissions and a 50% improvement in energy efficiency by 2030. The M&R system enables reporting and tracking against these targets and other legal requirements. In 2023, EirGrid continued to align with SEAI M&R 2030 targets by running energy management measures in consultation with SEAI.

Corporate Sustainability Reporting Directive (CSRD)

The EU's [Corporate Sustainability Reporting Directive](#) (CSRD) entered into force in January 2023. It revises and updates the existing reporting obligations of the Non-Financial Reporting Directive (NFRD), which aimed to create greater transparency and accountability by requiring large companies and public interest entities in the EU to publish non-financial information on Environmental, Social, and Governance (ESG) performance.

Under the Directive, EirGrid is legally obliged to ensure that its annual reports for financial years occurring after the 1 January 2025 are compliant with the requirements of the Directive. In EirGrid's case the first CSRD-compliant annual report will be for the financial year from 1 October 2025 to 30 September 2026, which will be published in 2027. The key reporting requirements include a double materiality assessment, forward-looking information strategy and targets, and details on progress aligned with the [European Sustainability Reporting Standards](#) (ESRS).

In October 2023, EirGrid commenced a detailed assessment to develop a transition plan for sustainability reporting compliance. Based on this assessment, we have developed a detailed implementation plan to produce an audited CSRD report.

Voluntary Sustainability Disclosures

Low Carbon Pledge

The Business In the Community Ireland's (BITCI) Low Carbon Pledge is the first dedicated pledge for Irish businesses to provide accreditation for meeting industry standards on sustainability and the reduction of carbon emissions. As a signatory to the Low Carbon Pledge, EirGrid is committed to reducing its Scope 1 and 2 greenhouse gas emissions intensity by 50% by 2030.

Elevate Pledge

The BITCI's Elevate Pledge supports businesses to foster a more inclusive workplace. EirGrid is a signatory to this pledge and in 2024 we continued to nurture and develop a diverse and inclusive workplace, aligning with EirGrid's employee engagement strategy. For more information on EirGrid's diversity and inclusion initiatives see page 92.

Business Working Responsibly Mark

In 2023-24, following a successful audit, EirGrid was re-accredited with the [Business Working Responsibly Mark](#) (BWR Mark). The BWR Mark review was undertaken by BITCI and independently audited by the National Standard Authority of Ireland (NSAI), certifying excellence in responsible and sustainable business practices. Our recertification of the BWR Mark further evidences our primary goal and notes our position amongst leading companies committed to sustainability.

Carbon Footprint Management

In 2021, EirGrid Group, then comprising EirGrid and SONI, conducted its first emissions footprint exercise for 2019 and 2020. We have continued to undertake this process on an annual basis, with the latest being for the financial year 2022-23. Our carbon accounting methods are selected based on relevancy, data availability, materiality and accuracy. For this, we use a combination of spend and activity-based data to measure our footprint. As it takes some time after the financial year to complete the foot printing exercise, at the time of writing it has not been completed for 2023-24. We will therefore focus on the 2022-23 results in this report, which is consistent with previous financial years.

As referenced elsewhere in this report, on 1 October 2023, an independent SONI Board of Directors was established under new governance arrangements which also include managerial, operational and resource independence from EirGrid. Therefore the 2022-23 carbon footprint assessment includes SONI but it should be noted that SONI will not be included for future assessments.

Under the [Greenhouse Gas \(GHG\) Protocol](#), emissions are classified according to the source and ownership of the emissions, and are divided into direct ('Scope 1') and indirect ('Scope 2 and 3') emissions. Measuring GHG emissions across these scopes is an essential element to track and reduce our overall carbon footprint, underlining our commitment to sustainability and demonstrating our role in addressing climate change.

Scope 1

Overview

Scope 1 emissions refer to direct emissions owned or controlled by the company. Relevant to EirGrid Group's operations, Scope 1 covers Mobile Combustion, Stationary Combustion and Fugitive Emissions. In 2022-23, Scope 1 accounted for less than 1% of EirGrid Group's total emissions footprint.

Progress Against Scope 1

Mobile Combustion includes fuel usage from vehicles owned by EirGrid. This includes a van known as the Mobile Information Unit, used at public-facing events such as roadshows. Since baseline year 2019, mobile combustion emissions have decreased by 60% which is attributed to factors such as increased local engagement and alignment with sustainable travel initiatives put in place in the organisation.

Stationary Combustion emissions, which are those from fuel used for heating or backup generators, have decreased by 31% since the baseline year, due in part to upgrades such as improved boiler efficiency.

Fugitive emissions include emissions resulting from intentional or unintentional releases of gases that have a global warming potential (GWP) during the

use of refrigeration or air conditioning equipment. To manage and prevent fugitive emissions, such as fugitive gas leaks, EirGrid Group performs maintenance checks on all cooling equipment.

Whilst the total Scope 1 emissions have decreased by 32% since the baseline year, there was a slight increase of 4% between 2021-22 and 2022-23. This rise in the last financial year was primarily driven by higher usage of backup generators, while emissions from mobile combustion and fugitives remained largely stable.

Scope 2

Overview

Scope 2 relates to emissions from energy purchased for electricity, heating and cooling. In EirGrid Group, Scope 2 comprises of emissions from purchased electricity and purchased heating. Purchased electricity is electricity used by a company at sites it owns or controls. Heating is covered under Scope 2 as EirGrid's office heating is provided by the landlord.

In 2022-23, Scope 2 accounted for approximately 0.05% of EirGrid Group's total emissions.

Progress Against Scope 2

EirGrid Group's total Scope 2 emissions have increased by 10% since the baseline year and by 6% between financial year 2021-22 and 2022-23. This change is primarily due to energy usage driven by an increased office occupancy post-pandemic, coupled with headcount growth of 16% in the last financial year. We have taken measures to mitigate our increasing electricity and heating requirements through various energy efficiency measures including efficient building energy management and energy initiatives like solar films, light harvesting and LED lighting.

Scope 1 and 2 Per Capita Emissions

Scope 1 and 2 emissions are significantly influenced by the number of people attending the office since higher occupancy results in larger energy use. To demonstrate the overall progress against the Scope 1 and 2 emissions, we have calculated the per employee carbon footprint.

EirGrid's carbon footprint per employee has seen a steady decrease over the last five years. In 2019, it stood at 2.99 tCO₂eq and in 2023 decreased to 2.21 tCO₂eq. In 2023, while overall emissions saw an increase by 3.6%, EirGrid Group's headcount increased to 712 full-time permanent employees, a rise by 40% since our carbon footprint baseline was set.

EirGrid Group Headcount and Per Capita Emissions

Financial year	Number of employees at financial year end	Scope 1 and 2 per capita emissions (tCO ₂ eq)
2019	507	2.99
2020	570	2.39
2021	596	2.29
2022	611	2.42
2023	712	2.21



The Cycle Clinic pop-up at EirGrid's Dublin office.

Scope 3

Overview

Scope 3 emissions refer to indirect emissions across a company's value chain, including activities such as purchased goods and services, capital goods, business travel, employee commuting, waste and fuel and energy related activities. Purchased goods and services and capital goods are EirGrid Group's main drivers of Scope 3 emissions.

- Purchased goods and services includes the extraction, production and transportation of goods and services purchased or acquired by EirGrid Group. Categories which contribute to these emissions are Dispatch Balancing Services, legal fees, professional fees, corporate subscriptions and memberships.
- Capital goods include the extraction, production and transportation of capital goods purchased or acquired by the EirGrid Group, such as IT equipment and software licenses.

Progress Against Scope 3:

Purchased Goods & Services

Dispatch Balancing Services contributes to over 99% of EirGrid Group's overall Scope 3 emissions and EirGrid's purchased goods and services.

Emissions due to increased purchased goods and services have been driven by increased scale and new activities for EirGrid Group since the baseline year. These include:

- New government policy in Ireland to achieve 80% RES-E (gross final consumption of electricity from renewable sources) by 2030;
- Offshore transmission asset ownership and operation (Ireland only);
- Celtic Interconnector and Greenlink (Ireland only); and
- Implementation of the solutions to address security of supply (Temporary Emergency Generation) (Ireland only).

What are Dispatch Balancing Services?

Dispatch Balancing Services (DBS) are required by EirGrid as the System Operator in order to dispatch electricity generation units away from an unconstrained market position in order to maintain system security. This is required in order to meet legislative and regulatory requirements including transmission system standards. These actions incur imperfection costs which need to be forecasted and managed by EirGrid as Ireland's Transmission System Operator (TSO). These actions may also result in changes to our carbon emissions.

As TSO, EirGrid operates to the published Operational Security Standards that lead to dispatch balancing actions. Generation and transmission outage programmes have an impact on Dispatch Balancing Services. The TSO is responsible for scheduling these programmes of works which is done with an attempt to minimise this impact on Dispatch Balancing Services.

Rulesets from the Single Electricity Market Committee (SEMC) are used to optimise the resources available to the system at every point in time to meet the system security rules set by the TSO.

Capital Goods

In financial year 2022-23, emissions from capital goods rose by 7% compared to 2021-22. Our main drivers include IT maintenance and telecoms.

Despite increasing IT requirements due to EirGrid's additional scope and remit, our emissions increased by less than 1% compared to the 2019 baseline year.

Employee Commuting

Employee commuting refers to employees travelling to and from their usual place of work. To calculate EirGrid's commuting emissions, we run an annual commuting survey. Our latest survey revealed that 83% of employees commute via a sustainable mode of transport (i.e. walking, cycling, bus, train and tram). Commuting via train and cycling were the most popular modes of transport by EirGrid employees. The annual employee commuting survey also gives employees the opportunity to provide feedback on current commuting facilities and to make suggestions for improvements to support a modal shift to more sustainable forms of transport. During financial year 2023-24, EirGrid introduced a number of opportunities to encourage employees to travel to the office more sustainably, such as upgraded drying facilities, a cycle repair station, cycle training for employees, e-bike trial days where employees get a chance to trial and buy a discounted e-bike, promotion of the cycle to work scheme, and regular updates on sustainable commuting opportunities such as the promotion of bike rental schemes during Dublin Climate Action Week.

Business Travel

The effects of the COVID-19 pandemic have significantly transformed work dynamics, with a shift to virtual meetings reducing the need for frequent business travel, promoting more sustainable business practices. This shift has facilitated a reduction in EirGrid's ground travel, decreasing by 76% since 2019. However, we

have seen an increase in flights taken, driven by increased engagement with stakeholders in Europe across a number of business areas.

Waste

We identified an opportunity to assess our existing procurement practices regarding merchandise, single-use products and repurposing of obsolete materials.

- EirGrid has implemented circular economy practices to manage the end-of-life use of capital goods including IT equipment and furniture ensuring all discarded assets are reused or recycled. For this, we have partnered with asset upcycling services, which clean the device and upcycle the goods making sure our equipment is repurposed.
- We have eliminated the use of single-use plastic or paper cups by rolling out 'Keep Cups' for all employees from July 2023. From roll-out to the end of financial year 2023-24, the Keep Cups have eradicated over 100,000 single-use cups.
- We have reused and recycled our stock of existing merchandise in an organised and sustainable way. We have repurposed merchandise containing our old logo and reskinned over 42 pop-up stands, which are used at public engagement events, industry workshops, careers fairs and other stakeholder events.

Fuel and Energy Related Activities

These emissions relate to the production of fuels and energy purchased and consumed by EirGrid Group. This includes emissions from the mining, extraction, refinery and production of fuels utilised under mobile combustion, purchased electricity, heating and stationary combustion. Reducing emissions can be attributed to factors such as increasing renewable energy sources connected to the grid. In 2022-23, the emissions from fuel and energy-related activities decreased by 29% from the previous year.

EirGrid Group Financial Year 2022-23 – Carbon Footprint Assessment Results

	Baseline Year 2019 TCO ₂ eq	Financial Year 2021-22 TCO ₂ eq	Financial Year 2022-23 TCO ₂ eq
Scope 1			
Mobile Combustion	0.86	0	0
Fugitive Emissions	0.02	0.161	0.3
Stationary Combustion	228	150	156
Scope 1 Total	229	150	156
Scope 2			
Purchased Electricity	1,286	1,201	1,283
Purchased Heating	0	129	133
Scope 2 Total	1,286	1,330	1,415
Scope 3			
Business Travel	668	107	311
Capital Goods	2,465	2,314	2,483
Purchased Goods and Services	1,768,865	759,853	2,435,569
Purchased Goods and Services (excl. DBS)	3,069	3,958	5,569
Employee Commuting	1,251	442	548
Fuel and Energy-related activities	438	309	219
Waste	61	6	9
Scope 3 Total	1,773,748	763,030	2,439,139
Scope 3 Total (ex DBS)	7,951.71	7,135	9,139
Total All Scopes	1,775,263	764,510	2,440,711
Total All Scopes (ex DBS)	9,467	8,615	10,711

Science-Based Targets

Science Based Targets provide a clearly defined pathway for companies to reduce greenhouse gas (GHG) emissions, helping prevent the worst impacts of climate change and facilitate sustainable business growth. Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to 1.5°C above pre-industrial levels.

The [Science Based Targets initiative](#) (SBTi) is a corporate climate action organisation which validates the science-based targets for companies against the SBTi's criteria and guidance.

EirGrid developed its emissions reduction target in line with the SBTi's criteria in 2021, against a baseline of 2019 data. Our targets are summarised in the table below.

	Expected Impact	2021-22	2022-23
Science Based Target 1	Reduce direct and indirect emissions by 50% (Scope 1 & 2 emissions)	1,480t CO ₂ e	1,571t CO ₂ e
Science Based Target 2	Reduce indirect emissions from Dispatch Balancing Services (DBS) by 35% per MWh of overall system demand (Scope 3 emissions – DBS)	0.019t CO ₂ e per MWh of electricity demand	0.064t CO ₂ e per MWh of electricity demand
Science Based Target 3	Reduce all other indirect emissions from our activities by 30% (Scope 3 emissions excluding DBS)	7,135t CO ₂ e	9,139t CO ₂ e

Assessing the Approach for Our Evolving Business

Since the initial establishment of our carbon emissions targets in 2021, significant changes have unfolded both in energy policy and within EirGrid's organisation, necessitating a reassessment to align with current realities and goals.

New Government policy to achieve 80% RES-E by 2030

The introduction of the new Government policy aimed at achieving 80% RES-E by 2030 marks a pivotal and very ambitious shift towards Ireland's cleaner energy future. This change in policy not only sets a higher standard for renewable energy adoption but also mandates a strategic realignment of our carbon reduction strategies

and places a higher onus on EirGrid in terms of our responsibilities in contributing to the delivery of the targets. This has driven change and growth in our business compared to what was anticipated in 2019 when the original targets were set.

Offshore transmission asset ownership and operation

Since our Science Based Targets were set, EirGrid's role has been expanded to incorporate the operation and ownership of Ireland's offshore electricity transmission grid, as designated by the [Policy Statement on the Framework for Ireland's Offshore Electricity Transmission System](#). This change will transform the business from an asset light organisation to one which will eventually own substantial offshore grid infrastructure assets.

SONI Licence Condition 42

As referenced earlier in this report, in August 2022, the Utility Regulator in Northern Ireland published its decision on SONI governance and modifications to its TSO licence, which were codified into SONI's licence on 26 October 2022. The new licence conditions required, amongst other requirements, the establishment of a majority independent SONI Ltd board of directors (with all directors approved by the Utility Regulator); restriction on shareholder decision making to only those matters reserved for shareholder decision under the UK Companies Act 2006; along with managerial, operational and resource independence from EirGrid plc. Given this, a re-evaluation of our carbon footprint baseline and calculations is required to ensure it accurately reflects this change to the organisation.

What's next?

Given the substantial shifts across various domains outlined above, we are currently undertaking an assessment of the next steps in terms of our carbon footprint assessments and our Science Based Targets, which require us to take into account our changing and evolving business, aspects of which were not anticipated when the original targets were set.

Moreover, the landscape of reporting standards is constantly evolving and aligning with new frameworks and legislation, such as the Corporate Sustainability Reporting Directive (CSRD), which is essential for maintaining transparency and compliance with regulatory requirements.

By proactively assessing our approach, we not only adhere to regulation but also demonstrate a commitment to continuous improvement.

Sustainable Procurement

EirGrid recognises that the procurement function within all organisations holds a critical position of front-line influence in relation to an organisation's social and environmental impacts. Therefore, to align with [EirGrid's Sustainability Strategy](#), EirGrid carried out a sustainability supply chain assessment in 2023-24 and created a transition plan to align to international best practice for sustainable offshore wind.

We have placed a particular focus on offshore wind in 2023-24 given that it is an area in which significant procurement activity is expected in the years ahead. In order to address the offshore portfolio from a sustainability point of view, there are three parallel workstreams:

- Conducting an internal procurement process assessment in relation to sustainability practices and industry best practice for offshore wind.
- Reviewing sustainability best practice and areas of innovation potential in offshore wind and define sustainability metrics for the South Coast Offshore Wind Programme.
- Developing a sustainability plan as a key document to define how sustainability will be delivered throughout the programme including the procurement process.

Members of the innovation and planning, procurement, legal and sustainability teams attending the National Procurement Awards in recognition of EirGrid's nominations in five categories.



EirGrid understands the importance of engaging the supply chain in this endeavour, and we have standardised the alignment of our procurement function to our business sustainability requirements to align with our corporate sustainability strategy. EirGrid integrates sustainability criteria as per the Environmental Protection Agency's (EPA) [Green Public Procurement](#) process in our tenders where possible.

Risk Management

The Enterprise Risk Management Framework specifies the high-level, minimum requirements and processes for risk management across all risk types including Climate related risks. The requirements are implemented through the risk policies and procedures that govern the management of risk.

EirGrid has identified Climate (Physical) as a Principal Risk with the following definition:

'The risk of increased costs of maintaining/replacing assets and/or reduced predictability resulting in outage planning challenges due to increased frequency of severe weather events impacting the risk to physical assets owned/operated/maintained by EirGrid resulting in financial loss and reputational damage.'

There are a number of associated risk drivers, namely:

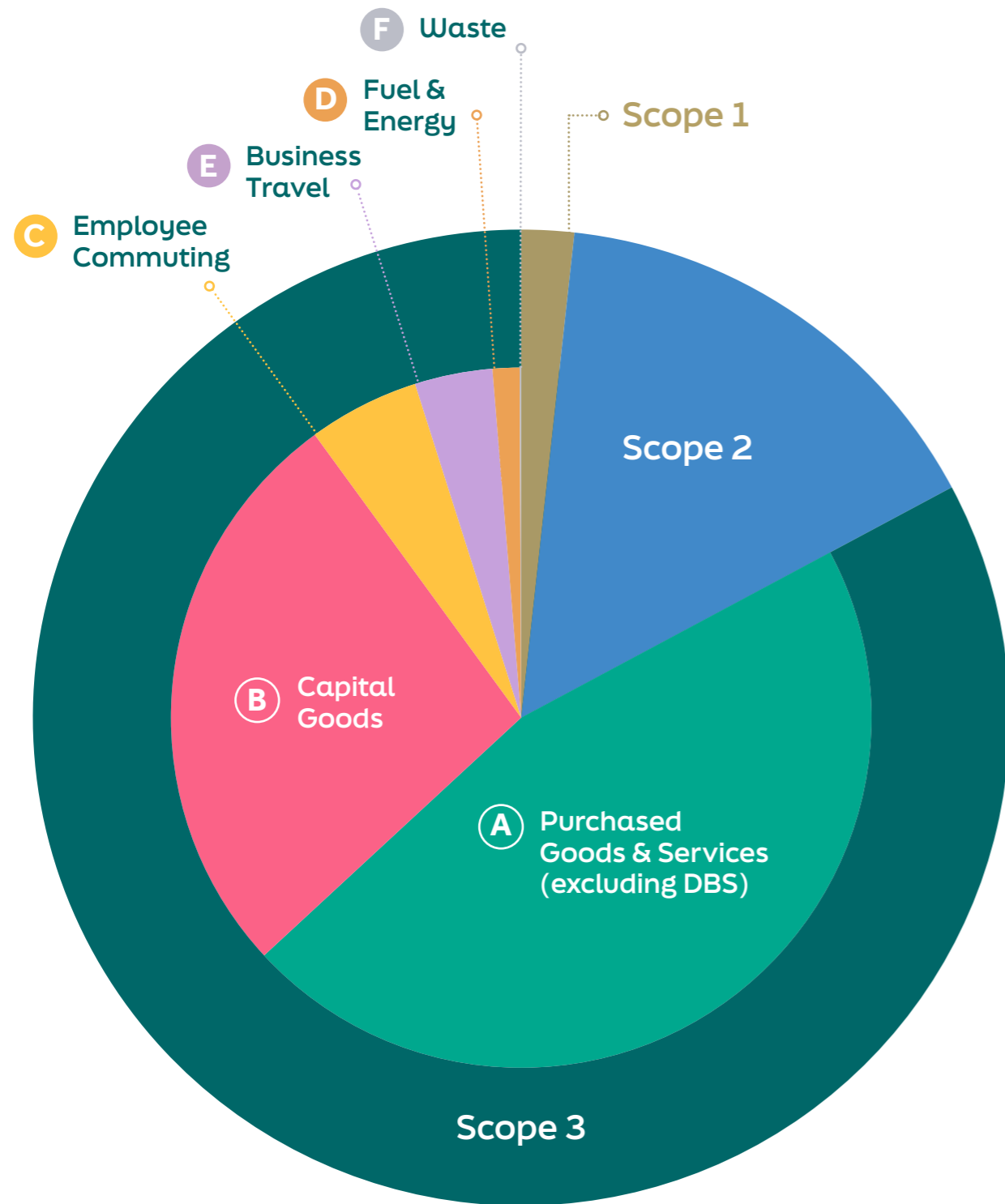
- Increased frequency of asset damage due to severe weather events (Onshore Transmission, Offshore Transmission, Interconnection, Telecoms fibre, Office Accommodation, Telecoms Equipment).
- Historic trends used in modelling assumptions may no longer be a reliable predictor of the future due to climate change.
- Climatic conditions impacting on the delivery of Celtic Interconnector construction.
- Increasing costs of maintaining assets leading to reduced asset lifetime resulting in maintenance and/or replacement costs.
- Changes in seasonal conditions (duration and timing) leading to reduced predictability resulting in outage planning challenges.

As a Principal Risk, Climate (Physical) is actively monitored on a monthly basis by the Executive Team and the EirGrid plc Board.

Official Languages Act Compliance

EirGrid falls under the remit of the Official Languages (Amendment) Act 2021, which expands on the existing obligations of public bodies to promote the use of the Irish language and to improve the services delivered through Irish. During financial year 2023-24, we installed new bilingual signage in our offices, increased Irish language content on our social media accounts and advertised job vacancies in both English and Irish for the first time. We remain on target to meet the requirements in relation to advertising. EirGrid received no complaints from Oifig an Choimisinéara Teanga during the financial year.

2022-23 Emissions



Scope 1 **156** tCO₂e | Scope 2 **1,415** tCO₂e | Scope 3 **9,139** tCO₂e (excluding DBS*)

Scope 3 Categories**

A Purchased Goods & Services (excluding DBS*)	5,568 tCO ₂ e	D Business Travel	311 tCO ₂ e
B Capital Goods	2,483 tCO ₂ e	E Fuel & Energy Related Activities	219 tCO ₂ e
C Employee Commuting	548 tCO ₂ e	F Waste	9 tCO ₂ e

*DBS: Dispatch Balancing Services

**Figures rounded for ease of presentation.

Tons of CO₂ equivalent (tCO₂e)

is a standard measure used to compare greenhouse gas emissions from carbon dioxide (CO₂) or other greenhouse gases (GHG) based on their global warming potential.



Total emissions (including DBS*)

2,440,711 tCO₂e

Corporate Governance

Chair's Corporate Governance Statement

The Board of EirGrid plc is committed to high standards of corporate governance which encourages informed and longer-term decision making. EirGrid plc, as a state-owned company, in pursuit of its governance objectives complies where applicable with the *Code of Practice for the Governance of State Bodies* issued by the Minister for Public Expenditure, National Development Plan Delivery and Reform ('the Code') and also has regard to the principles of the *UK Corporate Governance Code* and to the Irish Corporate Governance Annex.

EirGrid has put in place appropriate measures to comply with the Code, which sets out the governance framework established by the Government in respect of the oversight and reporting requirements of State Bodies.

These are based on the principles of accountability, transparency, and prudence, with a focus on the sustainable success of the organisation over the longer term. EirGrid has robust processes in place regarding compliance with the Code and a report of such compliance is made annually to the Board. The Board is satisfied that EirGrid has complied with its requirements under the Code, and, in this regard, a report is issued annually to the Minister for the Environment, Climate and Communications.

The Board has adopted a Code of Conduct which is applicable to all Directors of EirGrid plc, all Directors of its subsidiary companies and to all EirGrid appointed Directors to joint venture entities.

06

This Code of Conduct puts our purpose, strategy and values at the centre of how Directors will conduct themselves. Every Director commits to the highest standards of conduct and business ethics by:

- Leading by example;
- Acting with integrity;
- Treating all our stakeholders with respect; and
- Using information carefully.

Board members are expected to lead by example and set the tone from the top. Our Directors' Code of Conduct is available on the EirGrid website.

Briefings are provided regularly to Board members on corporate governance, compliance and risk subjects, as well as topics which are of current importance to the business, and several training sessions were provided to the Board during 2023-24. In addition, Board members are given the opportunity to undertake Institute of Public Administration (IPA) training modules throughout the year.

Board Effectiveness

The Board continually seeks to improve its effectiveness through both formal and informal post-meeting discussions with feedback provided to the Chair and the Company Secretary.

As per the Code, the Board is required to annually undertake a self-assessment evaluation of its own performance and that of its Board committees.

This annual formal internal evaluation is complimented by a periodic cycle of independent external evaluations.

Board and Committee Changes

There were several changes on the Board during the year. In March 2024, Ivan Schuster was appointed to the Board for a five-year term. In December 2023, Michael O'Sullivan retired from the Board. Mark Foley retired as Chief Executive of EirGrid Group, and as such, retired from his position as Executive Director of EirGrid plc in April 2024.

As of 30 September 2024, there was one vacancy on the Board of EirGrid plc, which was the ex-officio membership of the EirGrid Group Chief Executive.

Board Engagement

It is important to the Board that it has the opportunity to engage with staff across the organisation and to learn from them first-hand about the excellent work they undertake across the organisation on a daily basis. In this regard, the Board was pleased that it could engage with staff in the offices in Dublin and Cork.

Stakeholders

Stakeholder engagement is a key tenet of EirGrid and its strategy delivery. EirGrid annually consults on and publishes a Stakeholder Engagement Plan outlining our overarching approach to engagement, from how we identify stakeholders, to the processes currently in place to ensure that our stakeholders are genuinely involved in key decisions. The Board, Chief Executive and Executive Team are committed to engaging with our shareholder and stakeholders as we seek to lead the transformation of the power system and deliver on our shareholder's climate action ambition. Extensive stakeholder engagement activities were undertaken during the year including engagements with our Minister led by myself and the Chief Executive.

Governance Arrangements under SONI Ltd Licence

On 30 August 2022, the Utility Regulator (UR) in Northern Ireland published its decision on SONI governance and modifications to its TSO licence. These modifications were codified into SONI's licence on 26 October 2022. The new licence conditions require amongst other items, the establishment of a majority independent SONI Ltd board of directors (with all directors approved by the Utility Regulator); restriction on shareholder decision making to those matters reserved for shareholder decision under the UK Companies Act 2006, along with managerial, operational and resource independence from EirGrid plc. In a key milestone to implementing the new governance

arrangements, required under SONI's licence, four new independent directors were appointed to the board of SONI Ltd with effect from 1 October 2023. From this date, EirGrid plc no longer has control over SONI Ltd.

Conclusion

In the following pages we outline in greater detail how the Board and its committees have fulfilled their governance responsibilities.



Brendan Tuohy
Chair, EirGrid plc



Board of Directors

As at 30 September 2024



Brendan Tuohy
Chairperson

Brendan Tuohy was appointed Chair of the EirGrid plc Board in November 2019 for a period of 5 years and was reappointed for a further 3-year term in November 2024. He previously served as Secretary General of the Department of Communications, Energy and Natural Resources from 2000-2007. Since 2007, he has been a director of several boards of companies. He holds a degree in Civil Engineering from University College Cork and postgraduate qualifications from Dublin University, Trinity College. He is also currently Chairperson of the Governance Committee of MAREI (the Science Foundation Ireland Centre for Climate, Energy and Marine); Chairperson of TILDA (Irish Longitudinal Study on Ageing); Chairperson of the Finance Committee and the Quality Council of the Kerry Education and Training Board and Chairperson of the External Advisory Board to the President of University College Cork.



Dr. Theresa Donaldson
Deputy Chairperson and Board Member

Dr. Theresa Donaldson was appointed to the EirGrid plc Board in June 2017 for a period of 5 years and was re-appointed for a further 3-year term in June 2022. She is a Chartered Director and Fellow of the Institute of Directors and is Chair of Belfast Harbour Commissioners. Theresa previously held non-executive positions with the NI Equality Commission, the NI Health and Social Care Board, and the NI Appeals Committee for BBC Children in Need. She is a member of the LCJ Solicitors' Disciplinary Panel. She is a former Local Government Chief Executive and held several senior management positions in health and social care and legal services in NI, including as Director of Policy and Civil Services Delivery in the Northern Ireland Legal Services Commission.



Shane Brennan
Board Member

Shane Brennan was appointed to the EirGrid Board in January 2017 for a period of 5 years and was re-appointed for a further 3-year term in January 2022.

He is an engineering graduate from the University of Ulster, holds a post graduate diploma in Environmental Engineering from Trinity College Dublin, a postgraduate diploma in Corporate Governance from UCD Smurfit Business School, and is a member of Engineers Ireland.

He has over 25 years engineering experience and commenced employment with EirGrid in 2008 as a Project Manager in Grid Development. He is currently the Senior Project Manager for the North-South Interconnector project in both Ireland and Northern Ireland and has represented the company at many public and planning engagements throughout the island.



Tom Coughlan
Board Member

Tom Coughlan was appointed to the EirGrid plc Board in July 2018 for a period of five years and was re-appointed for a further three-year term in July 2023.

He has extensive senior management and leadership experience having retired as Chief Executive of Clare County Council, following a career in local government. He has wide experience in the public sector having served as chairperson and director of various committees and boards at national and local levels. Tom is Chairperson of the Injuries Resolution Board and Chairperson of the Legal Practitioners Disciplinary Tribunal. Tom previously served as Chairperson of the Health and Safety Authority and as a Non-Executive Director/Interim Chairperson of Fáilte Ireland.



Michael Hand
Board Member

Michael Hand was appointed to the EirGrid plc Board in July 2015 for a period of 5 years and was re-appointed for a further five-year term in July 2020. Michael has extensive experience with over 40 years as a senior leader in the Consulting Engineering and Construction sectors in Ireland. He has acted as Director and Managing Director of private and public companies and also as CEO and Director of Grangegorman Development Agency. He has a track record in the design and delivery of major strategic infrastructure projects throughout Ireland and has also worked with distinction as a volunteer and Director in the voluntary community sector.

Michael is highly qualified in engineering and business and holds a Bachelor's Degree in Civil Engineering from the University of Galway, a Master's Degree in Business Administration from University College Dublin and an Honorary Doctorate from Technological University Dublin. He is a Fellow of four professional institutions and is a Chartered Engineer, a Chartered Director and a Chartered Water and Environment Manager.



James Nyhan
Board Member

James Nyhan was appointed to the EirGrid plc Board in October 2022 for a period of five years. He has wide ranging commercial and management experience in international energy, electricity, natural gas, liquefied natural gas, and renewables, as well as in large infrastructure project development and engineering design. He has experience of guiding organisations through major transformation in response to energy policy changes. He is currently a non-executive director of Milford Haven Port Authority, the UK's largest energy port, and a member of its Audit and Risk Committee. He holds a degree in Civil Engineering from University College Cork, an MBA from the International Institute of Management Development (IMD), and is a Chartered Engineer.



Ivan Schuster
Board Member

Ivan Schuster joined the EirGrid plc Board in March 2024 having previously been co-opted as a member and Chair of the EirGrid plc Audit and Risk Committee from August 2022 to August 2023. He is Chief Financial Officer and Head of Operations at St. Andrew's College, Dublin.

Previously, he was group Chief Financial Officer of Coillte, the State owned forest and forest products company, where he was responsible for the finance, ICT and procurement teams across the group. He has over 35 years of commercial experience in diverse industry sectors including airline, forestry, panel board manufacturing, renewable energy, property, international consultancy and education. He is also the Independent Chair of the Audit & Risk Committee of St. John of God Community Services CLG; a company providing healthcare services to children and adults with intellectual disabilities and mental ill health.

Ivan has a Bachelor of Arts degree from University College Dublin, a Postgraduate Diploma in Accounting & Finance from Dublin City University, and is a Fellow of the Institute of Chartered Accountants in Ireland.



Pauline Walsh
Board Member

Pauline Walsh was appointed to the EirGrid plc Board in May 2023 for a period of five years. She was previously the CEO of Affinity Water, the UK's largest water-only company, and before that she was Director at National Grid Gas, responsible for operating and maintaining the UK's high pressure gas transmission system. In both companies, she instigated major data improvement and asset management programmes as part of broader business transformations. Her earlier career spanned many sectors and countries including roles in Oil & Gas, Power Generation, Renewable Energy and Automotive.

Pauline has a Mechanical Engineering degree from University College Dublin and an MBA from IMD in Switzerland. She is an honorary Fellow of the Institute of Engineers of Ireland. Pauline also sits on the Board of Angel Trains in the UK.



Rosa M. Sanz García
Board Member

Rosa M. Sanz García was appointed to the EirGrid plc Board in May 2022 for a period of five years. She was previously Chief Operating Officer of gas and electricity infrastructure, with experience running a large customer-focused organisation at Naturgy, one of the largest Spanish utilities. She has 28 years' experience in the energy sector, in different business areas. Rosa holds a BSc and MSc in electrical engineering from Universidad Politécnica de Madrid, Spain; a MSc in cyber security from Universidad de Barcelona, Spain; and postgraduate qualifications in management from ESADE, IESE and IMD business schools. Rosa M is currently a Non-Executive Director of Iberpapel, an integrated paper and pulp company, and a member of its Audit Commission, EDP Redes and Zero Waste-Suma Capital, where she has gained experience in initial public funding offering process, ESG and green bond finance and certification. She serves as Chair of the Audit Committee of Iberpapel and EDP Redes. She is also a member of the Future Trends Forum de Fundación Innovación Bankinter and Chairperson of Club Board Alumni of ESADE Business School.



Executive Team

As at 30 September 2024



Martin Corrigan
Interim Chief Executive Officer,
Chief Governance Officer
and Company Secretary

Martin Corrigan was appointed EirGrid's Interim Chief Executive Officer in April 2024. Martin joined EirGrid in 2017 and has held several executive roles including that of Chief Strategy Officer immediately prior to his current Chief Governance Officer role. Martin has been EirGrid plc Company Secretary since 2020. Previously he held several senior leadership roles in Ireland and overseas in the private sector. Martin is a Fellow of Chartered Accountants Ireland and holds a B.A. in Accounting & Finance from Dublin City University.



Michael Behan
Chief Financial Officer

Michael Behan was appointed Chief Financial Officer of EirGrid Group in January 2022. Michael joined EirGrid in 2006 and previously held several roles including Group Financial Controller and Financial Market Operator (SEMO). Prior to joining EirGrid plc, Michael held senior finance roles in ESB National Grid, Deloitte, and John P. Greely & Co. Michael is a Fellow of Chartered Accountants Ireland.



Errol Close
Chief Corporate
Services Officer

Errol Close was appointed Chief Corporate Services Officer for the EirGrid Group in August 2024. Errol previously held the roles of Head of Group Regulation and Head of Strategy and Sustainability at EirGrid and has over 20 years' experience in the energy sector, having also held senior roles in the Department of the Environment, Climate and Communications and SSE.

Errol has a degree in Electrical and Electronic Engineering from Queen's University Belfast, and an MBA from Dublin City University.



Liam Ryan
Chief Transformation
and Technology Officer

Dr Liam Ryan is the Chief Transformation and Technology Officer of EirGrid Group, Board Member of ENTSO-E, the European Network of Transmission System Operators for Electricity, with over 25 years of engineering and transformative leadership. Liam has held several portfolios including, Vice Chair of the Board of ENTSO-E, Chair of the Resources Committee of ENTSO-E, Chief Innovation and Planning Officer, Director of Operations Planning & Innovation and Interim Director of Grid Development & Interconnection at EirGrid. Before joining EirGrid, Liam held several senior leadership roles in Hewlett Packard and Materials Ireland. A graduate of Trinity College Dublin, he has a PhD and Bachelor of Mechanical Engineering and holds a Master's in Mathematics with postgraduate diplomas in both Project Management and Management.



Michael Mahon
Chief Infrastructure Officer

Michael Mahon joined EirGrid Group in August 2019. In his role Michael is responsible for the delivery of major grid capital investment programmes, public engagement and the customer interface. This role also includes the development and delivery of the Celtic Interconnector. Prior to this Michael has 20 years' experience with ESB, with significant leadership experience in major project delivery and senior management. He is also a Chartered Engineer with postgraduate diplomas in both Project Management and Management.



Michael Kelly
Interim Chief Operations and
Asset Management Officer

Now serving as the Chief Operations and Asset Management Officer (Interim) of EirGrid Group, Michael Kelly was most recently Director of Market Operations.

Michael previously held a number of other positions in EirGrid, including Manager of Integrated Single Electricity Market (ISEM) Operation Capability, Director of Operations, and Manager of Power System Control, which included responsibility for the real-time operation of the National Control Centre.

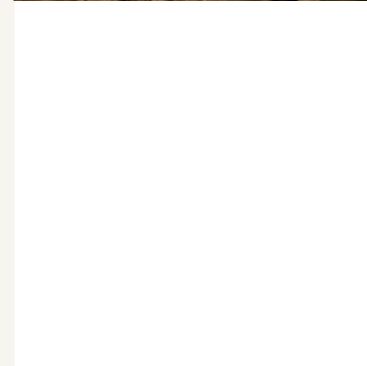
A graduate of Trinity College Dublin, he has a degree in Electrical Engineering and a diploma in Accountancy and Finance.



Sarah Downing
Chief People and
Capability Officer

Sarah Downing was appointed Chief People & Capability Officer in August 2024. Sarah has a wealth of experience as a strategic people leader with over 20 years' experience with Goodbody Stockbrokers and AIB, and more recently with State Street.

Sarah has a Master's degree in Organisational Psychology and a degree in Psychology and Business Studies from University College Dublin (UCD).





The Board's Governance Report

Principles of Governance

EirGrid, as a state-owned company, complies where applicable with the *Code of Practice for the Governance of State Bodies 2016* (the Code) which sets out the principles of corporate governance which the boards of State bodies should observe, and also has regard to the principles of the *UK Corporate Governance Code* (2018) and the *Irish Corporate Governance Annex*.

Board Leadership and Company Purpose

The Board

The Board is responsible for establishing EirGrid's purpose, values, and strategy, and oversees the Chief Executive and management's effective execution of strategy, performance, and delivery against the Annual Business Plan, achievement of key strategic goals, and embedding of an appropriate culture throughout the organisation; by providing leadership, objective judgement, and constructive challenge.

Members of the Board are appointed by the Government, except for the Chief Executive, who is an ex-officio Board member. The Board size and structure is governed by the European Communities (Internal Market in Electricity) Regulations 2000. The roles of Chair and Chief Executive are not held by the same individual, with the responsibilities of each role formally defined in the Board's Terms of Reference.

The current membership of the Board is set out from page 122.

The Board has led the development of EirGrid's Strategy 2020-2025 to 'Transform the Power System for Future Generations' since its launch in 2019. The strategy continues to be purpose-driven, with a primary goal to lead the electricity sector on sustainability and decarbonisation. The strategic objectives remain aligned to the Government's Climate Action Policy and Climate Action Plan.

Dialogue with Shareholders and Regulators

EirGrid engages in active and ongoing consultation with Government on policies and strategic issues, as required by legislation and the *Code of Practice for the Governance of State Bodies*. This includes providing financial planning and performance information, including the annual budget, five-year corporate plan, biannual financial performance updates, and quarterly performance updates.

EirGrid also engages in active and ongoing consultation with regulatory authorities as required by legislation on a range of matters.

During the year, significant engagement took place on a range of matters between EirGrid, the Government, the Minister for the Environment, Climate, and Communications and his Department, the Commission for Regulation of Utilities, and the Single Electricity Market Committee (SEMC).

The matters engaged on include security of supply matters, the Utility Regulator's SONI TSO Licence Modification Decision and the delivery of EirGrid's [Shaping Our Electricity Future v1.1 \(SOEFv1.1\) Roadmap](#), which outlines a range of deliverables required across the electricity sector to support the Government's 2030 climate targets under the market, grid operations, grid network, and the required engagement with stakeholders, communities, and the public in order to deliver on this. In particular, there was significant engagement on the delivery of grid infrastructure and our work to accelerate our highest priority projects in this regard.

Conflicts of Interest

Under the Ethics in Public Office Act 1995 and the Standards in Public Office Act 2001, Board members make annual disclosures of any potential or actual conflicts of interest. During 2023-24, training on Directors' Duties was provided to the Board. Additionally, under the Directors' Code of Conduct, Board members are also responsible for notifying the Company Secretary on an ongoing basis of any changes regarding conflicts of interest.

The Directors' Code of Conduct is applicable to all Directors of EirGrid plc, to all Directors of subsidiary companies of EirGrid plc and to all EirGrid plc appointed Directors to joint venture entities.

Division of Responsibilities

Role of the Board

The Board provides leadership to the organisation and engages, challenges, and determines on matters of relevance to the long – term success of the Group and to the execution of its strategy.

Specific matters reserved for the Board are documented in the Schedule of Matters Reserved for Board Decision document which is reviewed and approved by the Board annually. The Board may decide to delegate authority to a Board Committee and to management within limits approved by the Board. Specific matters reserved for the Board (some of which are also subject to Ministerial approval) include:

- Approval of the overall EirGrid Strategy, EirGrid Five Year Corporate Plan, EirGrid Annual Business Plan and EirGrid Annual Budget;
- Recommendation for final approval by the Minister of the establishment or disposal of subsidiaries, undertaking of acquisitions or participation in joint ventures by EirGrid.
- Appointment of EirGrid Chief Executive, agreement of terms and conditions and assessment of performance;
- Approval of EirGrid capital expenditure proposals in excess of specified limits;
- Approval of EirGrid Treasury Policy, EirGrid Risk Management Strategy, Risk Appetite and Framework;
- Establishing and updating as applicable terms of reference of the EirGrid plc Board and EirGrid plc Board Committees.
- Appointment of Directors to EirGrid plc Board Committees;
- Appointment of Directors to EirGrid companies;
- Appointment of the Company Secretary;
- Approval of Codes of Conduct for EirGrid plc Directors and Employees;
- Approval of the principles to be adopted in negotiating tariffs with Regulators;

- Approval of significant amendments to EirGrid staff pension benefits;
- Determination of policy on EirGrid senior management remuneration;
- Recommendations for the approval by the Minister on the appointment and removal of the Company's auditors; and
- Review of operational and financial performance.

Board Meetings

The Board met on 13 occasions during the financial year 2023-24. There is ongoing reporting on operational and financial matters to the Board to support it in its responsibility for reviewing the performance of the Group and for ensuring effective internal controls and risk management.

The Board has delegated authority to the Chief Executive for decisions in the normal course of business, subject to specified limits and thresholds.

Oversight of decisions that are delegated by the Board is retained through a strong reporting framework and effective relationships with the Board Committees, the Chief Executive and the Executive Team.

Papers are provided to each Board member in advance of each meeting to afford them the time required to consider the papers to enable discussion and decisions at the meetings. Board meeting agendas are structured to achieve an appropriate balance of oversight across all significant matters, and to ensure adequate time is devoted to each. This is monitored through informal feedback and the annual Board evaluation process. The Board is satisfied that the Chair and each of the Board members committed adequate time during the year to fulfil their duties as Board members.



To support the continued execution of the EirGrid Group strategy, the Board was directly involved in several strategic objective initiatives throughout the year. In line with our purpose to 'Transform the Power System for Future Generations', the Board provides oversight of the execution of the Group Strategy.

Key initiatives that the Board were directly involved in during 2023-24 included oversight of the delivery of key aspects of our *SOEF v1.1 Roadmap*, our new offshore remit, our work to deliver the Phase 2 offshore projects, and the continued delivery of Phase 1 offshore projects.

Under the strategic objective 'Lead the Island's electricity sector on sustainability and decarbonisation', the Board approved and

oversaw the 2023-24 Business Plan and Budget. Key aspects considered included progress on our highest priority grid infrastructure projects, the Celtic Interconnector project and the implementation of our sustainability strategy.

Under 'Operate, develop and enhance the All-Island grid and market', the Board provided oversight and consideration of continuing security of supply workstreams as well as delivery of Temporary Emergency Generation.

Independence of the Board

The Board has determined that all Board members were independent during the year, with the exception of Mark Foley and Shane Brennan, as both are also employees.

Attendance at Meetings in 2023-24

The table below summarises the attendance of Directors at Board meetings which they were eligible to attend during the year ended 30 September 2024.

Members of the Board at the date of signing of the financial statements were Brendan Tuohy, Theresa Donaldson, Tom Coughlan, Michael Hand, Shane Brennan, James Nyhan, Rosa M. Sanz García, Ivan Schuster and Pauline Walsh.

Board Meeting Participation

	Eligible to attend	Attended
Brendan Tuohy (Chairperson)	13	13
Theresa Donaldson (Deputy Chairperson)	13	12
Mark Foley*	6	6
Shane Brennan**	13	13
Tom Coughlan	13	13
Michael Hand	13	11
James Nyhan	13	11
Michael O'Sullivan***	3	3
Rosa M. Sanz García	13	12
Ivan Schuster****	7	6
Pauline Walsh	13	13

* On 12 April 2024, Mark Foley retired as Chief Executive of EirGrid Group, and as such, retired from his position as Executive Director of EirGrid plc.

*** On 14 December 2023, Mr Michael O'Sullivan resigned from the Board.

** On 21 December 2024, Mr. Shane Brennan's term as a member of the Board expired.

**** Term commenced on 27 March 2024.

Board Committee Participation

The Board has an effective committee structure to assist in the discharge of its responsibilities. During the financial year the standing committees were the Audit and Risk Committee, the Remuneration Committee, the Grid Infrastructure Projects Committee, the Offshore Committee, and the Power System and Markets Development Committee.

Due to the changes to Board membership during the year, the membership of Board Committees was revised.

The table below denotes the Board Committees that were in place during 2023-24 and the members' participation.

- Members of the Audit and Risk Committee at the date of signing of the financial statements were, Ivan Schuster (Chair), Michael Hand, Rosa M. Sanz García and Brendan Tuohy.
- Members of the Remuneration Committee at the date of signing of the financial statements were Brendan Tuohy (Chair), Theresa Donaldson and Michael Hand.
- Members of the Grid Infrastructure Committee at the date of signing of the financial statements were Michael Hand (Chair), Shane Brennan and Tom Coughlan.
- Members of the Offshore Committee at the date of signing of the financial statements were James Nyhan (Chair), Theresa Donaldson, Shane Brennan and Pauline Walsh.
- Members of the Power System and Markets Development Committee at the date of signing of the financial statements were Rosa M. Sanz García (Chair), Tom Coughlan, Pauline Walsh and James Nyhan.

Board Committee Participation

	Audit & Risk Committee	Remuneration Committee	Grid Infrastructure Projects Committee	Offshore Committee	Power System and Markets Development Committee
Brendan Tuohy	Member	Chair			
Theresa Donaldson		Member		Member	
Mark Foley					
Shane Brennan			Member	Member	
Tom Coughlan			Member		Member
Michael Hand	Member	Member	Chair		
James Nyhan				Chair	Member
Michael O'Sullivan ¹	Member		Member		
Rosa M Sanz Garcia	Member				Chair
Pauline Walsh				Member	Member
Ivan Schuster ²	Chair				

¹ Mr O'Sullivan was appointed as a member of the Audit and Risk Committee on 17 May 2023 and as Chair of the Audit and Risk Committee on 17 August 2023. Mr. O'Sullivan resigned on 14 December 2023.

² Mr. Schuster was appointed as member and Chair of the Audit and Risk Committee on 17 April 2024.

Composition, Succession and Evaluation

Board Appointments

Board appointments are a matter for the Government. Whilst EirGrid has no role in the appointment of Board Members, the Chair engages with the Public Appointments Service in relation to the skills and diversity requirements for the Board composition.

Board Membership

During the year, the EirGrid plc Board members brought diverse experience, independence, and challenges to support effective decision making, as outlined in the Board members' biographies from page 122.

The Board is confident that all its members have the knowledge, ability, and experience to perform the functions required of them. The Board's primary role is to exercise objective and informed judgement in constructively challenging and helping to develop and approve EirGrid's Group

Strategy, to ensure there is a strong management team in place to execute the strategy and drive business performance, and to maintain a framework of prudent and effective controls to mitigate risk.

Under the [Code of Practice for the Governance of State Bodies](#), and consistent with best corporate governance practice, it is recommended that no member of a State board should serve more than two full terms of appointment on that Board, nor should they hold appointments to more than two State boards at the same time, unless the specific statutory provisions relating to the particular State body enable such service. In this context, the Annex to the Code (2020) specifies that the term of board appointments be varied to between three and five years, and that a period of appointment may be renewed for a further period subject to a maximum of eight years in total*.

The table below outlines the length of tenure on the EirGrid plc Board for each member as at 30 September 2024.

Name	Length of tenure
Brendan Tuohy (Chairperson)	4 years 10 months
Theresa Donaldson (Vice Chairperson)	7 years 3 months
Shane Brennan	7 years 9 months
Tom Coughlan	6 years 3 months
Michael Hand*	9 years 2 months
James Nyhan	1 year 11 months
Rosa M. Sanz Garcia	2 years 4 months
Ivan Schuster	6 months
Pauline Walsh	1 year 4 months

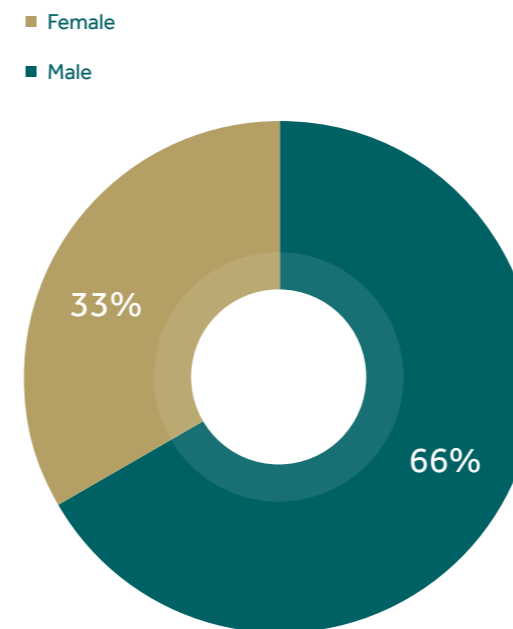
* Michael Hand was appointed for second five-year term to the EirGrid plc Board prior to the introduction of this stipulation in the Code.

Gender Balance

Appointments to the Board of EirGrid plc are made by Government (except in respect of the Chief Executive, who is an ex-officio Board member). The *Code of Practice for the Governance of State Bodies 2020 Annex* sets a minimum target of 40% representation of each gender in the membership of state boards.

As at 30 September 2024, the Board had three (33%) female and six (66%) male members.

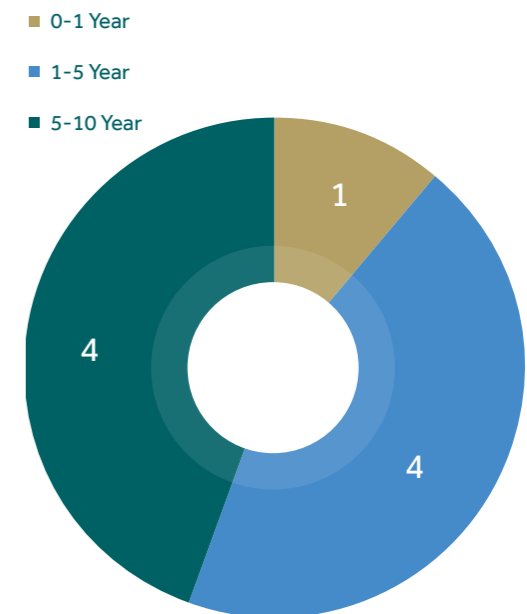
Composition of Board Members - Gender



The following measures have been put in place or are planned to address and improve gender balance on this Board:

- In the context of EirGrid plc Board vacancies during the year, the vacancy profiles submitted to the Public Appointments Service reflected the desirability for female applicants; and
- As provided for in the *Annex to the Code of Practice for the Governance of State Bodies*, we have incorporated the ability for Board member duration of appointment terms to be varied to allow for an acceleration towards better gender balance and diversity of membership.

Board Members Length of Tenure



Induction

New members of the Board are familiarised with Group operations by way of an induction programme which sets out an overview of the Group, our Strategy and the key matters which are expected to be relevant to the Board.

The EirGrid plc Board's induction programme includes a detailed induction pack, which provides an overview of the requirements for Board members in relation to State Bodies; and introductory meetings with the Chair of the Board, the Executive Team and various Heads of Function. Briefing sessions are provided to new Board members by the Executive Team and their Heads of Function on current topics which are of importance to the Board.

Ongoing Training and Development

The Board is supported through a range of training and development options. Training is provided regularly on corporate governance, compliance, and risk subjects, as well as topics which are of current importance to the business. During the year the Board received in depth briefings on a number of large infrastructure projects, offshore wind, and our *SOEF v1.1 Roadmap* developments which were brought before the Board for information and/or for consideration. Training sessions also took place on other matters during the year including cyber security, corporate governance topics and directors' duties.

Board members are given the opportunity to undertake Institute of Public Administration (IPA) training modules throughout the year which focus on, among other things; corporate governance; compliance; risk management; financial reporting; and public sector development.

Board Effectiveness

The Board continually seeks to improve its effectiveness through, both formal and informal, post-meeting discussion with feedback provided to the Chair and the Company Secretary.

A formal internal evaluation is conducted annually, complimented by a periodic cycle of independent external evaluations.

Board Committees in 2023-24

The Board has an effective committee structure to assist in the discharge of its responsibilities, consisting of a number of committees.

During the financial year, the Board Committees were the Audit and Risk Committee, the Remuneration Committee, the Grid Infrastructure Projects Committee, the Offshore Committee, and the Power System and Markets Development Committee.

Audit and Risk Committee

The Audit and Risk Committee's function is to assist the Board in fulfilling its oversight responsibilities relating to the financial reporting process, the system of internal control, the internal and external audit processes, monitoring the independence of the auditors, and compliance with laws and regulations including the *Code of Practice for the Governance of State Bodies*. It also provides support to the Board with regard to ensuring ongoing oversight and comprehension of the key strategic risks and the effectiveness of management's response to key risk exposures.

Additionally, the Committee advises the Board in its consideration of the overall risk appetite, risk tolerance, and risk strategy of EirGrid.

The Board is satisfied that at all times during the financial year at least one member of the Committee had recent and relevant financial experience.

The Audit and Risk Committee held five meetings during the financial year. The members of the committee during the year, their length of service on the Committee, and the number of meetings attended by each member are set out in the table below.

Members of the Audit and Risk Committee at the date of signing of the financial statements were Ivan Schuster (Chair), Michael Hand, Rosa M. Sanz García and Brendan Tuohy.

Member	Length of service	Eligible to attend	Attended
Ivan Schuster (Chairperson)	5 months	2	2
Michael O'Sullivan (Chairperson)*	2 months	2	2
Brendan Tuohy	4 years and 6 months	5	4
Michael Hand	4 years and 6 months	5	5
Rosa M Sanz García	2 years and 2 months	5	5

* Resigned on 14 December 2023.

Audit and Risk Committee Matters Considered in 2023-24

The matters considered by the Audit and Risk Committee in 2023-24 included the following:

	The strategic processes for risk, internal control and governance.
	The accounting policies, the financial statements, and the annual report of the Company, including the process for review of the financial statements prior to submission for audit, levels of error identified, and the management's letter of representation to the external auditors.
	The planned activity and results of both internal and external audit.
	Adequacy of management response to issues identified by audit activity.
	Assurances relating to the management of risk and corporate governance requirements for the organisation.
	Reviewed anti-fraud policies, protected disclosure processes, and arrangements for special investigations.
	Reviewed its own effectiveness and reported the results of that review to the Board.
	Reviewed and assessed the adequacy of the Committee Charter and requested Board approval for the proposed changes.

Remuneration Committee

EirGrid plc has adhered to Government policy in relation to the total remuneration of the Chief Executive. The Chief Executive's remuneration is set by the Minister for Public Expenditure, National Development Plan Delivery and Reform, and the Minister for the Environment, Climate and Communications.

The Remuneration Committee approves the structure of remuneration for Senior Management.

The Remuneration Committee held 10 meetings during 2023-24. The members of the committee during the year, their length of service on the Committee, and the number of meetings attended by each member are set out in the table below.

Members of the Remuneration Committee at the date of signing of the financial statements were Brendan Tuohy (Chair), Theresa Donaldson, and Michael Hand.

Member	Length of service	Eligible to attend	Attended
Brendan Tuohy (Chairperson)	4 years and 10 months	10	10
Theresa Donaldson	6 years and 2 months	10	10
Michael Hand	2 years and 6 months	10	9



Remuneration Committee Matters Considered in 2023-24

The matters considered by the Remuneration Committee in 2023-24 included the following:

	The agreement with the Chief Executive of his specific annual and long-term performance targets based on the Committee's detailed examination of his performance against targets.
	Recommended the remuneration and allowances of the Chief Executive for final approval by the Minister with the consent of the Minister for Public Expenditure, National Development Plan Delivery and Reform.
	Set the remuneration packages for EirGrid's senior executives, (namely Chief Executive direct reports), following recommendations from and/or a process of consultation with the Chief Executive, having full regard to the requirements of Government policy.
	Reviewed performance of senior executives with the Chief Executive and approved bonuses to be paid, based on the Chief Executive's recommendation.
	Satisfied itself that the Company Remuneration Policy is appropriate
	Approved the annual policy for staff salary adjustments.
	Conducted the annual talent management process for senior executives.

Grid Infrastructure Projects Committee

The Grid Infrastructure Projects Committee's function is to assist the Board in determining the general policy/strategy in relation to the development of the Grid and overseeing the implementation of the grid development strategy including reviewing infrastructure projects which are expected to come forward for approval to the Board.

The Grid Infrastructure Projects Committee held four meetings during 2023-24. The members of the committee during the year, their length of service on the Committee, and the number of meetings attended by each member are set out in the table below.

Members of the Grid Infrastructure Projects Committee at the date of signing of the financial statements were Michael Hand (Chair), and Tom Coughlan.

Member	Length of service	Eligible to attend	Attended
Michael Hand (Chairperson)	8 years and 11 months	4	4
Shane Brennan	4 years and 6 months	4	4
Tom Coughlan	6 years and 2 months	4	4
Michael O'Sullivan*	7 months	1	1

* Resigned on 14 December 2023.



Grid Infrastructure Committee Matters Considered in 2023-24

The matters considered by the Grid Infrastructure Projects Committee in 2023-24 included:

	Assisted the Board in determining the general policy/strategy in relation to the development of the Grid in Ireland.
	Oversaw the implementation of the EirGrid Strategy relating to Transmission Development in Ireland, including monitoring progress against the timelines and budgets and inputting to EirGrid's strategic direction.
	Reviewed the progress of the Network Delivery Portfolio.
	Ensured the employment of best practice, in particular with respect to the investment decision, project management, cost effectiveness, and public consultation.
	Oversaw and reviewed the development and operation of the Framework for Developing the Grid.
	Consulted and provided guidance regarding the development of critical infrastructure, including stakeholder management regarding the development of the Network Delivery Portfolio.
	Oversaw, provided guidance, and reviewed the development and delivery of the Celtic Interconnector Project.
	Ensured that the EirGrid Public Engagement Strategy was applied on all projects.
	Reviewed projects which came forward for approval and formulated a recommendation to the EirGrid plc Board under the EirGrid plc Board Schedule of Matters Reserved for the Board.
	Received briefings on key initiatives throughout the year.

Offshore Committee

The Offshore Committee was established to assist the Board in determining the general policy/strategy in relation to EirGrid's development of the Offshore Grid in Ireland in line with its mandate as offshore system operator and asset owner.

The Offshore Committee held three meetings during 2023-24. The members of the committee

during the year, their length of service on the Committee, and the number of meetings attended by each member are set out in the table below.

Members of the Offshore Committee at the date of signing of the financial statements were James Nyhan (Chair), Theresa Donaldson and Pauline Walsh.

Member	Length of service	Eligible to attend	Attended
James Nyhan (Chairperson)	1 year 4 months	3	3
Shane Brennan	1 year 4 months	3	3
Theresa Donaldson	1 year 4 months	3	3
Pauline Walsh	1 year 4 months	3	3

Power System and Markets Development Committee

The Power System and Markets Development Committee was established to assist the Board in determining the general policy/strategy in relation to influencing future power system and market development.

The Power System and Markets Development Committee held four meetings during 2023-24.

The members of the committee during the year, their length of service on the Committee, and the number of meetings attended by each member are set out in the table below.

Members of the Power System and Markets Development Committee at the date of signing of the financial statements were Rosa M. Sanz García (Chair), Tom Coughlan, Pauline Walsh and James Nyhan.

Member	Length of service	Eligible to attend	Attended
Rosa M. Sanz García (Chairperson)	1 year 4 months	4	4
Tom Coughlan	1 year 4 months	4	4
Pauline Walsh	1 year 4 months	4	3
James Nyhan	1 year 4 months	4	3

Audit, Risk, and Internal Control

Compliance with Corporate Governance Codes

EirGrid, as a State-owned company, complies as applicable with the *Code of Practice for the Governance of State Bodies 2016* (the Code), which sets out the principles of corporate governance which the boards of State bodies should observe, and also has regard to the principles of the *UK Corporate Governance Code (2018)* and the *Irish Corporate Governance Annex*. EirGrid also complies with the corporate governance guidelines and other obligations imposed by the *Ethics in Public Office Act 1995*, the *Standards in Public Office Act 2001*, and the *Regulation of Lobbying Act 2015*.

Financial and Business Reporting

The Board recognises its responsibility in preparing the Annual Report and Financial Statements and in presenting a fair, balanced, and understandable assessment of the Group's position and prospects. The Board members' responsibilities regarding financial statements and going concern are set out on page 166.

Procurement

EirGrid conducts its procurement activities in accordance with applicable procurement laws and the Code of Practice for the Governance of State Bodies.

Internal Control

The Board has overall responsibility for the Group's system of internal control and for monitoring its effectiveness. The system of internal control is designed to provide reasonable but not absolute assurance for the achievement of the following objectives:

- Facilitate effective and efficient operations by enabling the Group to respond to risks;
- Ensure the quality of internal and external reporting; and
- Ensure compliance with applicable laws, regulations and internal policies.

Key elements of the Group's internal control framework involve:

- Code of Conduct for Directors and Employees which sets the tone for the organisation and requires all employees to maintain the highest ethical standards in conducting business;
- A clearly defined organisational structure, with defined authority limits and reporting mechanisms;
- A corporate governance framework that includes risk management, financial control review, and formal annual governance statements by each Chief Officer;
- Defined policies and procedures in relation to anti-bribery, expenditure, and treasury matters;
- Timely and regular financial and business performance reporting;
- Preparation of, and monitoring performance against, annual budgets which are reviewed and approved by the Board; and
- An internal audit function which reviews critical systems and controls and reports independently to the Audit and Risk Committee.

An Audit and Risk Committee that:

- Reviews the programme of Internal Audit and considers its findings and reports;
- Monitors the status of implementation of recommendations raised previously from Internal Audit reports;
- Reviews reports of the external auditors which contain details of work carried out on the key audit risks;
- Reviews and approves financial statements before submission to the Board and Shareholders;
- Assists the Board in fulfilling its oversight role regarding risk management; and
- Implements procedures to ensure compliance with laws and regulations, including a programme of compliance audits which measures improvements in compliance processes and ensures non-compliance matters are dealt with appropriately.

The Directors confirm that they have reviewed the effectiveness of the system of internal control operated during the period covered by these financial statements. During this review, the Board has not identified, nor been advised of, any failings or weaknesses which it has determined to be significant.

Additional Disclosures Required by the Code of Practice for the Governance of State Bodies

The Board is responsible for ensuring that EirGrid has complied with the requirements and disclosures of the Code.

The following financial disclosures are required by the Code to be outlined in the Annual Report.

Details of the number of employees whose total employee benefits (excluding employer pension costs and termination benefits) for the financial year for each band of €25,000 from €50,000 upwards are set out in the table below.

Employee benefits bands:	Year to 30 Sep 2024 number	Year to 30 Sep 2023 number
€50,000 – €75,000	204	195
€75,001 – €100,000	121	123
€100,001 – €125,000	52	65
€125,001 – €150,000	25	37
€150,000 +*	24	24
Total	426	444

Notes:

Employee benefits exclude employer pension costs.

* In compliance with the Code of Practice for the Governance of State Bodies, salaries above €50,000 are disclosed in bands of €25,000 with the exception of salaries above €150,000 which have been disclosed in a single band in recognition of potential data protection implications. This departure from the Code has been approved by the Department of Environment, Climate and Communications.

During the year, the Group incurred travel costs in Ireland of €0.8m (2023: €0.7m) and overseas travel costs of €0.4m (2023: €0.3m). Settlement and related legal costs for the year were €nil (2023: €nil).

Staff Welfare costs were €0.7m (2023: €0.2m). The company also incurred external support and specialist advisory costs as follows:

	Note	30 Sep 2024 € '000	30 Sep 2023 € '000
Electricity Market services	(i)	6,281	5,403
Legal services and advice		4,201	7,389
Transmission Network project services	(ii)	22,452	19,901
IT Systems Support	(iii)	918	404
Corporate Finance advice		881	1,664
Organisational & Actuarial advice		425	490
Regulatory advisory services		433	295
Other		7,869	4,652
Total		43,460	40,198
Costs charged to Income Statement		19,823	16,930
Costs capitalised		23,637	23,268
Total		43,460	40,198

Note (i): Electricity Market services include costs of enhancing the all-island electricity market arrangements known as SEM.

Note (ii): Transmission Network project services represents the specialist costs of bringing network projects from initial concept through to the granting of planning permission.

Note (iii): IT Systems Support are external support costs for key systems across the business.



Risk Management

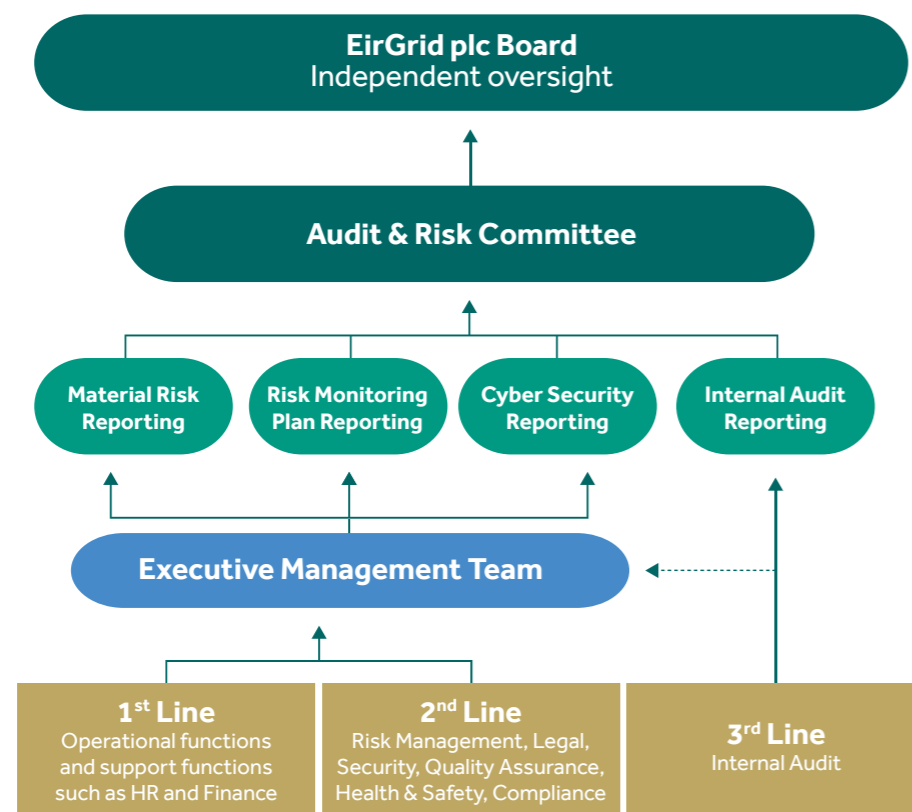
The execution of the Group's strategy is underpinned by effective risk management. EirGrid is exposed to a number of risks which could have an impact on the business and its ability to execute on this strategy. A robust system is therefore in place to ensure that risks are identified, assessed, managed, and mitigated effectively. The Board has overall responsibility and oversight for internal controls and risk management, as outlined in the Code of Practice for the Governance of State Bodies.

The Board is responsible for setting the Group's risk appetite and ensuring that appropriate risk management and internal control systems are in place, designed to identify, assess, manage, and mitigate material risks to the achievement of the Group's strategic and business objectives.

The Board has also approved a Risk Strategy to ensure that the Group establishes and maintains appropriate risk structures and activities to realise the Group's strategic goals. The Risk Strategy is operationalised through the Enterprise Risk Management Framework, Risk Appetite Statements and the Risk Monitoring Plan.

Risk Management Framework

To enhance decision making, the Group has established an Enterprise Risk Management Framework which enables the risks and opportunities of the Group to be identified and assessed to ensure that appropriate and effective responses are made in managing such risks and opportunities. The Risk Management Framework is aligned to the three lines of defence model and embedded within the organisation's governance structure as presented below:



The objectives of the Enterprise Risk Management Framework are to:

- Support the Group to make informed decisions, which are in line with the Group strategic objectives and risk appetite;
- Confirm and communicate the Group's commitment to risk management to assist in achieving its strategic and operational goals;
- Formalise and communicate a consistent approach to managing risk and opportunities for all Group activities and to establish an effective reporting protocol;
- Ensure that all material risks to the Group are identified, assessed, adequately responded to, and reported to the Executive Team and Board effectively;

- Assign accountability to all staff for the management of risks and opportunities within their areas of control;
- Provide a commitment to staff that risk management is a core management capability; and
- Enable compliance with the Code of Practice for the Governance of State Bodies.

The roles, responsibilities and reporting structures defined within the Risk Management Framework are presented below:

Line of Defence	Roles and responsibilities
Independent oversight	
The Board	<ul style="list-style-type: none"> • Approves the Group's Risk Strategy, Risk Appetite Statements, and the Risk Management Framework. • Receives an update on the status of principal risks monthly. • Receives a briefing from the Chair of the Audit & Risk Committee at each Board meeting on the status of internal control matters.
Audit and Risk Committee	<ul style="list-style-type: none"> • Assists the Board in fulfilling its oversight responsibilities relating to the financial reporting process, system of internal control, Internal Audit, External Audit, and compliance with laws and regulations including the company code of conduct. • Receives an update on the status of material and trending risks. • Receives an update on the status of the annual Risk Monitoring Plan which presents, progress against the plan, summaries of outcomes from reviews, the status of 1st Line of Defence monitoring activities and follow-up of prior quarter actions. • Receives an update on Cyber and Physical Security activities on a quarterly basis. • Reviews the status of the Internal Audit Plan, receives reports issued by the Head of Internal Audit, and monitors the status of implementation of management actions.

Line of Defence	Roles and responsibilities
First Line of Defence	
Business functions and Chief Offices	<ul style="list-style-type: none"> Responsible for day-to-day risk management activity including maintaining up to date risk data, identifying emerging risks, and implementing effective internal controls to address risks. Applying defined policy and procedures designed to ensure an effective control environment exists across all operations.
Second Line of Defence	
Governance, Risk & Compliance	<ul style="list-style-type: none"> Responsible for overseeing the application of the Enterprise Risk Management Framework, reviewing and developing an effective policy framework for managing risks, and for reporting the status of material risks to the Executive Team, Audit and Risk Committee and the Board. Assesses the status of compliance with regulatory and statutory obligations pertaining to the licenced activities of the Group, its subsidiaries, and contractual joint ventures through an annual programme of compliance reviews.
Enterprise Security	<ul style="list-style-type: none"> Responsible for the design of the enterprise security strategy. Defines the policy environment for Information Security including the cyber security framework. Tests and monitors the effectiveness of the application of IT and physical security controls. Provides support to key programmes across the Group. Delivers employee awareness training and guidance.
Group Finance	<ul style="list-style-type: none"> Responsible for financial reporting, corporate finance, treasury, taxation, corporate control, and financial planning and analysis. Overseeing the application of key financial controls including procurement.
Group HR	<ul style="list-style-type: none"> Responsible for the Group HR Strategy. Reports to the Board on leadership development and succession planning.
Third Line of Defence	
Internal Audit	<ul style="list-style-type: none"> Develops an annual risk-based internal audit programme, which is approved by the Audit and Risk Committee. Provides quarterly reports to the Audit & Risk Committee addressing the results of audits conducted, summarising observations and recommendations made and management responses to audit findings. Reports significant issues relating to the processes for controlling the activities of the Company and provides information concerning such issues through to resolution.

Risk Management Process

The Risk Management process is based on a common approach as follows:

1. A risk identification and assessment methodology to determine and prioritise how risks should be managed;
2. The selection, design and implementation of risk treatment options that support achievement of intended outcomes and manage risks to an acceptable level;
3. The design and operation of integrated, insightful, and informative risk monitoring; and
4. Timely, accurate, and useful risk reporting to enhance the quality of decision-making and to support management, the Executive Team, and the Board in meeting their responsibilities.

Identification

The risk identification process is embedded throughout the organisation and requires all Chief Offices, individual functions, programmes, and projects to identify the risks to which the Group is exposed. Additionally, a process of considering emerging risks on an ongoing basis is facilitated by the Governance, Risk and Compliance function.

Assessment

Risk assessment allows for the measurement and prioritisation of risks so that risk levels can be managed within defined tolerance thresholds and escalated, as required. Risks are assessed in terms of impact to the business if the risk materialised, multiplied by the likelihood of the risk occurring to calculate the inherent risk rating. Following this, the appropriateness and strength of relevant controls are considered.

Those risks which have been assessed as material are subject to monthly review by the Executive Team and reported to the Board monthly and to the Audit and Risk Committee quarterly.

Response

The results of the risk assessment process serve as the primary input to risk responses whereby response options are examined. The purpose of ensuring an appropriate response to risk is to turn uncertainty to EirGrid's benefit by constraining threats and taking advantage of opportunities.

Monitoring





The Governance, Risk and Compliance (GRC) function develops and implements an annual Risk Monitoring Plan which sets out the types of monitoring activities performed by GRC. The purpose of the Risk Monitoring Plan is to provide assurance over the activities of the First Line of Defence, their processes, and their controls. The Risk Monitoring Plan is reviewed and approved by the Audit and Risk Committee on an annual basis.

Monitoring activities within the Risk Monitoring Plan include:

- Control effectiveness reviews of material risks;
- Anti-Fraud controls assessment;
- Effectiveness of the application of risk management related frameworks;
- Risk based enhanced assurance activities, e.g., major programmes and projects; and
- Facilitation of annual risk identification and assessment workshops across all Chief Offices; and awareness training.

Reporting

A range of ongoing monitoring activities are embedded within the Enterprise Risk Management Framework, which enable reporting mechanisms to flow from individual functions to Chief Officers, and where appropriate, the Executive Team, Audit & Risk Committee, and the EirGrid plc Board.

	Avoid	Some risks will only be treatable, or containable to acceptable levels, by terminating the activity. This option can be particularly important in project management if it becomes clear that the projected cost/benefit relationship is in jeopardy.
	Accept	The exposure may be tolerable without any further action being taken or the ability to influence exposure may be limited or the cost of taking any action may be disproportionate to the potential benefit gained. This includes systemic risks that cannot be easily managed or mitigated such as macro-economic events and larger socio-political risks that cannot be avoided or influenced.
	Reduce	By far the greatest number of risks will be addressed in this way. The purpose of treatment is that whilst continuing with the activity giving rise to the risk within the organisation, action (control) is taken to constrain the risk to an acceptable level.
	Transfer	Risk transfer can be considered either to reduce the exposure of the organisation or because another organisation is more capable of effectively managing the risk, e.g., insurance or third party management.

Principal Risks and Uncertainties

The principal risks and uncertainties that have the potential in the short to medium term to have a significant impact on the Group's strategic objectives are set out below, together with the key mitigation measures in place.

This report sets out the Board's view of the principal risks at this point in time and does not represent an exhaustive list of all the risks that may impact the Group.

The mitigation measures that are in place in relation to identified risks are designed to provide a reasonable and proportionate, but not an absolute, level of protection against the impact of the events in question, in line with the Group's agreed risk appetite.

Principal risk	Context
Power System and Market Operations	<p>EirGrid is responsible for the secure operation of the transmission system in Ireland. System interruptions can pose a risk to essential services which rely on the secure operation of the transmission system. These are driven by:</p> <ul style="list-style-type: none"> • Plant closures, outages and disruptions in the capacity available on the Grid network; • Failing to anticipate and mitigate against significant unexpected or unprecedented fluctuations in demand levels; • Electricity imbalance or failing to deliver services as a result of inadequate management of generation and consumption; and • Loss of electricity supply to demand centres. <p>EirGrid, along with SONI, is also responsible for the operation of the all-island Single Electricity Market, interruption to which could pose a risk of delay in the timely settlement of the market.</p> <p>A complete programme is in place to discharge these responsibilities which includes:</p> <ul style="list-style-type: none"> • Back-up site for the control centre in Dublin, which is regularly tested; • Comprehensive power system operational procedures which are regularly reviewed and are in line with best international practice; • Grid maintenance standards and policies, supported by a detailed Infrastructure Agreement with the Electricity Supply Board ('ESB') as the Transmission Asset Owner (TAO) in Ireland; and • Support of the pre-construction phase of the development of the network in Ireland by a fully functioning Programme Management Office, which has effective and appropriate policies, processes, and controls.
Project & Programme Delivery	<p>Factors impacting on the ability of EirGrid to adequately plan, manage and deliver the programmes and projects necessary for the delivery of grid reinforcement/resilience, SOEF v1.1 Roadmap, future power system and markets. These are driven by:</p> <ul style="list-style-type: none"> • Ineffective application of/delays to Outage Planning. • Non-delivery to published timescales. • Issues with grid connection developments impacting on grid access, network development projects, connection and interconnection. • Dependency on external stakeholders.

Principal risk	Context
SONI	<p>There is a risk that EirGrid's ability to deliver its core remit (safe, secure, economic, reliable transmission and market systems) and/or wider strategic objectives is negatively impacted as a result of the implementation of the revised subsidiary governance model. These are driven by:</p> <ul style="list-style-type: none"> • The impact of potential delays in the progression of joint-projects. • SONI's ability to attain adequate funding. • Ineffective delivery of the demerger programme.
TAO & DSO Relationships	<p>The risk that EirGrid is unable to adequately plan, manage and deliver the Programmes and Projects necessary for the delivery of grid reinforcement/resilience and SOEF v1.1 Roadmap due to strategic misalignment with key external stakeholders resulting in reputational damage. These are driven by:</p> <ul style="list-style-type: none"> • TAO and DSO strategic misalignment. • Lack of ability to reach common solutions. • Misalignment on the End-to-End solution for grid planning and operation.
East-West Interconnector	<p>EirGrid is responsible for the asset management and operation of the East West Interconnector ('EWIC') which links the electricity grids in Ireland and Great Britain. There is a risk of physical damage to EWIC resulting in possible prolonged outage of EWIC together with significant reinstatement costs, however there are comprehensive operational procedures and maintenance arrangements for EWIC in place, including appropriate insurance arrangements.</p>
Cyber Security	<p>The risk that the Group's systems, network and/or data security is compromised by malicious actors resulting in critical national infrastructure or system stability incidents, business disruption, financial loss and/or reputational damage. These are driven by:</p> <ul style="list-style-type: none"> • Successful cyber-attack. • Personal or commercially sensitive data breach. • Increased inherent threats due to the extent of remote working.
Physical Security	<p>The risk that an incident related to physical security will disrupt the EirGrid business, leading to a loss of critical services and/or impacts on our people. These are driven by:</p> <ul style="list-style-type: none"> • Inadequate policies and procedures. • Inadequate competence (training, knowledge and experience). • Lack of compliance with standards and procedures.

Principal risk	Context
Celtic Delivery	<p>Factors impacting on the ability of EirGrid to adequately plan, manage and deliver the Celtic Interconnector. These are driven by:</p> <ul style="list-style-type: none"> • Manufacturing issues/supply chain vulnerabilities. • Extreme weather events. • Grid connection and consenting. • Interface effectiveness.
Supply Chain	<p>The risk of the Group failing to effectively manage its supply chain leading to the supply chain being compromised, resulting in vulnerabilities to the effective delivery of core remit across all dimensions of the business. These are driven by:</p> <ul style="list-style-type: none"> • The Group placing inappropriate reliance on Third Parties and/or failing to effectively optimise partnership/frameworks (knowledge share/transfer) for the provision of critical Group functions/services. • Failing to identify and/or understand supply chains across all dimensions of the business both in terms of physical equipment, capability from partners and the associated knock-on impacts to operations and delivery. • TAO supply chain obligations, availability/scarcity of expert resources.
Organisational Delivery Model	<p>Failure to mobilise an organisational delivery model to effectively enable the delivery of EirGrid's core remit and strategic objectives. These are driven by:</p> <ul style="list-style-type: none"> • Failure to maintain a stable talent pipeline. • Failure to implement the comprehensive and timely succession and development plans for key staff. • Failure to deliver the capabilities necessary to respond to changing business needs. • Failure to optimise partnerships and frameworks.

Principal risk	Context
Funding and Regulatory Environment	<p>EirGrid operates in a regulated environment. Failure to maintain adequate financial resilience, due to under-delivery of performance, inadequate regulatory recovery frameworks, inadequate cost-base control, and/or negative external factors could materially affect how we operate and our financial resilience. This is driven by:</p> <ul style="list-style-type: none"> • Failure to deliver within regulatory allowances. • Failure to attain adequate regulatory funding to deliver. • The risk of an inadequate regulatory funding regime for Strategic projects. • Note 27 of the Financial Statements provides additional information on the key financial risks faced by the Group relate (liquidity risk, market risk, foreign exchange rate risk, interest rate risk, cash flow risk, and credit risk).
Health, Safety & Wellbeing	<p>The risk of serious harm to the safety, health or wellbeing of employees, contractors or the public resulting from EirGrid's operations. These are driven by:</p> <ul style="list-style-type: none"> • Inadequate policies and procedures. • Inadequate competence (training, knowledge and experience). • Lack of compliance with standards and procedures.
Compliance	<p>Failure to comply with applicable legal obligations (statutory, regulatory, licence). These are driven by:</p> <ul style="list-style-type: none"> • Lack of awareness of compliance and reporting obligations. • Not meeting compliance and reporting obligations leading to enforcement action, financial penalties and/or reputational damage. • Compliance policy framework fails to keep up with pace of change. • Increasing levels of legal obligations – volume, complexity, and interconnectivity.
Climate – Physical	<p>Increasing frequency of severe weather events impacting the risk to physical assets owned/operated/maintained by EirGrid. These are driven by:</p> <ul style="list-style-type: none"> • Increased frequency of asset damage due to severe weather events. • Historic trends used in modelling assumptions. • Climatic conditions impacting on the delivery of Celtic Interconnector construction. • Increasing costs of maintaining assets leading to reduced asset lifetime resulting in increased maintenance/replacement costs. • Changes in seasonal conditions (duration and timing) leading to reduced predictability resulting in outage planning challenges.



Remuneration

The financial statements include €118,834 (2023: €103,861) for Chair's and Directors' fees, in accordance with the levels of remuneration for the Chair and Board Members of State Bodies, as approved by the Minister for Public Expenditure, National Development Plan Delivery and Reform, and the revised arrangements for payment of board fees to public sector employees under

the Minister for Public Expenditure, National Development Plan Delivery and Reform's 'One Person One Salary' Principle.

Under the approved remuneration levels, the Chair's fees were €21,600 per annum during the financial year (2023: €21,600 per annum). Directors' fees were €12,600 each per annum during the year (2023: €12,600 each per annum).

Name	Total fees (€)
Brendan Tuohy (Chair)	21,600
Shane Brennan	12,600
Tom Coughlan	12,600
Theresa Donaldson	12,600
Michael Hand	12,600
James Nyhan	12,600
Michael O'Sullivan (resigned on 14 December 2023)	2,589
Rosa M Sanz Garcia	12,600
Ivan Schuster (term commenced on 27 March 2024)	6,445
Pauline Walsh	12,600
Total	118,834

The EirGrid Chief Executive is an ex-officio Director of EirGrid plc. The Chief Executive's remuneration is set by the Minister for Public Expenditure, National Development Plan Delivery and Reform and the Minister for the Environment, Climate and Communications.

Mr. Mark Foley was Chief Executive for the period from 1 October 2023. On 12 April 2024, Mr. Foley gave notice in accordance with the terms of his contract of his decision to retire as Chief Executive. The remuneration disclosed in the table below

reflects the period 1 October 2023 to 12 April 2024.*

The remuneration of the Chief Executive Officer consists of basic salary, taxable benefits, and certain retirement benefits. The retirement benefits of the Chief Executive are calculated on basic pay only and aim to provide in retirement a pension of one-eightieth and a gratuity of three-eighths of salary for each year of service as Chief Executive Officer.

	Basic salary	Annual bonus	Taxable benefits	Pension contributions paid (all defined benefit)	Director's fees	Total
	€'000	€'000	€'000	€'000	€'000	€'000
Mark Foley (retired 12 April 2024)	135		7	32		174
Total 30 Sep 24	135		7	32		174

Following the retirement of Mr. Mark Foley as EirGrid Chief Executive in April 2024, Mr. Martin Corrigan, Chief Governance Officer, was appointed by the Board in the role of Interim Chief Executive for the period while the formal process to select a new Chief Executive was undertaken. The Interim Chief Executive is not an Executive Director.

* Payments were made to Mr Foley in lieu of notice and accrued holidays in accordance with the terms of his contract of employment to the total of €173,076.



Directors' Report

The Directors present their annual report and the audited financial statements of the Group and Company for the financial year ended 30 September 2024. The Group comprises of the Parent Company and its subsidiaries disclosed in note 31(e) of the Financial Statements.

Principal Activities

EirGrid has continued to operate and ensure the maintenance and development of the power system efficiently and effectively in accordance with the requirements of our licence as the Transmission System Operator (TSO) for Ireland, issued by the Commission for the Regulation of Utilities (CRU). In addition, EirGrid Interconnector DAC has continued to operate the East West Interconnector in accordance with the interconnector operator licence from CRU and Ofgem. Through Celtic Interconnector DAC, which is a joint venture with the French TSO, Réseau de Transport d'Électricité (RTE), we have continued to develop the Celtic Interconnector between Ireland in France.

Following the publication of the Government's Policy Statement on the Framework for Ireland's Offshore Electricity Transmission System in

May 2021, EirGrid has also been given the role of the offshore electricity transmission system asset owner and system operator. This was legislated for in the Marine Area Planning Bill in December 2021.

On 30 August 2022, the Utility Regulator (UR) in Northern Ireland published its decision on SONI governance and modifications to its TSO licence. These modifications were codified into SONI's licence on 26 October 2022. The new licence conditions necessitate, amongst other requirements, the establishment of a majority independent SONI Ltd board of directors (with all directors approved by the Utility Regulator); restriction on shareholder decision making to those matters reserved for shareholder decision under the UK Companies Act 2006, along with managerial, operational and resource independence from EirGrid plc. In a key milestone to implementing the new governance arrangements required under SONI's licence, four new independent directors were appointed to the board of SONI Ltd with effect from 1 October 2023. From this date, EirGrid plc no longer has control over SONI Ltd. We are continuing to implement this decision and are working with SONI to demerge the businesses in compliance with the new licence condition.

EirGrid and SONI Ltd operate the wholesale electricity market in Ireland and Northern Ireland through an entity known as SEMO (Single Electricity Market Operator) and SEMOpx. The all-island wholesale electricity market was established in 2007, under legislation enacted in Ireland and Northern Ireland. In this context, the term 'Group' includes all the above-mentioned activities (transmission system operator in Ireland and Northern Ireland; market operator and nominated electricity market operator for the island of Ireland; operator of the East-West Interconnector (EWIC), telecommunications activities on EWIC and Celtic Interconnector project development activities).

The Group collects tariffs to support these activities. These tariffs allow for incentives and a regulated return for capital invested in the business, generating value for the Group over the longer term.

Results and Review of the Business

Details of the financial results of the Group are set out in the Consolidated Income Statement on page 183 and the related notes from page 187.

The current period being reported on is the financial year ended 30 September 2024. The comparative figures are for the financial year ended 30 September 2023.

Commentary on EirGrid's performance during the financial year ended 30 September 2024, including information on recent events and future developments, are contained in the Chair's Report, the Chief Executive's Review, and the Financial Review sections of this Annual Report.

Principal Risks and Uncertainties

An outline of the principal risks and uncertainties faced by the Group is discussed in the report on pages 154-158. Note 27 includes a full analysis of the Company's financial risk management objectives, policies, and exposures.

Dividends

The Board is recommending the payment of a final dividend of €4m (2023: €4m) for the financial year ended 30 September 2024.

Directors' and Company Secretary's Interest in Shares

The Directors and Company Secretary who held office between 1 October 2023 and 30 September 2024 had no beneficial interest in the shares of the Group. One ordinary share of the Company is held by the Minister for the Environment, Climate and Communications and the remainder of the issued share capital is held by the Minister for Public Expenditure, National Development Plan Delivery and Reform, or on their behalf.

At the balance sheet date of 30 September 2024, Brendan Tuohy, Martin Corrigan, and Michael Behan held one share each in the share capital of the Company on behalf of the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Political Donations

The Group does not make political donations.

Going Concern

The Directors are confident, on the basis of current financial projections and credit facilities available, that the Company and the Group as a whole has adequate resources to continue in operation for the foreseeable future, being not less than 12 months from the date of this report. They have made this assessment after consideration of the forecasted cash flows for the foreseeable future, including the assessment of possible variances in those forecasts.

Regulation (EU) 2019/943 – High Court Judicial Review proceedings were initiated by two separate groups of windfarm developers challenging the lawfulness of the March 2022 SEMC decision ([SEM-22-009](#)) ('the SEMC Decision') which included

decisions on how to implement the compensation provision set out in Article 13(7) of EU Regulation 2019/943 ('the Regulation'). The High Court judgement was issued in November 2023 and set out the decision of the Court that several aspects of the SEMC Decision are in conflict with Article 13(7) and that compensation should be paid by EirGrid, as TSO. CRU acting through the SEMC has appealed the High Court decision and has applied for a reference out to European Court of Justice in Luxembourg ('ECJ') in relation to the proper interpretation of the Regulation. The Supreme Court heard the appeal in December 2024, however, no decision has been made to date and a stay remains on the final orders from the High Court until the Supreme Court proceedings have concluded. As this issue is not settled, the SEMC has yet to issue a revised decision paper as to how the Judgement will be implemented, so there is uncertainty surrounding the quantum and timing of the payments but the stay on the final orders provides some certainty over cashflows in the short to medium term. CRU and the SEM committee also approved 2025 tariff allowances for the Clean Energy Package which will be collected and ringfenced pending the outcome of the CRU appeal, to ensure adequate liquidity is available to fund the potential liabilities that may arise.

Accounting Records

The measures that the Directors have taken to secure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records are the employment of appropriately qualified accounting personnel and the use of suitable accounting systems and procedures. The accounting records are kept at The Oval, 160 Shelbourne Road, Ballsbridge, Dublin D04 FW28.

Post Balance Sheet Events

Details of significant post balance sheet events are set forth in note 31(x) of the financial statements.

Auditors

The auditors, Deloitte Ireland LLP, Chartered Accountants and Statutory Audit Firm, have indicated their willingness to continue in office in accordance with Section 383(2) of the Companies Act 2014.

Disclosure of Information to Auditors

So far as each of the Directors in office at the date of approval of the financial statements is aware:

- There is no relevant audit information of which the Company's auditors are unaware; and
- The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors' Compliance Statement

For the purposes of section 225 of the Companies Act 2014 (the 'Act'), we, the Directors:

- Acknowledge that we are responsible for securing the Company's compliance with its relevant obligations as defined in section 225 (1) of the Act (the 'relevant obligations'); and
- Confirm that each of the following has been done:
 - i. A compliance statement (as defined in section 225(3)(a) of the Act) setting out the Company's policies (that in our opinion, are appropriate to the Company) respecting compliance by the Company with its relevant obligations has been drawn-up;
 - ii. Appropriate arrangements or structures, that are, in our opinion, designed to secure material compliance with the Company's relevant obligations, have been put in place; and
 - iii. During the financial year to which this report relates, a review of the arrangements or structures referred to in paragraph (ii) above has been conducted.

Approved by the Board and signed on their behalf:



Brendan Tuohy,
Chairperson, EirGrid plc



Ivan Schuster
Board Member, EirGrid plc

Date: 24 January 2025

Directors' Responsibilities Statement

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with the Companies Act 2014 and the applicable regulations.

Irish company law requires the Directors to prepare financial statements for each financial year. Under the law, the Directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the Company financial statements in accordance with FRS 101 Reduced Disclosure Framework (March 2018). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and the Group as at the financial year end date and of the profit or loss of the Group for the financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies for the Parent Company and the Group financial statements and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Approved by the Board and signed on their behalf:



Brendan Tuohy,
Chairperson, EirGrid plc



Ivan Schuster
Board Member, EirGrid plc

Date: 24 January 2025

Acronyms and Glossary of Terms

Acronyms

ABP	An Bord Pleanála	DPENDR	Department of Public Expenditure, NDP Delivery and Reform	GRC	Governance, Risk and Compliance	PR6	Price Review 6
BESS	Battery Energy Storage System	DSO	Distribution System Operator	GW	Gigawatt	R&D	Research and Development
BITCI	Business in the Community Ireland	EC	European Communities	GWh	Gigawatt Hour	RED	Renewable Energy Directive
BPRO	Best Performing Route Option	EIAR	Environmental Impact Assessment Report	GWP	Global Warming potential	RES-E	Renewable Energy Sources for Electricity
BSP	Bulk Supply point	ENTSO-E	European Network of Transmission System Operators for Electricity	HS&E	Health, Safety, and Environmental	RESS	Renewable Electricity Support Scheme
BWR	Business Working Responsibly	EPA	Environmental Protection Agency	HVAC	High Voltage Alternating Current	RoCoF	Rate of Change of Frequency
CAP	Climate Action Plan	ESB	Electricity Supply Board	HVDC	High Voltage Direct Current	RTE	Réseau de Transport d'Électricité
CBF	Community Benefit Fund	ESBN	Electricity Supply Board Networks	IC	Interconnector	SBTi	Science Based Targets initiative
CEF	Connecting Europe Fund	ESEG	Energy Security Emergency Group	IFRS	International Financial Reporting Standards	SC DMAP	South Coast Designated Maritime Area Plan
CEF	Connecting Europe Facility	ESG	Environmental, Social, and Governance	JOTP	Joint Outage Transformation Programme	SDG	Sustainable Development Goal
CEP	Clean Energy Package	ESRS	European Sustainable Reporting Standards	kV	Kilovolt	SDP	Scheduling and Dispatch Programme
CRM	Capacity Remuneration Mechanism	EV	Electric Vehicle	kWh	Kilowatt Hour	SEA	Strategic Environmental Assessment
CRU	Commission for Regulation of Utilities	EWIC	East West Interconnector	LCIS	Low Carbon Inertia Services	SEAI	Sustainable Energy Authority of Ireland
CSRD	Corporate Sustainability Reporting Directive	FASS	Future Arrangements for System Services	LDES	Long Duration Energy Storage	SEC	Sectoral Emissions Ceilings (SEC)
CSS	Commercial Semi-State	FLO	Fisheries Liaison Officer	LOLE	Loss of Load Expectation	SECAD	Southeast Cork Area Development
DAM	Day Ahead Market	GHG	Greenhouse Gases	M&R	Monitoring and Reporting	SEM	Single Electricity Market
DBS	Dispatch Balancing Services			Mt	Million Tonnes	SEMC	Single Electricity Market Committee
DECC	Department of the Environment, Climate and Communications			MtCO_{2e}	Million Tonnes of Carbon Dioxide Equivalent	SEMO	Single Electricity Market Operator
DLR	Dynamic Line Rating			MW	Megawatt	SME	Subject Matter Experts
				NEMO	Nominated Electricity Market Operator	SNSP	System Non-Synchronous Penetration
				NewERA	New Economy and Recovery Authority	SOEF v1.1	Shaping Our Electricity Future Version 1.1
				NFRD	Non-Financial Reporting Directive	SOEF	Shaping Our Electricity Future
				NSAI	National Standard Authority of Ireland	SONI	System Operator for Northern Ireland
				NTA	National Transport Authority	STEM	Science, Technology, Engineering, and Mathematics
				OARP	Offshore Asset Readiness Plan	TEG	Temporary Emergency Generation
				Ofgem	The Office of Gas and Electricity Markets	TES	Tomorrow's Energy Scenarios
				ONDP	Offshore Network Development Plan	TSO	Transmission System Operator
				ORE	Offshore Renewable Energy	TUoS	Transmission Use of System
				ORESS	Offshore Renewable Energy Support Scheme	TYNDP	Ten-Year Network Development Plan
				PCI	Project of Common Interest	UR	The Utility Regulator
				PPN	Public Participation Networks	YSI	Young Social Innovators



Glossary of Terms

An Bord Pleanála

Ireland's independent national planning authority.

Climate Action Plan (CAP)

A Government of Ireland plan which sets out a roadmap to halve Ireland's emissions by 2030 and reach net zero no later than 2050.

Capacity

The amount of electricity that can be safely transferred on the power system or on a line or cable.

Capacity Remuneration Mechanism (CRM)

The Capacity Remuneration Mechanism (CRM) is designed to ensure that the demand for electricity is always met. The overall aim of the CRM is to ensure security of supply, as well as ensuring that consumers don't pay for more capacity than is needed.

Carbon Emissions

The release of carbon into the atmosphere, through activity such as the combustion of fossil fuels.

Carbon Budget

A cumulative allowance for carbon emissions over a period of time for the economy. For example, the Government of Ireland has set carbon budgets for the entire economy for the periods, 2021-2025, 2026-2030 and 2031-2035 (see also Sectoral Emissions Ceilings).

Climate Neutrality

A concept of achieving net zero greenhouse gas emissions by balancing those emissions with their removal from the atmosphere.

Corporate Sustainability Reporting Directive (CSRD)

EU legislation under the European Green Deal which requires large companies and listed companies to publish regular reports on the social and environmental risks they face, and on how their activities impact people and the environment.

Commission for Regulation of Utilities (CRU)

Ireland's independent energy and water regulator. This institution regulates EirGrid's activities in Ireland.

Conventional Generation

The generation of electricity using fossil fuels, such as natural gas, coal, or peat.

Converter Station

Grid infrastructure that converts electricity from alternating current (AC) to direct current (DC) and vice versa. This is done by means of high-power, high-voltage electronic semiconductor valves.

Day Ahead Market

The day-ahead market is a daily auction of electricity. It closes the day before the energy is delivered.

Day Ahead Trading

When contracts are made between a seller and buyer for the generation and supply of electricity on the following day.

Data Centre

A large group of networked computer servers used for the remote storage of information.

Decarbonisation

The removal of carbon emissions from an activity. In the electricity sector, an example is the removal of carbon-emitting forms of energy generation from the power system. Carbon emissions occur in this context when conventional generators burn fossil fuels to create electricity.

Department of the Environment, Climate and Communications (DECC)

The Government of Ireland's Department of the Environment, Climate and Communications.

Demand

The amount of electrical power that is drawn from the network by those who use electricity. This may be talked about in terms of 'peak demand', which is the maximum amount of power drawn throughout a given period.

Distribution System Operator (DSO)

The Distribution System Operator is the designated authority responsible for the operation of the distribution system.

Emissions Intensity

The amount of carbon emissions relative to a single unit of activity. For example, the emissions intensity of electricity is the amount of carbon emissions per unit of electricity.

Energised

When a newly completed power line or cable is fully operational and made a working part of the electricity grid.

Electricity Supply Board (ESB)

A commercial semi-state organisation in Ireland. This group of companies includes ESB Networks (ESBN), which operates the electricity distribution system in Ireland.

European Network of Transmission System Operators for Electricity (ENTSO-E)

European association for the cooperation of transmission system operators (TSOs) for electricity, which represents 39 TSOs from 35 countries.

Future Arrangements for System Services (FASS)

A project that aims to develop suitable future auction arrangements for System Services based on the High-Level Design (HLD) set out by the SEM Committee. The intention is for the Transmission System Operators (TSOs) to develop a volume forecasting methodology to apply to the daily auctions, with service requirements being calculated close to real-time (i.e. day ahead).

Fossil Fuels

Fuels such as coal, oil or gas that originate underground from the decomposing remains of plants and animals. They emit carbon when burnt and so cause climate change.

Generator

A facility that produces electricity. Power can be generated from various sources, for example, coal-fired power plants, gas-fired power plants and wind farms.

Generation Capacity

The maximum amount of electricity available to be generated, based on the output potential of electricity generators connected to the grid.

Gigawatt

A gigawatt is one billion watts (see also Watt).

Grid

See Transmission Network.

High-Voltage Direct Current (HVDC)

A HVDC electric power transmission system uses direct current for the bulk transmission of electrical power.

Interconnection

The transmission of high voltage electricity between electricity grids in different jurisdictions.

International Financial Reporting Standards (IFRS)

A set of global accounting standards for preparing and presenting financial statements to ensure consistency, transparency, and comparability.

Kilovolt (kV)

Operating voltage of electricity transmission equipment. One kilovolt is equal to one thousand volts. The highest voltage on the Irish transmission system is 400 kV.

Megawatt (MW)

A megawatt is one million watts. A watt is the standard unit of power (see also Watt).

Million Tonnes of Carbon Dioxide Equivalent (MtCO₂e)

Carbon dioxide equivalent is a measure used to compare the emissions from various greenhouse gases based upon their global warming potential. For larger quantities this is typically measured in units of millions of tonnes.

Nominated Electricity Market Operator (NEMO)

Each territory in Europe has a NEMO, as designated by their respective energy regulator. The NEMO is responsible for running day-ahead and intraday trading for that electricity market. There can be more than one NEMO serving each territory, as its functions are open to competition. These are commercial services and are separate from the essential market services required to maintain a functioning electricity market.

Offshore Network Development Plan (ONDP)

Under the EU Trans-European Networks for Energy (TEN-E) regulation, EU Member States, the European Commission, and Transmission System Operators (TSOs) are required to collaborate on the development of Offshore Network Development Plans. For each sea basin, these plans should include Offshore Renewable Energy Sources (RES) capacities in the relevant time horizons (2030, 2040, 2050) and locations dedicated to hosting this offshore generation and transmission infrastructure.

Offshore Renewable Energy Support Scheme (ORESS)

A Government of Ireland initiative to support offshore renewable electricity projects in Ireland. It is an auction-based scheme, which invites offshore renewable electricity projects to bid for capacity and receive a guaranteed price for the electricity they generate.

Power System

The integrated whole of the wider electricity system, from generation through to transmission and finally to distribution.

Reinforcement

The increasing of capability on the existing electricity grid by building new infrastructure or upgrading existing equipment.

Renewable Generation

The generation of electricity using renewable energy, such as hydro, wind, solar, tidal and biomass.

Renewable Energy Sources for Electricity (RES-E)

Electricity from renewable energy sources, for example the electricity generated from clean energy sources such as wind, solar, hydro, tidal or wave, geothermal, or renewable biomass.

Renewable Electricity Support Scheme (RESS)

An initiative of the Government of Ireland to support renewable electricity projects in Ireland. It is an auction-based scheme, which invites renewable electricity projects to bid for capacity and receive a guaranteed price for the electricity they generate.

RES-E

The gross final consumption of electricity from renewable sources.

Réseau de Transport d'Électricité (RTE)

RTE is the electricity Transmission System Operator of France. It is responsible for the operation, maintenance and development of Europe's largest electricity grid.

Scheduling and Dispatch

The overall process resulting from the multiple inputs, processes, and outputs which enables the Transmission System Operator to operate a secure system and efficient balancing market. It is a continuous process managed in a coordinated manner from the Transmission System Operator's Control Centre using a range of operational systems, processes, and procedures.

Science-Based Targets

Targets which provide a pathway for companies to reduce greenhouse gas (GHG) emissions. Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement (i.e. limiting global warming to well below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C).

Sustainable Energy Authority of Ireland (SEAI)

A governmental sustainable energy authority established to promote and aid in the development of sustainable energy in Ireland.

Sectoral Emissions Ceilings

In Ireland the economy-wide carbon budgets are allocated to the various sectors across the economy through use of sectoral emissions ceilings which allocate a component of the carbon budget to each sector (see also Carbon Budget).

Single Electricity Market (SEM)

The Single Electricity Market, comprising both Ireland and Northern Ireland, allows for electricity to be traded and supplied on an all-island basis.

Single Electricity Market Committee (SEMC)

The decision-making authority for all Single Electricity Market (SEM) matters. Established in 2007 following the introduction of the SEM, legislation required the establishment of SEM governance in the form of a SEM Committee (see also Single Electricity Market).

Single Electricity Market Operator (SEMO)

A contractual joint venture between EirGrid plc and SONI Limited as the licensed Market Operator for Ireland, and licensed SEM Operator for Northern Ireland, respectively. It facilitates the continuous operation and administration of the Single Electricity Market.

Shaping Our Electricity Future (SOEF)

A roadmap developed by EirGrid which provides an outline of the key developments (from a networks, engagement, operations, and market perspective) needed to support a secure transition to the Government's renewable and climate ambitions on the electricity grid by 2030.

System Operator for Northern Ireland (SONI)

System Operator for Northern Ireland which manages, operates, and develops the electricity transmission grid in Northern Ireland.

Stakeholders

These are individuals or organisations that may be affected by, or can influence, the operations of EirGrid.

Strategic Infrastructure Development

Development of infrastructure which is of strategic economic or social importance to Ireland, a region, or local areas.

Substation

A set of electrical equipment used to interlink power cables or lines and change the voltage being sent down them.

System Non- Synchronous Penetration (SNSP)

A real-time measure of the percentage of generation that comes from non-synchronous sources, such as wind and high voltage direct current interconnector imports, relative to the system demand.

System Services

Services which are necessary for the safe and stable operation of the transmission system.

The Office of Gas and Electricity Markets (Ofgem)

The government regulator for the electricity and downstream natural gas markets in Great Britain.

Transmission Line

A high-voltage power line running at 400 kV, 220 kV or 110 kV on the Irish transmission system. The high voltage allows delivery of bulk power over long distances with minimal power loss (see also Kilovolt (kV)).

Transmission Network or Grid

This is the network of around 6,800 km of high-voltage power lines, cables, and substations across Ireland. It links generators of electricity to the distribution network and supplies large demand customers. It is operated by EirGrid and owned by the ESB.

Transmission System Operator (TSO)

The organisation responsible for operating the high-voltage electricity system in a particular region. In Ireland, EirGrid is the TSO.

Transmission Asset Owner (TAO)

The organisation responsible for building and maintaining the high voltage transmission system in line with requirements set out by the TSO. In Ireland, ESB Networks is the TAO.

Transmission Use of System (TUoS) Tariff

Tariffs designed to recover the costs to operate, maintain and develop the transmission system. The tariffs recover revenue from transmission system users including generators and large energy users connected directly to the transmission system or indirectly via the lower voltage distribution system. The tariff is comprised of two parts: networks charges for using the transmission system infrastructure to transport electricity and system services charges for the costs arising from the operation and security of the transmission system.

The Utility Regulator (UR)

Institution responsible for regulating the electricity, gas, water, and sewerage industries in Northern Ireland.

Uprate or Upvoltage

The improvement of an existing circuit (overhead line or underground cable) which allows it to carry a greater amount of electricity. This can mean an increase in the electrical flow or the operating temperature of the circuit.

Voltage

A measure of the potential strength of the flow of electricity, similar to 'pressure' in a water system. Voltage is the measure of electrical charge or potential between two points (in an electrical field) such as between the positive and negative ends of a battery. The greater the voltage, the greater the potential flow of electrical current.

Watt

The standard unit of power in the International System of Units (SI). A watt measures the rate at which energy is produced or consumed. For example, a high wattage electrical appliance will consume more energy than a low wattage appliance.

Financial Statements

08



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Independent Auditors' Report to the Members of EirGrid plc

Report on the audit of the financial statements

Opinion on the financial statements of EirGrid plc ('the company')

In our opinion the group and parent company financial statements:

- give a true and fair view of the assets, liabilities and financial position of the group and parent company as at 30 September 2024 and of the profit of the group and parent company for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting frameworks and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

- the group financial statements:
 - the Consolidated Income Statement;
 - the Consolidated Statement of Comprehensive Income;
 - the Consolidated Balance Sheet;
 - the Consolidated Statement of Changes in Equity;
 - the Consolidated Cash Flow Statement; and
 - the related notes 1 to 30, including material accounting policy information as set out in note 2.
- the parent company financial statements:
 - the Balance Sheet;
 - the Statement of Changes in Equity; and
 - the related notes 31(A) to 31(Y), including material accounting policy information as set out in note 2.

The relevant financial reporting framework that has been applied in the preparation of the group financial statements is the Companies Act 2014 and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union ("the relevant financial reporting framework"). The relevant financial reporting framework that has been applied in the preparation of the parent company financial statements is the Companies Act 2014 and FRS 101 'Reduced Disclosure Framework' issued by the Financial Reporting Council ("the relevant financial reporting framework").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent Auditors' Report to the Members of EirGrid plc (Continued)

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditors' Report to the Members of EirGrid plc (Continued)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on IAASA's website at: <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements>. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the parent company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements and the directors' report has been prepared in accordance with the Companies Act 2014.

Independent Auditors' Report to the Members of EirGrid plc (Continued)

Matters on which we are required to report by exception

Based on the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the company has not provided the information required by Regulation 5(2) to 5(7) of the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 (as amended) for the financial year ended 30 September 2024. We have nothing to report in this regard.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

Under the Code of Practice for the Governance of State Bodies (August 2016) (as amended) (the "Code of Practice"), we are required to report to you if the statement regarding the system of internal control required under the Code of Practice as included in the Corporate Governance Statement in the Directors Report does not reflect the group's compliance with paragraph 1.9(iv) of the Code of Practice or if it is not consistent with the information of which we are aware from our audit work on the financial statements. We have nothing to report in this respect.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Ian Whitefoot

Partner

For and on behalf of Deloitte Ireland LLP

Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, 29 Earlsfort Terrace, Dublin 2

30 January 2025

Consolidated Income Statement

For the Financial Year to 30 September 2024

	Note	Year to 30 Sep 2024 € '000	Year to 30 Sep 2023 € '000
Revenue	3	1,106,078	1,140,516
Direct costs	3	(977,189)	(867,962)
Gross profit		128,889	272,554
Other operating costs	5	(157,477)	(186,130)
Operating (loss)/profit		(28,588)	86,424
Gain arising from loss of control of subsidiary	6	37,104	–
Interest and other income	7	21,630	16,730
Finance costs	7	(20,332)	(31,947)
Profit before taxation	8	9,814	71,207
Income tax	9	359	(11,255)
Profit for the year		10,173	59,952
Profit attributable to:			
Owners of the Parent Company		10,173	59,952

Consolidated Statement of Comprehensive Income

For the Financial Year to 30 September 2024

	Note	Year to 30 Sep 2024 € '000	Year to 30 Sep 2023 € '000
Items that may be reclassified subsequently to profit or loss:			
Movement in unrealised (loss)/gain on cash flow hedges	27	(38,984)	15,440
Deferred tax attributable to movement in unrealised loss/(gain) on cash flow hedges	9	4,873	(1,930)
Currency translation differences		(1,154)	591
Movements in fair value of investments	11	(5,062)	–
Cumulative exchange difference on translation recycled on loss of control	6	(590)	–
Total of items that may be reclassified subsequently to profit or loss		(40,917)	14,101
Items that will not be reclassified to profit or loss:			
Remeasurement gain/(loss) of net defined benefit liability	24	8,540	(8,672)
Deferred tax charge/(credit) on remeasurement (gain)/loss	9	(1,067)	1,304
Total of items that will not be reclassified to profit or loss		7,473	(7,368)
Profit for the financial year		10,173	59,952
Total comprehensive (loss)/income for the year		(23,271)	66,685
Total comprehensive income attributable to:			
Owners of the Parent Company		(23,271)	66,685

Consolidated Balance Sheet

As at 30 September 2024

	Note	30 Sep 2024 € '000	30 Sep 2023 € '000
Assets			
Non-current assets			
Fair value investments	11	62,099	356
Intangible assets	13	69,019	62,228
Property, plant & equipment	14	654,933	497,504
Right of use assets	14	31,699	35,032
Deferred tax asset	9	10,913	9,028
Trade and other receivables	16	281,271	446,930
Retirement benefit asset	24	21,181	9,893
Derivative financial instruments	27	–	3,638
Total non-current assets		1,131,115	1,064,609
Current assets			
Trade and other receivables	16	615,571	522,935
Current tax receivable		2,006	5,223
Cash and cash equivalents	20	714,371	773,407
Total current assets		1,331,948	1,301,565
Total assets		2,463,063	2,366,174
Equity and Liabilities			
Capital and reserves			
Called up share capital presented as equity	19	38	38
Capital reserve		49,182	49,182
Hedging reserve		(30,928)	3,183
Translation reserve		(1,513)	231
Retained earnings		585,699	577,115
Total equity		602,478	629,749
Non-current liabilities			
Derivative financial instruments	27	35,346	–
Deferred tax liability	9	36,182	35,784
Trade and other payables	17	8,910	8,235
Grants	18	129,837	228,619
Lease liabilities	15	29,439	32,302
Borrowings	25	476,432	400,886
Provisions	21	100,863	106,501
Total non-current liabilities		817,009	812,327
Current liabilities			
Lease liabilities	15	3,187	2,491
Borrowings	25	39,167	33,981
Provisions	21	22,406	53,375
Grants	18	154,055	3,054
Trade and other payables	17	824,761	831,197
Total current liabilities		1,043,576	924,098
Total liabilities		1,860,585	1,736,425
Total equity and liabilities		2,463,063	2,366,174

Approved by the Board and signed on their behalf:



Brendan Tuohy
Chairperson



Ivan Schuster
Director

Date
24 January 2025

Consolidated Statement of Changes in Equity

For the Financial Year to 30 September 2024

	Issued share capital € '000	Capital reserve € '000	Hedging reserve € '000	Translation reserve € '000	Retained earnings € '000	Total attributable to equity holders € '000
Balance as at 1 Oct 2022	38	49,182	(10,327)	(361)	528,531	567,063
Profit for the year	–	–	–	–	59,952	59,952
Other comprehensive income						
Remeasurements of defined benefit scheme net of deferred tax	–	–	–	–	(7,368)	(7,368)
Cash flow hedge net of deferred tax movement	–	–	13,510	–	–	13,510
Translation reserve movement	–	–	–	592	–	592
Dividends	–	–	–	–	(4,000)	(4,000)
Balance as at 30 Sep 2023	38	49,182	3,183	231	577,115	629,749
Profit for the year	–	–	–	–	10,173	10,173
Other comprehensive income						
Remeasurements of defined benefit scheme net of deferred tax	–	–	–	–	7,473	7,473
Cash flow hedge net of deferred tax movement	–	–	(34,111)	–	–	(34,111)
Translation reserve movement	–	–	–	(1,744)	–	(1,744)
Investments held at fair value	–	–	–	–	(5,062)	(5,062)
Dividends	–	–	–	–	(4,000)	(4,000)
Balance as at 30 Sep 2024	38	49,182	(30,928)	(1,513)	585,699	602,478

Capital Reserve

The capital reserve arose on the vesting of the TSO operations from ESB to the Company under the Transfer Scheme dated 1 July 2006. There have been no movements in the reserve since this date.

Hedging Reserve

The hedging reserve represents the cumulative portion of gains and losses on hedging instruments deemed effective in cash flow hedges. The cumulative deferred gain or loss on the hedging instruments is recognised in profit or loss only when the hedged transaction impacts the profit or loss.

Translation Reserve

The translation reserve represents foreign exchange differences arising from the translation of the net assets of the Group's foreign operations from their functional currency into EirGrid's functional currency, being Euro, including the translation of the profits and losses of such operations.

Retained Earnings

Retained earnings comprise accumulated earnings net of dividends in the current financial year and prior financial years.

Consolidated Cash Flow Statement

For the Financial Year to 30 September 2024

Note	Year to 30 Sep 2024 € '000	Year to 30 Sep 2023 € '000
Cash flows from operating activities		
Profit after taxation	10,173	59,952
Gain arising from deconsolidation of subsidiary	(37,104)	–
Depreciation of property, plant and equipment	14 20,932	21,544
Depreciation of right of use assets	15 3,333	3,401
Amortisation of intangibles	13 6,791	27,941
Amortisation of grant	18 (3,055)	(3,239)
Interest and other income	(21,630)	(16,730)
Finance costs	20,332	31,947
Retirement benefit cost	2,412	3,238
Unrealised foreign exchange gain	(1,673)	(884)
Income tax	(359)	11,255
Pension contributions paid	(4,853)	(8,653)
Operating cash flows before movements in working capital	(4,701)	129,772
Movements in working capital		
Decrease/(Increase) in trade and other receivables	4,645	(624,702)
Increase in trade and other payables	65,578	375,610
Cash from operations	65,522	(119,320)
Income tax refunds/(payments)	1,627	(13,402)
Interest received	17,860	13,944
Net cash from operating activities	85,009	(118,778)
Cash flows from investing activities		
Purchase of property, plant and equipment	14 (145,654)	(41,106)
Purchase of intangibles	13 (27,849)	(26,472)
Cash movements arising from loss of control of subsidiary	6 (72,291)	–
Grants	33,774	162,520
Net cash used in investing activities	(212,020)	94,942
Cash flows from financing activities		
Dividends paid	(4,000)	(4,000)
Leases paid	15 (2,903)	(2,976)
Borrowings drawdown	114,500	196,823
Borrowings repaid	(20,129)	(22,518)
Finance costs paid	(19,485)	(21,577)
Net cash from financing activities	67,983	145,752
Net (decrease)/increase in cash and cash equivalents	(59,028)	121,916
Cash and cash equivalents at start of year	773,407	651,176
Effects of foreign exchange	(8)	315
Cash and cash equivalents at end of year	714,371	773,407

Notes to the Financial Statements

1. General Information

EirGrid plc ('the Company') is a public limited company, incorporated in Ireland, established pursuant to S.I. No 445 of 2000 – European Communities (Internal Market in Electricity) Regulations, 2000. The Company is licensed by the Commission for Regulation of Utilities (CRU) as the Transmission System Operator (TSO) in Ireland and as Market Operator (MO) for the wholesale electricity market on the island of Ireland. SONI Limited is licensed by the Utility Regulator (UR) Northern Ireland as the TSO in Northern Ireland and also holds an MO licence for the island of Ireland, SONI Ltd has now been deconsolidated from the group financial statements from 1 October 2023 as set out in detail in Note 6. EirGrid Interconnector Designated Activity Company (a subsidiary of EirGrid plc) is licensed by the Commission for Regulation of Utilities (CRU) and the Office of the Gas and Electricity Markets (Ofgem) as the operator of the East West Interconnector. EirGrid SPV 2022 DAC (a subsidiary of EirGrid plc) was incorporated to procure the delivery of Temporary Emergency Generation and is acting as per the amended licence conditions enacted in The EirGrid, Electricity and Turf (Amendment) Act 2022 that came into operation on 12 July 2022. The registered office of EirGrid plc is The Oval, 160 Shelbourne Road, Ballsbridge, Dublin 4 (Registration number 338522). The principal activity of the Company is included in the Directors' Report on page 162.

2. Statement of Accounting Policies

The accounting policies set out below have been consistently applied to all years presented in these consolidated financial statements and have been consistently applied by all Group entities unless otherwise stated.

Going Concern

The Directors are confident, on the basis of current financial projections and credit facilities available, that the Company and the Group as a whole has adequate resources to continue in operation for the foreseeable future. They have made this assessment after consideration of the forecasted cash flows for the foreseeable future, including the assessment of possible variances in those forecasts. At 30 September 2024, the Group had corporate cash balances of €196.2m (Note 20), undrawn revolving credit facilities of €180m and €19.4m (Note 24) available to manage short term working capital and higher than expected DS3 costs respectively.

As per Note 21, the CRU are appealing the Clean Energy Package High Court Judgement and issued a leapfrog application for leave to appeal to the Supreme Court, a reference to the European Court of Justice in Luxembourg ('CJEU') has also been sought to provide directions on the interpretation of Article 13(7). The Supreme Court agreed with the leapfrog application and heard the appeal in December 2024. No decision has been made to date and a stay remains on the final orders from the High Court until the Supreme Court proceedings have been concluded. As this issue is not settled, the SEMC has yet to issue a revised decision paper as to how the Judgement will be implemented, so there is uncertainty surrounding the quantum of payments that will need to be paid and the timing of the payments but the stay on the final orders provides some certainty over cashflows in the short to medium term. CRU and the SEM committee also approved 2025 tariff allowances for the Clean Energy Package which will be collected and ringfenced pending the outcome of the CRU appeal, to ensure adequate liquidity is available to fund the potential liabilities that may arise.

Accordingly, the Directors continue to adopt the going concern basis in preparing the Financial Statements.

2. Statement of Accounting Policies (Continued)

Basis of preparation

The Group Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. They are prepared on the basis of all IFRSs and Interpretations that are mandatory for financial year ended 30 September 2024 and in accordance with the Irish Companies Act 2014.

The individual financial statements of the Company have been prepared in accordance with FRS 101 Reduced Disclosure Framework ('FRS 101'). A separate Company income statement is not presented in these financial statements as the Company has availed of the exemption provided by section 304 of the Companies Act 2014.

The Financial Statements have been presented in Euro, rounded to the nearest thousand, unless otherwise specified, and have been prepared on a historical cost basis, except for the revaluation of certain financial instruments which are held at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The preparation of Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

The current period being reported on is the financial year to 30 September 2024. The comparative figures are for the financial year ended 30 September 2023. As set out in detail in Note 6, SONI Ltd. has been deconsolidated from the group financial statements from 1 October 2023 and is not included in the results for the financial year to 30 September 2024, however it is included in the comparative results for 2023.

Standards, interpretations and amendments to published standards that are not yet effective

The Group has not applied certain new standards, amendments and interpretations to existing standards that have been issued but are not yet effective. These include:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (applicable for annual periods beginning on or after 1 January 2024)
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (applicable for annual periods beginning on or after 1 January 2024)
- Amendments to IAS 1 Non-current liabilities with covenants (applicable for annual periods beginning on or after 1 January 2024)

2. Statement of Accounting Policies (Continued)

Adoption of new standards

In the current financial year, the following new and revised standards and interpretations have been adopted and have affected the amounts reported in these financial statements (for annual financial years beginning on or after 1 January 2023):

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 8 Definition of Accounting Estimates
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 Income Taxes: International Tax Reform – Pillar Two Model Rules

The adoption of the amendments listed above did not have a material impact on the current year financial statements.

Basis of consolidation

The Consolidated Financial Statements incorporate the Financial Statements of the Company and entities controlled by the Company (its subsidiaries) made up to 30 September each year. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affect its return.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

2. Statement of Accounting Policies (Continued)

When the group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

On the disposal of a foreign operation (i.e. a disposal of the group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in a foreign exchange translation reserve in respect of that operation attributable to the owners of the parent company are reclassified to profit or loss.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cashflows relating to transactions between the members of the Group are eliminated on consolidation.

Investments in subsidiaries are carried at cost less impairment in the financial statements of the Company.

Joint operations

The Group and Company Financial Statements incorporate the results of the Group and Company respectively, together with its share of the results and assets and liabilities of the joint operation which it participates, using the proportionate consolidation method as permitted under IFRS 11. As the joint operation is a joint arrangement whereby the parties have joint control of the arrangement, and have rights to the assets and obligations for the liabilities relating to the arrangement, the directors recognise their assets, liabilities, revenue and expenses in relation to its interest in a joint operation.

The Group's and Company's share of results and net assets of joint operations, are accounted for on the basis of proportionate consolidation from the date on which the contractual agreements stipulating joint control are finalised, and derecognised when joint control ceases. The Company combines its share of the joint arrangements, individual income and expenses, assets and liabilities and cash flows on a line by line basis with similar items in the Company's financial statements.

2. Statement of Accounting Policies (Continued)

Equity accounted investments

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity accounted investments, until the date on which significant influence or joint control ceases.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs are expensed as incurred.

When the Group acquires a business it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. If the business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the date the Group first acquires control through the Consolidated Income Statement. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of contingent consideration which is deemed to be a financial asset or a financial liability will be recognised in accordance with IFRS 9 in the Consolidated Income Statement.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed.

Goodwill

Goodwill on acquisitions is initially measured at cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Goodwill acquired in a business combination is allocated, from the acquisition date, to the cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

2. Statement of Accounting Policies (Continued)

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The goodwill impairment tests are undertaken at the same time each financial year. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the Cash Generating Unit is less than the carrying amount, an impairment loss is recognised. Impairment losses arising in respect of goodwill are not reversed following recognition.

Revenue

Revenue primarily represents the income derived from the provision of electricity transmission, sale of financial transmission rights (FTRs), EWIC capacity income, congestion income derived from EWIC and Market Operator services to customers during the financial year and excludes value added tax.

The Group is deemed to be the principal in the arrangement when it controls a promised service before transferring them to a customer or satisfies the performance obligation itself, and accordingly recognises revenue on a gross basis.

TSO TUoS Revenue

The main revenue is the Transmission Use of System (TUoS) tariff which is a charge payable by all users of the transmission systems in Ireland and Northern Ireland. Revenue from provision of electricity transmission (performance obligation) is recorded at a point in time (as and when the electricity is transmitted) based on the MW of electricity transported. Billed revenue is recognised as a trade receivable and unbilled revenues are disclosed separately.

Market Operator Revenue

The Market Operator's obligation is to facilitate the sale of electricity through the continuous settlement (performance obligation) of the Single Electricity Market. SEMO receives market operator tariffs for these services including fixed charges based on participation in the market and variable charges based on MW of electricity traded in the market.

EirGrid plc was designated by the regulatory authority (CRU) as Nominated Electricity Market Operators (NEMO) for Ireland. The NEMO designation allows EirGrid plc to provide day-ahead auction and intraday markets for trading (performance obligation) in the Single Electricity Market (SEM) through their contractual joint venture SEMOpX. Revenue is recorded at a point in time as and when the transaction occurs.

EWIC – Capacity Revenue

EWIC participates in the capacity auctions in the SEM and GB markets where a number of auctions are held during the year. EWIC has been successful in these markets and receives capacity revenue for each MW sold to the market in the auction (performance obligation). The capacity revenue is recognised over time as the auctions are run for a specified capacity year that the generator is required to be available. The timelines account for processes to set capacity requirements, local constraints and unit qualification.

2. Statement of Accounting Policies (Continued)

EWIC – Congestion Revenue

EWIC is compensated for reducing price differences ('congestion') between market regions and it receives congestion revenues. It is derived from transporting the electricity (performance obligation) between Ireland and Great Britain.

Regulatory Adjustments

Where revenue received or receivable results in an amount that exceeds the targeted amount set by regulatory agreement, adjustments will be made to future tariffs to reflect the over-recovery. No liability is recognised as the regulator will reflect this as reduced tariffs in future periods transmission resulting in lower revenues in those periods. Similarly no asset is recognised where a regulatory agreement permits adjustments to be made to future tariffs in respect of an under-recovery expected to be offset by future tariff increases.

As Market Operator for the Single Electricity Market, the Group does not act on its own account in the sale or purchase of electricity. It does not recognise the sale of electricity traded within the SEM as it only facilitates the trading process and acts as an intermediary. The payables and receivables associated with electricity trading are recognised in the Balance Sheet.

Unbilled income (contract asset) represents income from electricity transmission services which, in compliance with the regulatory timetable, has not been billed. Unbilled income is recognised on an accruals basis and is stated net of value added tax.

Deferred income (contract liability) represents deferred income arising from the FTR auctions and Telecom contracts.

Direct costs

Direct costs primarily represent the costs associated with the provision of electricity transmission services to customers during the financial year, and excludes value added tax. Direct costs include transmission asset owner charges, ancillary services and secure transition costs. Direct costs are recognised as they are incurred.

Operating profit

The Group has adopted an Income Statement format which seeks to highlight significant items within the results for the period. Accordingly, operating profit is stated after charging direct costs and after other operating costs but before interest income and finance costs.

Other operating costs primarily represents employee costs, professional fees, contractors and establishment costs. Other operating costs are recognised as they are incurred.

2. Statement of Accounting Policies (Continued)

Foreign currencies

The individual Financial Statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the Consolidated Financial Statements, the results and financial position of each Group entity are expressed in Euro, which is the functional currency of the Company and the presentation currency for the Consolidated Financial Statements.

Transactions in foreign currencies are recorded at the rates of exchange prevailing at the dates of the transactions. At each Balance Sheet date, monetary assets and liabilities denominated in foreign currencies are retranslated at the rates prevailing at that date, with exchange differences arising recognised in the Consolidated Income Statement as they occur.

On consolidation, the Income Statements of the Group's two foreign currency subsidiaries are translated into Euro at the average exchange rate. The Balance Sheets of these subsidiaries are translated at rates of exchange ruling at the Balance Sheet date. Resulting exchange differences arising from the translation of the Group's foreign currency subsidiaries are taken directly to a separate component of shareholders' equity.

Goodwill and fair value adjustments arising on the acquisition of the foreign subsidiaries are treated as assets and liabilities of the foreign subsidiaries and are translated at the closing rate.

Retirement benefit costs

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in full in the period in which they occur. They are recognised outside profit or loss and presented in the Statement of Comprehensive Income.

The retirement benefits obligations recognised in the Balance Sheet represent the present value of the defined benefit obligations reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

The retirement benefit current service costs for employees engaged on capital projects are capitalised in the Balance Sheet as the costs are incurred.

The Company also operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2. Statement of Accounting Policies (Continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted at the Balance Sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is charged or credited in the Income Statement, except when it relates to items charged or credited to other comprehensive income or directly to equity, in which case the deferred tax is also dealt with in other comprehensive income or equity as appropriate.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and the Group intends to settle its current tax assets and liabilities on a net basis.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses, except for freehold land which is shown at cost less impairment.

Depreciation is recognised so as to write off the cost of assets over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each period end, with the effect of any changes in estimate accounted for on a prospective basis.

2. Statement of Accounting Policies (Continued)

The depreciation periods for the principal categories of property, plant and equipment are as follows:

- Leasehold building improvements: over the period of the lease;
- Freehold buildings and improvements: 5 to 15 years;
- Fixtures and fittings: 5 years;
- IT, telecommunications equipment and other: 3 to 8 years;
- Integrated Single Electricity Market: 5 years.

The depreciation periods for the East West Interconnector category within property, plant and equipment are as follows:

- Cables: 40 years;
- Converter stations, warehouse and equipment: 30 years;
- Spare transformer and spare parts: 30 years;
- Converter control system: 15 years;
- IT server equipment: 6 years; and
- Marine Survey: 3 years.

No depreciation is provided on freehold land or on assets in the course of construction.

Assets in the course of construction are carried at cost less any recognised impairment loss. Costs include professional fees, wages and salaries, retirement benefit costs and any other costs incurred directly attributable to the construction of such assets. These assets are reclassified to an appropriate category and depreciation of these assets commences when the assets are ready for their intended use.

The gain or loss arising on the disposal or retirement of property, plant and equipment is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in the Income Statement.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

Where variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the interest added to the cost of the qualifying asset is the net interest expense after the effect of hedging.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2. Statement of Accounting Policies (Continued)

Intangible assets

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date. Subsequent to initial recognition, these assets are reported at cost less accumulated amortisation and accumulated impairment losses. Where the intangible assets have a finite useful estimated life, amortisation is charged on a straight-line basis over their useful estimated lives.

Computer software, including computer software which is not an integrated part of an item of computer hardware, is stated at cost less any accumulated amortisation and any accumulated impairment losses. Cost comprises purchase price and any other directly attributable costs.

Computer software is recognised if it meets the following criteria:

- an asset can be separately identified;
- it is probable that the asset created will generate future economic benefits;
- the development cost of the asset can be measured reliably;
- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Costs relating to the development of computer software for internal use are capitalised once the recognition criteria outlined above are met.

The amortisation periods for the principal categories of intangible assets are as follows:

- Integrated Single Electricity Asset: 5 years; and
- Other Software: 3 to 8 years.

Software under development is carried at cost less any recognised impairment loss. Costs include professional fees, wages and salaries, retirement benefit costs and any other costs incurred directly attributable to the construction of such assets. These assets are reclassified to an appropriate category and amortisation of these assets commences when the assets are ready for their intended use.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The carrying amount of finite-lived intangible assets are reviewed for indicators of impairment at each reporting date and are subject to impairment testing when events or changes in circumstances indicate that the carrying values may not be recoverable.

2. Statement of Accounting Policies (Continued)

Impairment of assets

At each Balance Sheet date, the Group reviews the carrying amounts of its intangible assets and property, plant and equipment to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognised immediately in the Income Statement, unless the relevant asset or CGU is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Lease liabilities and right of use assets

The Group enters into leases for a range of assets, principally relating to buildings, vehicles and foreshore licences. These leases have varying terms and renewal rights. The terms and conditions of these leases do not impose significant financial restrictions on the Group.

A contract contains a lease if it is enforceable and conveys the right to control the use of a specified asset for a period of time in exchange for consideration, which is assessed at inception. The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right of use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee except for short term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as small items of office equipment). For these leases the Group recognises the lease payments as an operating expense on a straight line basis over the term of the lease. The Group has also elected to separate non-lease components from lease components. The non-lease components comprise of service charges on property leases and maintenance fees on motor vehicles.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

2. Statement of Accounting Policies (Continued)

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Termination options are used in a number of property leases throughout the Group in order to provide operational flexibility in terms of managing the assets. Extension options are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The following factors are generally considered when determining if a termination option should be exercised:

- If there are significant penalties to terminate; the Group is typically reasonably certain not to terminate
- If the use of the asset still aligns with the Groups strategy

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group measures the lease liability and makes a corresponding adjustment to the related Right of use asset, whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used)
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification

The right of use assets are presented as a separate line in the consolidated statement of financial position.

Right of use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs
- restoration costs

2. Statement of Accounting Policies (Continued)

Right of use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line basis. If the Group is reasonably certain to exercise a purchase option, the right of use asset is depreciated over the underlying asset's useful life.

Payments associated with short term leases and all leases of low value assets are recognised on a straight line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less.

Grants

Grants of a capital nature are accounted for as deferred income in the Balance Sheet and are released to profit or loss over the expected useful lives of the assets concerned when they are brought into use.

Revenue grants are recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended.

Grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Financial assets and liabilities

Financial assets and liabilities are recognised on the Balance Sheet when the Group becomes a party to the contractual provisions of an instrument. On initial recognition a financial asset is classified as measured at amortised cost, fair value through other comprehensive income or fair value through profit and loss. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets. Financial liabilities are measured at amortised cost.

Investments in equity instruments are measured at fair value through other comprehensive income as they are not held for trading. The Group has made an irrevocable election in accordance with IFRS 9 to classify the equity investments as measured at fair value through other comprehensive income. This decision reflects the Company's long term investment strategy, enabling fair value changes to be recognised in other comprehensive income rather than the income statement.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit and loss:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Trade receivables, other receivables and deferred project costs meet these conditions and are therefore measured at amortised cost.

2. Statement of Accounting Policies (Continued)

Cash and cash equivalents carried at amortised cost comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Cash deposits with maturities of three months or more are included as short-term deposits within trade and other receivables.

Trade payables are measured at initial recognition at invoice value, which approximates to fair value and subsequently carried at amortised cost. Trade and other payables are non-interest bearing.

Interest-bearing loans and borrowings are initially recognised at fair value, which equates to the value of proceeds received net of any directly attributable arrangement costs. Subsequent to initial recognition these borrowings are stated at amortised cost using the effective interest rate method.

Financial assets and liabilities are derecognised from the Balance Sheet when the Group ceases to be a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of an outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of an outflow of economic benefits is remote.

2. Statement of Accounting Policies (Continued)

Derivative financial instruments

The Group enters into interest rate swaps to manage its exposure to interest rate risk. Further details of derivative financial instruments are disclosed in Note 26.

Derivative financial instruments are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at each Balance Sheet date. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using discount factors interpolated from the interest rate curves at the reporting date adjusted for counterparty credit risk. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Hedging instruments

The Group designates its interest rate swaps as cash flow hedges. This requires the Group to ensure that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness. At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in cash flows of the hedged item.

The effective portion of changes in the fair value of interest rate swaps that are designated and qualify as cash flow hedges are recognised in other comprehensive income and accumulated in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in finance costs in the Income Statement. Amounts accumulated in equity are recycled in profit or loss in the periods when the hedged item is recognised in profit or loss, on the same line of the Income Statement as the recognised hedged item.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively.

Note 26 sets out details of the fair values of the Group's current interest rate swaps used for hedging purposes. Movements in the hedging reserve in equity are also detailed in the Statement of Comprehensive Income.

2. Statement of Accounting Policies (Continued)

Impairment of financial assets

IFRS 9 requires the recognition of impairment provisions based on expected credit losses ('ECL').

It applies to financial assets at amortised cost, contract assets under IFRS 15, revenue from contract with customers. For trade receivables and contract assets, the Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance. The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the expected credit loss calculations, based on the Group's credit risk management policy, past history, existing market conditions and forward looking estimates at the end of each reporting period.

For all other financial assets, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Interest-bearing loans and borrowings

Interest-bearing loans and borrowings are initially recognised at fair value, which equates to the value of proceeds received net of any directly attributable arrangement costs. Subsequent to initial recognition these borrowings are stated at amortised cost using the effective interest rate method.

Finance income and costs

Interest income is earned on bank deposits and is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's carrying value.

Income is also earned through the charging of inflation adjusted interest on deferred costs in respect of transmission projects.

Finance costs comprise interest on borrowings and related interest rate swaps. Finance costs are recognised as an expense in the period in which they are incurred, except where finance costs are directly attributable to the acquisition, construction or production of qualifying assets, in which case they are accounted for as borrowing costs.

Finance costs are calculated using the effective interest rate method, a method of calculating the amortised cost of a financial liability and allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability.

2. Statement of Accounting Policies (Continued)

Critical accounting judgements and key sources of estimation uncertainty

The preparation of Financial Statements requires management to make estimates and assumptions about the carrying amounts reported for assets and liabilities as at the Balance Sheet date and the amounts reported for revenue and expenses during the period that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

The nature of estimation means that actual outcomes could differ from those estimates. Management considers the accounting estimates and assumptions discussed below to be its critical accounting estimates ('E') and judgements ('J'):

- **Provisions (E, J)**

On 1 January 2020, EU Regulation 2019/943 ('Regulation') on the internal market for electricity came into effect which includes a potential liability for the Group under Article 13. It is probable that the Group has a payment obligation at 30 September 2024 on foot of the Regulation and the March 22 SEM decision paper. The directors have made assumptions regarding the interpretation of the SEM decision paper as there are a number of complex issues associated with it. Their best estimate of the provision is €100.9m (2023: €106.5m) of which €65.2m is expected to be recovered through the EirGrid TSO tariff and €35.7m through the SEM imperfection tariff. The final amounts will depend on how the SEM Committee implements Articles 12 and 13 in Ireland and Northern Ireland. The prior year provision has assumed that the full compensation would be paid and recovered through SEM so a corresponding receivable was recognised in respect of the full provision resulting in no impact to the income statement. The Regulator has confirmed in discussions in 2023/24 that an element of the compensation to be paid for Article 13.7 under the SEMC 2022 decision should be paid by the TSO. As a result, €65.2m has been derecognised from receivables and recognised as a direct cost in the profit and loss account as the prior year assumptions in respect of the recovery mechanism have changed. The recoverable amount in relation to the portion of the provision attributable to the SEM recovery of €35.7m (2023: €106.5m) has been included in trade and other receivables.

The March 22 SEM decision in respect of the Clean Energy Package is subject to legal challenges which are questioning the legality of the decision made by the CRU acting through the SEM Committee. The High Court issued its Judgement in the case on 10th November 2023, highlighting conflicts in the SEMC Decision with Article 13. The Court issued its final orders on the case on 1 July 2024 and it is now subject to an appeal in the Supreme Court. Therefore, management continue to base their provision on the SEMC decision as it takes its direction from the Regulator and the High Court judgement is now under appeal. The High Court judgement is not a settlement and the ambiguity surrounding the basis of calculation has not been resolved following the issuance of the final high court orders. However, management has assessed the potential obligation if the Judgement were to be sustained and it is estimate to be between €224.0m and €337.0m. This is subject to significant estimation uncertainty due to the complexities.

2. Statement of Accounting Policies (Continued)

- **Certain financial assets and liabilities arising from Temporary Emergency Generation contracts (J)**

On 7 July 2022, the Commission for Regulation of Utilities ('CRU') gave a direction to EirGrid plc under regulation 28(10) of the European Communities to deliver additional temporary emergency electricity generation capacity for the period of winter 2023-2024 to winter 2025-2026 and if needed to the end of winter 2026-27. As a result, the Group has entered into contracts that procure the delivery of temporary emergency generation assets. These contracts were inherently complex and the contract terms posed greater difficulty owing to the urgent and critical nature of the situations they addressed. In assessing the accounting treatment for these contracts, the Group looked beyond the legal form and captured the underlying economic substance of the arrangements due to their non-standard terms and deviations from typical commercial contracts. The application of substance over form in this context involved a comprehensive analysis of the economic benefits and risks associated with the contracts. The Group has not recognised a tangible asset as we have determined that the assets have a very low probability of producing or requiring the transfer of economic benefits to the Group. The Group has recognised financial assets and liabilities arising from the contracts as the transaction is structured in a way that the Group is facilitating the delivery of Temporary Emergency Generation through funding which will ultimately be recovered through TUoS. €243.6m is recognised as other receivables which represents the amounts due from two of the temporary emergency generation site owners in respect of the assets. The long-term receivables have a carrying value of €265.4m but have been discounted to €243.6m using a discount rate of 4.09% and 3.98% which reflects the prevailing market rate of interest for a similar instrument with a similar credit rating.

In order to enable EirGrid plc to comply with the above Direction, the Minister for the Environment, Climate and Communications provided a grant of €151.0m in 2022 to fund the delivery of the 412 MW of additional temporary emergency generation. Management has exercised judgement in determining the timing of when the conditions of the grant will be satisfied and therefore when the income should be recognised. The grant monies are deferred on the balance sheet until all units are operational and capable of delivering the MW capacity as per the direction which is expected to be 2024/2025. This aligns with the principle that income should only be recognised when there is reasonable assurance that the conditions of the grant have been met.

- **Accounting treatment of SONI Limited (J)**

On 30 August 2022, the Utility Regulator (UR) in Northern Ireland published its decision on SONI governance and modifications to its TSO licence. These modifications were codified into SONI's licence on 26 October 2022. The new licence conditions require amongst other items, the establishment of a majority independent SONI Ltd board of directors (with all directors approved by the Utility Regulator); restriction on shareholder decision making to those matters reserved for shareholder decision under the UK Companies Act 2006, along with managerial, operational and resource independence from EirGrid plc.

On 1 October 2023, a new independent SONI Ltd board was appointed following on from approval by the Utility Regulator, the first significant step in the implementation of the licence modifications.

2. Statement of Accounting Policies (Continued)

This change in governance structure prompted the Group to assess its continued control over SONI Limited under IFRS. The Group continues to hold 100% shares in SONI Limited but the majority of directors are independent directors who are unrelated to EirGrid plc; EirGrid plc cannot influence the composition of the board without prior approval from the Utility Regulator; EirGrid plc can have a maximum of one member on the board and has no casting vote rights and there is a restriction on shareholder decision making to those matters reserved for shareholder decision under the UK Companies Act 2006.

As a result, the directors concluded that under accounting rules it is unable to demonstrate the ability to direct the relevant activities and has no power over SONI Limited. It also has no significant influence over SONI Limited and is therefore recognised as an equity interest at fair value. Further information is outlined in Note 6.

- **SONI Limited valuation (E)**

The valuation of the equity investment involves the use of unobservable inputs. The group engages third party qualified valuers to perform the valuation but the valuation is still particularly sensitive to changes in one or more unobservable inputs which are considered reasonably possible within the next financial year. Management reviews these assumptions regularly to ensure they reflect current market conditions but actual outcomes may differ.

Further information on the carrying amount of this asset and the sensitivity of those amounts to changes in unobservable inputs are provided in Note 26.

- **Retirement benefits obligations (E)**

The Group operates a defined benefit pension plan called the 'EirGrid Fund'. Further detail on the plans is outlined in Note 23. The actuarial valuation of the pension plan liabilities is based on various financial and demographic assumptions about the future including discount rates, inflation, salary increases, pension increases and mortality rates of which the discount rate is a critical assumption. The Group's obligations in respect of the plan is calculated by an independent qualified actuary and are updated at least annually.

The obligation at 30 September 2024 is €150.2m (2023: €172.2m) and the fair value of plan assets is €171.4m (2023: €182.1). This gives a net pension surplus for the Group before deferred tax, of €21.2m (2023: €9.9m surplus). The comparative numbers include a SONI Limited defined benefit plan; SONI Limited has now been deconsolidated as outlined in Note 6.

There are other areas where accounting estimates and judgements are required but they are not considered as significant as the ones mentioned above.

3. Segment and Revenue Information

An operating segment is a component of the entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Board, the entity's chief operating decision maker, to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. The Group is analysed into four main reportable segments for internal reporting purposes. SONI Transmission System Operator (SONI TSO), which is licensed by the Utility Regulator Northern Ireland (UR) and derives its revenue from acting as the TSO in Northern Ireland has been deconsolidated from 1 October 2023 so it is no longer reported as a segment in the current year. SEMO and SEMOpX were established as a 75/25 contractual joint operations between EirGrid plc and SONI Limited. As a result, the 25% portion of SEMO and SEMOpX is no longer consolidated as part of the Group and the SEMO and SEMOpX segments represent EirGrid plc's 75% interest in the contractual joint ventures. The following operating segments are reported:

- EirGrid Transmission System Operator (EirGrid TSO), which derives its revenue from providing services as the TSO in Ireland and is regulated by the Commission for Regulation of Utilities (CRU). A number of Subsidiaries and a Joint Venture company as follows have been included in the EirGrid TSO segment:
 - Trading in EirGrid Telecoms Designated Activity Company, the company that manages the licence of the commercial fibre optic cable built as part of the East West Interconnector (EWIC) project due to its relative size.
 - The EirGrid TSO share of Celtic Interconnector DACs assets and liabilities and these assets and liabilities are disclosed separately in the joint operation note (Note 12).
 - Trading in EirGrid SPV 2022 Designated Activity Company, the company that was set up for the purposes of procuring the delivery of temporary emergency generation as any costs will be recovered through TSO TUoS.
 - Trading in EirGrid UK Holdings Limited, the holding company of SONI Limited due to its relative size. It was included in the SONI TSO segment in the prior year.
- Single Electricity Market Operator (SEMO), which derives its revenue from acting as the Market Operator for the wholesale electricity market on the island of Ireland (EirGrid plc 75% share).
- Single Electricity Market Operator Power Exchange (SEMOpX), which derives its revenue from providing day-ahead auction and intraday markets for trading in the Single Electricity Market (SEM) following its appointment as the nominated electricity market operator ('NEMO') on the island of Ireland (EirGrid plc 75% share).
- Operation and the ownership of East West Interconnector (EWIC), being the link between the electricity grids of Ireland and Great Britain.

3. Segment and Revenue Information (Continued)

The segment results for the financial year ended 30 September 2024 are as follows:

	Note	EirGrid TSO € '000	SEMO* € '000	SEMOpX* € '000	EWIC € '000	Eliminations € '000	Total € '000
Income Statement items							
Segment revenue		1,053,198	17,890	5,018	87,246	(57,274)	1,106,078
Direct costs		(1,032,212)	–	(1,665)	(586)	57,274	(977,189)
Gross profit		20,986	17,890	3,353	86,660	–	128,889
Other operating costs (excluding depreciation and amortisation)		(95,533)	(10,366)	(1,020)	(22,557)	–	(129,476)
Depreciation and amortisation (net of grant amortisation)		(10,256)	(3,555)	(185)	(14,005)	–	(28,001)
Total other operating costs		(105,789)	(13,921)	(1,205)	(36,562)	–	(157,477)
Operating profit		(84,803)	3,969	2,148	50,098		(28,588)
Gain arising from loss of control of subsidiary							37,104
Interest and other income							21,630
Finance costs							(20,332)
Profit before taxation							9,814
Income tax charge							359
Profit for the year							10,173
Balance Sheet items							
Segment assets		1,748,153	242,382	4,371	406,383		2,401,289
Investment in SONI Limited							61,774
Total assets as reported in the Consolidated Balance Sheet							2,463,063
Segment liabilities		1,478,530	195,197	784	186,074		1,860,585
Total liabilities as reported in the Consolidated Balance Sheet							1,860,585

*EirGrid plc's 75% interest in the contractual joint venture following the SONI deconsolidation as outlined in Note 6.

3. Segment and Revenue Information (Continued)

The comparative segment results for the financial year ended 30 September 2023 are as follows:

	Note	EirGrid TSO € '000	SEMO* € '000	SEMOpX* € '000	SONI TSO € '000	EWIC € '000	Eliminations € '000	Total € '000
Income Statement items								
Segment revenue		979,401	16,555	4,565	122,316	71,431	(53,752)	1,140,516
Direct costs		(783,528)	–	(2,368)	(135,314)	(504)	53,752	(867,962)
Gross profit		195,873	16,555	2,197	(12,998)	70,927	–	272,554
Other operating costs (excluding depreciation and amortisation)		(82,764)	(13,661)	(1,619)	(23,098)	(15,494)	–	(136,636)
Depreciation and amortisation (net of grant amortisation)*		(24,833)	(3,780)	(192)	(7,193)	(13,496)	–	(49,494)
Total other operating costs		(107,597)	(17,441)	(1,811)	(30,291)	(28,990)	–	(186,130)
Operating profit		88,276	(886)	386	(43,289)	41,937	–	86,424
Interest and other income								16,730
Finance costs								(31,947)
Profit before taxation								71,207
Income tax charge								(11,255)
Profit for the year								59,952
Balance Sheet items								
Segment assets		1,545,773	284,350	3,302	103,360	427,351	–	2,364,136
Goodwill and intangible assets	13							2,038
Total assets as reported in the Consolidated Balance Sheet								2,366,174
Segment liabilities		1,220,752	237,638	802	83,240	193,993	–	1,736,425
Total liabilities as reported in the Consolidated Balance Sheet								1,736,425

*100% interest in SEMO & SEMOpX prior to SONI deconsolidation as outlined in Note 6.

Geographical Information

	Revenue		Non-Current Assets	
	Year to 30 Sep 2024 € '000	Year to 30 Sep 2023 € '000	Year to 30 Sep 2024 € '000	Year to 30 Sep 2023 € '000
Ireland	1,106,078	1,012,913	755,976	571,880
UK	–	127,603	61,774	23,240
Total	1,106,078	1,140,516	817,750	595,120

3. Segment and Revenue Information (Continued)

Information on revenue streams

- EirGrid TSO revenues consist of Transmission Use of System (TUoS) charges which are necessary for the secure operation of the electricity system.
- The SEMO revenues are SEMO participant market operator charges which are used to recover the costs of administering the market.
- The SEMOpX revenues are SEMOpX participant market charges which allows them to access and trade in the day ahead and intraday markets.
- Revenue for EWIC for the financial year included the financial year regulated tariff of (€16.6m) (2023: €1.2m). The remainder of revenue in respect of EWIC relates to congestion income of €72.4m (2023: €35.5m) and income from the provision of other system services of €16.5m (2023: €22.4m). EWIC also received €14.8m (2023: €12.2m) of capacity payments in the year and other income of €0.1m (2023: €0.1m). Financial Transmission Right ('FTR') receipts were €nil (2023: € nil) as Brexit has had an impact on the EWIC cross border trading as it is not possible to trade FTRs. Under the Free Trade Agreement, new SEM-GB trading arrangements for the Day-Ahead market are to be established, agreed and implemented so future arrangement may be put in place.

Information about major customers

Included in EirGrid TSO segment revenues of €1,053.2m for the financial year to 30 September 2024 (2023: €979.4m) are revenues of approximately €424.4m (2023: €388.2m), €131.3m (2023: €136.6m), €160.9m (2023: €134.9m), and €71.8m (2023: €77.1m) which arose from sales to the segment's four largest customers.

Included in SEMO segment revenues of €17.9m for the financial year to 30 September 2024 (2023: €16.5m) are revenues of approximately €7.4m (2023: €7.4m), €2.9m (2023: €3.2m), €3.2m (2023: €2.8m) and €1.0m (2023: €1.2m) which arose from sales to the segment's four largest customers.

Included in SEMOpX segment revenues of €5.0m for the financial year to 30 September 2024 (2023: €4.5m) are revenues of approximately €1.2m (2023: €1.1m), €0.7m (2023: €0.7m), €0.6m (2023: €0.6m) and €0.3m (2023: €0.3m) which arose from sales to the segment's four largest customers.

Contract balances

Included in trade & other receivables (Note 16) is €168.6m (2023: €162.3m) related to receivables from contracts with customers.

Included in trade & other payables (Note 17) is €14.1m (2023: €12.2m) related to contract liabilities. €3.9m (2023: €3.8m) of the prior year contract liabilities were recognised as revenues during the year.

4. Employees

The SONI Ltd deconsolidation as outlined in Note 6 has impacted the average employee number and costs of the group. The average number of persons employed by the Group during the year to 30 September 2024 was 482 (2023: 546), excluding staff engaged on capital projects.

The average number of persons engaged on capital projects during the year to 30 September 2024 was 128 (2023: 94). The staff costs associated with these employees have been capitalised and totalled €12.6m for the year to 30 September 2024 (2023: €9.7m).

Average number of persons employed on a monthly basis by business activity:

	Year to 30 Sep 2024 Number	Year to 30 Sep 2023 Number
EirGrid TSO	415	371
SONI TSO	–	96
SEMO	50	63
SEMOpX	8	9
EWIC	9	7
Capital projects	128	94
Total	610	640

Total remuneration including the Executive Directors' salary, comprised:

	Year to 30 Sep 2024 € '000	Year to 30 Sep 2023 € '000
Wages and salaries	49,343	48,530
Social insurance costs	3,897	5,256
Other retirement benefit costs	5,615	6,092
Total remuneration paid to employees	58,855	59,878
Employee costs charged to Income Statement	46,194	50,228
Employee costs capitalised	12,661	9,650
Total remuneration paid to employees	58,855	59,878

	Year to 30 Sep 2024 € '000	Year to 30 Sep 2023 € '000
Key management personnel compensation:		
Salaries and short-term employee benefits	2,086	1,944
Termination benefits	256	–
Total remuneration paid to employees	2,342	1,944

Key management personnel is defined as the Board of Directors, Interim Chief Executive and the six members of the Executive Team.

5. Other Operating Costs

	Year to 30 Sep 2024 € '000	Year to 30 Sep 2023 € '000
Employee costs (Note 4)	46,194	50,228
Depreciation of property, plant and equipment (Note 14)	20,932	21,544
Amortisation of intangibles (Note 13)	6,791	27,941
Depreciation of right of use assets (Note 15)	3,333	3,401
Amortisation of grant (Note 18)	(3,055)	(3,239)
Operations and maintenance	83,282	86,255
Total	157,477	186,130

6. Gain Arising From Loss of Subsidiary Control

On the 30 August 2022, the Utility Regulator published their decision on the proposed licence modification to the SONI Transmission System Operator, which came into effect on 26 October 2022. The licence modifications fundamentally alter the governance arrangements between SONI Ltd and its parent (EirGrid plc) and also require the managerial and resource separation of SONI Ltd. from the EirGrid Group in terms of employees, premises, IT and other systems, equipment, facilities, processes and assets and there is a restriction on shareholder decision making to those matters reserved for shareholder decision under the UK Companies Act 2006.

On 1 October 2023, a new independent SONI Ltd. board was appointed following on from approval by the UR, the first significant step in the implementation of the licence modifications. All decision making and responsibility for the performance of SONI now sits with the new SONI Ltd Board.

Given the governance changes required as a result of the UR's SONI Governance decision, the Company will no longer be able to demonstrate control from an accounting perspective under IFRS over SONI Ltd from 1 October 2023. The Group continues to hold 100% shares in SONI Limited but the majority of directors are independent directors who are unrelated to EirGrid plc; EirGrid plc cannot influence the composition of the board without prior approval from the Utility Regulator and EirGrid plc can have a maximum of one member on the board and has no casting vote rights, also there is a restriction on shareholder decision making to those matters reserved for shareholder decision under the UK Companies Act 2006. As a result, the directors concluded that its unable to direct the relevant activities and has no power over SONI Limited. It also has no significant influence over SONI Limited and is therefore recognised as an equity interest at fair value.

The assets and liabilities of SONI have been derecognised at their carrying amounts, the fair value of retained interest has been recognised as an investment in financial asset. The gain on initial deconsolidation at the date control is lost has been recognised in profit or loss. The Group has made an irrevocable election in accordance with IFRS 9 to classify this equity investment as measured at fair value through other comprehensive income. This decision reflects the Company's long term investment strategy, enabling fair value changes to be recognised in other comprehensive income rather than the income statement.

6. Gain Arising from Loss of Subsidiary Control (Continued)

	Year to 30 Sep 2024 € '000
Investments	31
PPE & Intangible Assets	21,170
Attributable licence intangible	2,035
Cash	72,291
Trade Receivables	1,250
Prepayments and Accrued Income	21,431
Unbilled Receivables	4,383
Other Receivables	44,234
Deferred Tax Asset	9,568
Taxes	2,993
Trade Payables	(511)
Accruals	(28,961)
Provisions	(39,969)
Other payables	(60,409)
Amounts owed to EirGrid Group companies	(4,610)
Borrowings	(13,852)
Pension	(752)
Net Assets Deconsolidated	30,322
Fair Value of SONI Limited at 1 Oct 2023	66,836
	36,514
Cumulative exchange difference on translation recycled on deconsolidation	590
Gain arising from loss of control of subsidiary	37,104

7. Interest and Other Income, and Finance Costs

	Year to 30 Sep 2024 € '000	Year to 30 Sep 2023 € '000
Interest income:		
Other interest	(1,862)	(2,786)
Notional Interest	(1,364)	–
Interest income on deposits	(17,860)	(13,174)
Net pension scheme interest (Note 24)	(544)	(770)
Total Interest income	(21,630)	(16,730)
Finance costs:		
Bank loan and overdrafts	12,992	13,719
Notional interest	6,870	17,747
Lease interest (Note 15)	470	481
Total finance costs	20,332	31,947

The Group is exposed to interest rate risk as it borrows funds at floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings and through the use of interest rate swap contracts. The bank loan and overdrafts line includes the interest reclassified from the cashflow hedge reserve.

8. Profit Before Taxation

The profit before taxation is stated after charging/(crediting) the following:

	Year to 30 Sep 2024 € '000	Year to 30 Sep 2023 € '000
Depreciation (Note 14 and Note 15)	24,265	24,946
Amortisation of intangibles (Note 13)	6,791	27,941
Amortisation of grant (Note 18)	(3,055)	(3,239)
Foreign exchange gain	(2,317)	(884)

Aggregate emoluments paid to or receivable by directors in respect of qualifying services are as follows:

	Year to 30 Sep 2024 € '000	Year to 30 Sep 2023 € '000
– for services as a Director	119	102
– for Executive Director services*	142	234
Total	261	336

*Mr. Mark Foley was Chief Executive for the period from 1 October 2023. On 12 April 2024 Mr. Foley gave notice in accordance with the terms of his contract of his decision to retire as Chief Executive. The remuneration disclosed in the table above reflects Mr. Foley's remuneration for executive Director services reflects the period 1 October 2023 to 12 April 2024. Payments were made to Mr Foley in lieu of notice and accrued holidays in accordance with the terms of his contract of employment to the total of €173,076. Following the retirement of Mr. Mark Foley as EirGrid Chief Executive in April 2024, Mr. Martin Corrigan, Chief Governance Officer, was appointed by the Board in the role of Interim Chief Executive for the period while the formal process to select a new Chief Executive was undertaken. The Interim Chief Executive is not an Executive Director.

Aggregate contributions paid, treated as paid or payable during the financial year to a retirement benefit scheme in respect of qualifying services of directors:

	Year to 30 Sep 2024 € '000	Year to 30 Sep 2023 € '000
– defined benefit schemes (for Executive Director)*	32	66

There are currently no directors in an EirGrid pension scheme.

Auditor's remuneration in respect of the financial year is analysed as follows:

	Year to 30 Sep 2024 € '000	Year to 30 Sep 2023 € '000
– audit of group companies	529	445
– other assurance services	30	23
– tax advisory services	–	–
– other non-audit services	–	–

9. Income Taxes

	Year to 30 Sep 2024 € '000	Year to 30 Sep 2023 € '000
Current tax expense	6,782	18,348
Adjustment in respect of prior year	108	(2,734)
Current tax expense	6,890	15,614
Deferred tax relating to the origination and reversal of temporary differences	(7,249)	(4,359)
Adjustment in respect of prior year	–	–
Deferred tax expense	(7,249)	(4,359)
Income tax expense for the year	(359)	11,255

The total charge for the financial year can be reconciled to the accounting profit as follows:

	Year to 30 Sep 2024 € '000	Year to 30 Sep 2023 € '000
Profit before tax	9,814	71,207
Taxation at standard rate of 12.5% (2023: 12.5%)	1,227	8,901
Effect of higher rates of tax on other income	2,489	508
Effect of income and expenses excluded in determining taxable profit	(3,211)	2,795
Effect of higher rates of tax on (losses)/gains in UK subsidiaries	–	(5,850)
Adjustments in respect of prior years	106	(1,457)
Losses utilised	(555)	(2,258)
Losses forward	6,632	4,335
Other differences	(7,047)	4,281
Income tax expense recognised in Income Statement	(359)	11,255

9. Income Taxes (Continued)

Factors that may affect future tax rates and other disclosures

A global minimum top-up tax OECD Pillar Two model rules was introduced by Ireland during 2023.

The rules have effect for accounting periods commencing on or after 31 December 2023. In this way, the first year in which the rules could have application to EirGrid is for the year ended 30 September 2025. On this basis, there is no current tax impact for the year ended 30 September 2024. Where a Group is in scope of the new rules, they are liable to pay a top-up tax for the difference between the Pillar Two effective tax rate per jurisdiction and the 15 per cent minimum rate. Specific adjustments envisaged in the Pillar Two legislation can give rise to different effective tax rates compared to those calculated for IFRS purposes. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and will account for it as a current tax when it is incurred. The Group is currently assessing whether EirGrid is subject to the Pillar 2 legislation. Where it is within the legislation, the Group is also assessing the availability of certain exemptions from the rules in addition to the availability of safe harbours which can simplify the calculation of any top up tax. Should it not be possible to completely exempt the Group from the rules, a top-up tax may arise in Ireland. Based on the profile of the Group for FY23 and FY24, the Pillar Two legislation, if applicable, would not have had a material impact on the financial statements of the Group.

The standard rate of tax in the UK is 25%. Deferred tax balances must be recognised at the future tax rate applicable when the balance is expected to unwind.

9. Income Taxes (Continued)

Deferred tax assets/(liabilities) arise from the following:

	Intangible Assets € '000	Accelerated tax depreciation € '000	Retirement benefits obligations € '000	Cash flow hedges € '000	Tax losses € '000	Total € '000
Deferred tax (liability)/asset as at 1 Oct 2022	(229)	(32,653)	(1,671)	1,475	2,706	(30,372)
Credit/(charge) to the Income Statement for the year	–	(1,149)	(776)	–	6,285	4,360
Charge to the Statement of Comprehensive Income	–	–	1,304	(1,930)	–	(626)
Exchange differences	(167)	11	1	–	37	(118)
Deferred tax (liability)/asset as at 30 Sep 2023	(396)	(33,791)	(1,142)	(455)	9,028	(26,756)
Subsidiary deconsolidation (Note 6)	396	(1,210)	(189)	–	(8,566)	(9,569)
Credit/(charge) to the Income Statement for the year	–	1,467	(250)	–	6,033	7,250
Credit/(charge) to the Statement of Comprehensive Income	–	–	(1,067)	4,873	–	3,806
Exchange differences	–	–	–	–	–	–
Deferred tax (liability)/asset as at 30 Sep 2024	–	(33,534)	(2,648)	4,418	6,495	(25,269)
Deferred tax asset	–	–	–	4,418	6,495	10,913
Deferred tax liability	–	(33,534)	(2,648)	–	–	(36,182)
Total 30 Sep 2024	–	(33,534)	(2,648)	4,418	6,495	(25,269)
Deferred tax asset	–	–	–	–	9,028	9,028
Deferred tax liability	(396)	(33,791)	(1,142)	(455)	–	(35,784)
Total 30 Sep 2023	(396)	(33,791)	(1,142)	(455)	9,028	(26,756)

Analysis of deferred tax (liabilities)/assets by tax jurisdiction:

	30 Sep 2024 € '000	30 Sep 2023 € '000
Ireland	(25,269)	(36,721)
UK	–	9,965
Net deferred tax liability	(25,269)	(26,756)

10. Dividends

As shown in Note 19 the company has one class of share capital in issue, Ordinary Shares. The dividends in respect of this class of share capital are as follows:

	30 Sep 2024 € '000	30 Sep 2023 € '000
Dividends to Shareholders		
Equity		
Dividend paid – €133.33 per Ordinary Share	4,000	4,000
Total	4,000	4,000

The Directors of the Group propose the payment of a final dividend of €4,000,000 (2023: €4,000,000) for the financial year ended 30 September 2024.

11. Fair Value Investments

	30 Sep 2024 € '000	30 Sep 2023 € '000
Balance as at 1 Oct 2023	356	356
Subsidiary deconsolidation (Note 6)	(31)	–
Additions (Note 6)	66,836	–
Fair value movements	(5,062)	–
Balance as at 30 Sep 2024	62,099	356

In 2018, EirGrid acquired a 4.75% equity interest in Joint Allocation Office S.A for €0.2m; a company registered in Luxembourg. Under EU Rules, TSOs are obliged to implement a Single Allocation Platform for capacity on interconnectors. EirGrid, as the certified TSO for the East West Interconnector, became a shareholder in the Joint Allocation Office (JAO).

Under the European rules (Network Codes), EirGrid is obliged to co-operate on a regional basis with at least one 'Regional Security Co-ordinator' (RSC) so it acquired a 5% equity interest in the RSC Coreso SA for €0.1m in 2018, a company registered in Belgium.

As outlined in Note 6, the Company is no longer be able to demonstrate control over SONI Ltd from 1 October 2023 following the governance changes which were required as a result of the Utilities Regulator's SONI Governance decision. The assets and liabilities of SONI have been derecognised at their carrying amounts, the fair value of retained interest has been recognised as an investment in financial asset. The gain on initial consolidation at the date control is lost has been recognised in profit or loss. The Group has made an irrevocable election in accordance with IFRS 9 to classify this equity investment as measured at fair value through other comprehensive income. This decision reflects the Company's long term investment strategy, enabling fair value changes to be recognised in other comprehensive income rather than the income statement. On initial derecognition at 1 October 2023, the fair value of the investment was determined to be €66.9m. At the year end reporting date, the investment was subsequently revalued at €61.8m reflecting the updated market conditions and company forecasts. The fair value measurement of the investment is classified within level 3 of the fair value hierarchy as it relies on observable market inputs and/or significant unobservable inputs. Further detail on the valuation process is outlined in Note 26.

12. Interest in Joint Operations

The Single Electricity Market (SEM) is the wholesale electricity market operating in Ireland and Northern Ireland. SEMO was established as the 75/25 contractual joint operation between the Company and SONI Limited responsible for the operation of the wholesale electricity market for the island of Ireland.

EirGrid plc and SONI Limited have developed and implemented the nominated electricity market operator (NEMO) services for Northern Ireland and Ireland through SEMOpx, a 75/25 contractual joint operation between EirGrid plc and SONI Limited. EirGrid plc is designated by the Commission for Regulation of Utilities (CRU) as a NEMO for Ireland and SONI Limited is designated by the Utility Regulatory (UR) as a NEMO for Northern Ireland. The NEMO designations allow SONI Limited and EirGrid plc to provide day-ahead auction and intraday markets for trading in SEM.

Capacity Market Code JV is a 75/25 joint operation between EirGrid plc and SONI Limited, established on 28 September 2018. Its purpose is to administer the Capacity Market Code.

The Group had a 100% interest in SEMO and SEMOpx up until 01 October 2023 as the parent company, EirGrid plc held a 75% interest and SONI Limited held a 25% interest. Following the SONI Limited governance changes as outlined in Note 6, SONI Limited (SONI TSO and its 25% interest in SEMO& SEMOpx) is no longer consolidated as part of the Group numbers and SONI Limited has been treated as an investment in financial asset which is recognised at fair value.

The following amounts are included in the Group Financial Statements on a line by line basis to reflect the EirGrid plc 75% share of SEMO and SEMOpx on the basis that it is a joint operation:

	30 Sep 2024 € '000	30 Sep 2023 € '000
Non-current assets	15,215	13,223
Current assets	229,356	201,352
Total assets	244,571	214,575
Total equity	48,335	36,515
Current liabilities	196,236	178,060
Total liabilities	196,236	178,060
Total equity and liabilities	244,571	214,575

	Year to 30 Sep 2024 € '000	Year to 30 Sep 2023 € '000
Revenue	22,908	15,840
Expenses	(11,090)	(13,604)
Profit	11,818	2,236

12. Interest in Joint Operations (Continued)

EirGrid plc has a 50% equity interest in Celtic Interconnector DAC, a company incorporated in Ireland which is a joint arrangement between EirGrid plc and Réseau De Transport D'Électricité ('RTE'). The Celtic Interconnector project is an undersea electricity link connecting Ireland and France. The purpose of the joint arrangement is to procure, administer, manage and contribute to the design, development and construction of the Celtic Interconnector in different phases. It is in the construction phase of the project.

Under IFRS 11, the Group classifies its interest in joint arrangements as either joint operations or joint ventures depending on the Group's rights to the assets and obligations for the liabilities of the arrangements. When making the assessment, the Group considers the structure and legal form of the arrangements, the contractual terms of the arrangement agreed by the parties and when relevant, other facts and circumstances.

Although Celtic Interconnector DAC is separate legal entity, the Group has accounted for it as a joint operation due to the contractual arrangements in place between EirGrid plc and RTE. Both parties are providing the cash to settle the Celtic Interconnector DAC liabilities and the output of Celtic Interconnector DAC is provided to both parties.

As a result the Group has accounted for its share of Celtic Interconnector DAC assets, liabilities, income and expenses in its Group Financial Statements on a line by line basis. EirGrid plc is deemed to own 50% of the rights to the assets and obligations for the liabilities.

The following amounts of Celtic Interconnector DAC are included in the Group Financial Statements on a line by line basis:

	30 Sep 2024 € '000	30 Sep 2023 € '000
Non-current assets	–	–
Current assets	4,150	253
Total assets	4,150	253
Total equity	48	13
Current liabilities	4,102	240
Total liabilities	4,102	240
Total equity and liabilities	4,150	253

	Year to 30 Sep 2024 € '000	Year to 30 Sep 2023 € '000
Revenue	129	48
Expenses	(94)	(43)
Profit	35	5

13. Intangible Assets

	Goodwill € '000	Licence agreements € '000	Integrated Single Electricity Market € '000	Other IT Software € '000	Software under development € '000	Total € '000
Cost						
Balance as at 1 Oct 2022	4,331	17,560	108,627	63,965	27,627	222,110
Additions	–	–	–	–	25,764	25,764
Transfer (to)/from other assets	–	–	8,257	8,838	(17,095)	–
Exchange differences	147	582	759	771	248	2,507
Balance as at 30 Sep 2023	4,478	18,142	117,643	73,574	36,544	250,381
Subsidiary deconsolidation (Note 6)	(4,478)	(18,142)	(29,616)	(25,756)	(10,036)	(88,028)
Additions	–	–	–	–	32,314	32,314
Transfer (to)/from other assets	–	–	2,457	1,440	(3,897)	–
Balance as at 30 Sep 2024	–	–	90,484	49,258	54,925	194,667
Accumulated amortisation						
Balance as at 1 Oct 2022	4,331	15,578	80,165	58,144	–	158,218
Amortisation	–	–	22,184	5,757	–	27,941
Exchange differences	147	529	628	690	–	1,994
Balance as at 30 Sep 2023	4,478	16,107	102,977	64,591	–	188,153
Subsidiary deconsolidation (Note 6)	(4,478)	(16,107)	(25,949)	(22,762)	–	(69,296)
Amortisation	–	–	3,737	3,054	–	6,791
Balance as at 30 Sep 2024	–	–	80,765	44,883	–	125,648
Carrying amount as at 30 Sep 2024	–	–	9,719	4,375	54,925	69,019
Carrying amount as at 30 Sep 2023	–	2,035	14,666	8,983	36,544	62,228

14. Property, Plant & Equipment

	Land and buildings (i) € '000	Fixtures and fittings € '000	IS, telecomm-unications equipment and other € '000	Motor Vehicles € '000	EWIC € '000	Integrated Single Electricity Market (ii) € '000	Assets under Construction (iii) € '000	Total € '000
Cost								
Balance as at 1 Oct 2022	27,264	5,706	68,971	77	570,325	3,894	32,039	708,276
Additions	-	-	-	-	-	-	36,969	36,969
Transfers (to)/from other assets	-	1,704	1,667	-	-	-	(3,371)	-
Exchange differences	233	-	137	-	-	33	1	404
Balance as at 30 Sep 2023	27,497	7,410	70,775	77	570,325	3,927	65,638	745,649
Subsidiary deconsolidation (Note 6)	(7,090)	-	(4,577)	-	-	(1,003)	(404)	(13,074)
Celtic grant adjustment (iv)	-	-	-	-	-	-	21,522	21,522
Additions	-	-	-	-	-	-	161,313	161,313
Transfers (to)/from other assets	-	2,833	468	-	4,643	-	(7,944)	-
Balance as at 30 Sep 2024	20,407	10,243	66,666	77	574,968	2,924	240,125	915,410
Depreciation								
Balance as at 1 Oct 2022	9,923	3,980	58,498	77	150,741	3,117	-	226,336
Charge	636	945	2,943	-	16,237	783	-	21,544
Exchange differences	128	-	110	-	-	27	-	265
Balance as at 30 Sep 2023	10,687	4,925	61,551	77	166,978	3,927	-	248,145
Subsidiary deconsolidation (Note 6)	(4,110)	-	(3,487)	-	-	(1,003)	-	(8,600)
Charge	434	1,430	2,322	-	16,746	-	-	20,932
Balance as at 30 Sep 2024	7,011	6,355	60,386	77	183,724	2,924	-	260,477
Carrying amount as at 30 Sep 2024	13,396	3,888	6,280	-	391,244	-	240,125	654,933
Carrying amount as at 30 Sep 2023	16,810	2,485	9,224	-	403,347	-	65,638	497,504

(i) The cost of the Group's buildings include leasehold improvements.

(ii) This asset relates to costs associated with the redesign of the SEM market and relates to IT Hardware.

(iii) Assets under Construction consist of IT hardware, telecommunications, facilities, EWIC and Celtic Interconnector project expenditure. €6.7m (2023: €7.3m) of Celtic Interconnector borrowing costs have been capitalised during the year.

(iv) The Celtic grants received to the end of 2022/23 have been reclassified and shown within capital grants in Note 18 as all grants of a capital nature are accounted for as deferred income in the Balance Sheet.

15. Right of Use Assets and Lease Liabilities

Right of use assets	Property € '000	Motor vehicles € '000	Foreshore Licence € '000	Total € '000
Cost				
Balance as at 1 Oct 2022	34,167	44	17,057	51,268
Lease modification or additions	-	-	-	-
Balance as at 1 Oct 2023	34,167	44	17,057	51,268
Lease modification or additions	-	-	-	-
Balance as at 30 Sep 2024	34,167	44	17,057	51,268
Accumulated depreciation				
Balance as at 1 Oct 2022	9,646	44	3,145	12,835
Depreciation	2,849	-	552	3,401
Balance as at 1 Oct 2023	12,495	44	3,697	16,236
Depreciation	2,781	-	552	3,333
Balance as at 30 Sep 2024	15,276	44	4,249	19,569
Carrying amount as at 30 Sep 2024	18,891	-	12,808	31,699
Carrying amount as at 30 Sep 2023	21,672	-	13,360	35,032

Lease liabilities	Total € '000
Balance as at 1 Oct 2023	34,793
Lease modification	-
Interest	470
Lease payments	(2,903)
Exchange differences	266
Balance as at 30 Sep 2024	32,626
Analysed as:	
Current	3,187
Non-current	29,439
Balance as at 30 Sep 2024	32,626

The table below shows the maturity analysis of the discounted and undiscounted lease liability arising from the Group's leasing activities.

Lease liabilities	Discounted € '000	Undiscounted € '000
Within one year	3,188	3,620
Between two and five years	13,632	14,394
After five years	15,806	17,216
Total	32,626	35,230

15. Right of Use Assets and Lease Liabilities (Continued)

Amounts recognised in consolidated income statement	Total € '000
Depreciation on right of use assets	3,333
Expenses relating to short terms leases	–
Variable lease payments*	8
Expenses relating to leases of low value leases, excluding short term leases of low value assets	–
Interest on lease liabilities	470

*The Group has a managed print service contract with variable lease payments linked to future use of the underlying asset so these payments have been excluded from the measurement of the lease liabilities.

Amounts recognised in consolidated cash flow statement	Total € '000
Total cash outflows for the lease during the year*	2,903

*Includes interest expense, principal repayments, short term and low value lease expenses.

16. Trade and Other Receivables

	30 Sep 2024 € '000	30 Sep 2023 € '000
Amounts due in less than one year:		
Trade receivables	1,255	2,273
Prepayments and deferred project costs	94,208	147,902
Advance payment	44,651	9,774
Short term deposits	134,551	50,206
Unbilled receivables	168,605	162,293
Other receivables	167,908	150,486
Amount owed by related companies	4,393	–
Total	615,571	522,935
Amounts due in more than one year:		
Prepayments and deferred project costs	30,898	61,525
Advance payment	71,804	107,837
Other receivables	178,569	277,568
Total	281,271	446,930
Total	896,842	969,865

The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

Included in other receivables is an ESB receivable with a carrying value of €171.1m which will be repaid over a three year period, maturing in February 2027. It has been discounted using a discount rate of 4.09% which reflects the prevailing market rate of interest for a similar instrument with a similar credit rating. €98.2m is included in amounts due in more than one year.

Unbilled receivables primarily consist of income for the final two months of the financial year, which, in compliance with the regulatory timetable, had not been billed as at the respective financial year ends.

Other receivables due in less than one year includes €22.4m (2023: €53.4m) relating to the provision outlined in Note 21. In the event of compensation we would expect any payment to be covered by funds held on the Group Balance Sheet so the costs will be recoverable. Other receivables due in more than one year also includes €35.7m (2023: €106.5m) relating to recoverable costs arising from the introduction of the EU Regulation 2019/943 on the internal market for electricity which came into effect on 1 January 2020. The Group is satisfied that all costs arising from these matters will be supported by regulated tariffs. These costs have been recognised through a provision as outlined in Note 21.

Prepayments and deferred project costs include deferred costs in respect of transmission projects of €77.9m (2023: €92.3m), of which €47.0m (2023: €31.0m) may not be recoverable within twelve months.

17. Trade and Other Payables

	30 Sep 2024 € '000	30 Sep 2023 € '000
Amounts due in less than one year:		
Trade payables	71,565	77,632
Accruals	323,633	330,237
Deferred income	5,164	3,949
Taxation and social insurance	12,969	7,284
Other payables	411,430	412,095
Total	824,761	831,197
Amounts due in more than one year:		
Deferred income	8,910	8,235
Total	8,910	8,235
Total	833,671	839,432

Taxation and social insurance comprises of the following:

	30 Sep 2024 € '000	30 Sep 2023 € '000
PAYE/PRSI	1,392	1,538
VAT	11,238	4,798
Withholding tax	339	948
Total	12,969	7,284

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The Directors consider that the carrying amount of trade payables approximates their fair value. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

Other payables due in less than one year includes €108.4m (2023: €115.2m) owed to the SEM balancing market due to overrecoveries which will be returned via a k-factor tariff adjustment.

18. Grants

	30 Sep 2024 € '000
Balance as at 1 Oct 2022	83,912
Additions	151,000
Amortisation of grant	(3,239)
Balance as at 30 Sep 2023	231,673
Celtic grant reclassification (Note 14)	21,522
Additions	33,752
Amortisation of grant	(3,055)
Balance as at 30 Sep 2024	283,892
Analysed as:	€ '000
Current	154,055
Non-current	129,837
Balance as at 30 Sep 2024	283,892

On 7 July 2022, the Commission for Regulation of Utilities ('CRU') gave a direction to EirGrid plc under regulation 28(10) of the European Communities to deliver additional temporary emergency electricity generation capacity for the period of winter 2023-2024 to winter 2025-2026 and if needed to the end of winter 2026-27. In order to enable EirGrid plc to comply with the Direction, the Minister for the Environment, Climate and Communications provided a grant of €151.0m in 2022. The purpose of the grant is to procure the delivery of 412MW of additional temporary emergency generation for the period of winter 2023-24 to winter 2025-26 and if needed to the end of the winter 2026-27. The grant monies are deferred on the balance sheet until the Group delivers the MW capacity as per the direction which is expected to be 2024/2025.

In prior years, the Group received capital grants from the EU Commission for the East West Interconnector. The total grant funding available and received from the EU Commission for the project was €112.3m and €77.6m of unamortised grants is included in the balance at year end. There are no unfulfilled conditions or other contingencies attaching to capital grants received. Capital grants are amortised in line with depreciation of the EWIC asset.

The Group receives grants towards the Celtic project under the Connecting Europe Facility (CEF) programme, the EU's financial mechanism supporting trans-European infrastructure. The Celtic Interconnector is a new electrical link between France and Ireland being developed jointly by EirGrid plc and the French TSO – Réseau De Transport D'Électricité ('RTE'). The grants were €33.8m of CEF grants was received during the year bringing the total CEF grants to €55.2m at year end.

19. Issued Share Capital

	30 Sep 2024 € '000	30 Sep 2023 € '000
Authorised:		
30,000 ordinary shares of €1.25 each	38	38
Allotted, called-up and fully paid:		
Called up share capital presented as equity:		
30,000 ordinary shares of €1.25 each	38	38

The Company has one class of ordinary share which carries no right to fixed income.

20. Cash and Cash Equivalents

	30 Sep 2024 € '000	30 Sep 2023 € '000
Corporate Cash	196,171	300,321
Restricted/Ringfenced Cash	518,200	473,086
Balance as at 30 Sep 2024	714,371	773,407

Cash and cash equivalents primarily comprises cash held by the Group and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value. The credit risk on liquid funds is limited because the counterparties are banks with relatively high credit-ratings assigned by international credit-rating agencies.

Included in the Group's cash balances is €111.1m (2023: €131.8m) held on trust for market participants in the SEM, €75.1m (2023: €85.8m) held in SEM collateral reserve accounts (security accounts held in the name of market participants), security deposits, collateral and bonds of €39.3m (2023: €35.2m) and €4.4m (2023: €6.4m) which represents cash which can only be used for the purposes of the EWIC asset, €52.5m (2023: €53.5m) which represents cash which can only be used for the purposes of the Celtic asset, €46.1m (2023: €156.4m) of cash which is ringfenced as the cash is collected and returned to the relevant customer, €189.7m (2023: nil) which relates to the Energy Windfall tax. Per the Energy (Windfall tax in the Energy Sector, Cap on Market Revenues) Act 2023, EirGrid TSO assumed the role as collection agent for surplus revenues generated by participants (producers, intermediaries and traders) from December 2022 to June 2023. A further €134.6m (2023: €50.2m) of ringfenced cash has been put on deposits with a maturity of more than 3 months and is shown in Note 16.

21. Provisions

	Clean Energy Package €'000	Other Provision €'000	Total €'000
Balance as at 30 Sep 2023	106,501	53,374	159,875
Subsidiary deconsolidation (Note 6)	(26,625)	(13,344)	(39,969)
Transferred to accruals (Note 17)	–	(20,065)	(20,065)
Provisions made during the year	20,987	2,441	23,428
Balance as at 30 Sep 2024	100,863	22,406	123,269

Analysed as:	€'000	€'000	€'000
Current	–	22,406	22,406
Non-current	100,863	–	100,863
Balance as at 30 Sep 2024	100,863	22,406	123,269

(a) Clean Energy Package

EU Regulation 2019/943 ('Regulation') on the internal market for electricity is part of the Clean Energy Package and came into effect on 1 January 2020. Article 12 of this Regulation refers to dispatching of generation and demand response, and Article 13 refers to redispatching (where a transmission system operator requests a generator to change – in this context usually reduce – its intended level of production).

We believe it is probable that, on foot of the Regulation, the Group has a payment obligation at 30 September 2024. The final amount will depend on how the Regulatory Authorities implement the Regulation in Ireland and Northern Ireland. The SEMC has published a decision paper on the implementation of the regulation and there has been a subsequent Court judgement which remains unsettled.

SEMC decision

The SEM Committee launched a number consultations on the Regulation. In March 2022 the SEM Committee published a paper outlining the SEM Committee's response and decisions in the areas of the interpretation of dispatch and redispatch in relation to the SEM, the interpretation of actions which may be considered market based and non market based dispatch under the current market design pursuant to Article 13, the determination of the appropriate level of compensation for non-market based redispatching in the SEM, implementation of ex-post compensation, discussion on issues raised to firmness in the SEM and an update in relation to the treatment of new renewable units in the SEM. The SEM Committee confirmed that due to the significant system changes required that full implementation in the short term would not be feasible. Compensation was to be provided on an ex-post basis from January 2020 and payments were to begin in the tariff year 2024/25.

High Court Judgement

In 2022, High Court Judicial Review proceedings were taken in the Republic of Ireland by two separate groups of windfarm developers challenging the legality of the SEMC Decision made by the Commission for the Regulation of Utilities (CRU) acting through the SEMC. Each of the applicants sought various Court 'orders' and declarations including an order overturning the SEMC Decision, and order requiring the CRU to give full effect to the compensation provision at Article 13(7), a declaration that compensation under Article 13(7) should be paid by EirGrid acting as TSO and an order preventing any deferral of compensation until 2024/25 as set out in the SEMC Decision.

21. Provisions (Continued)

The High Court issued its Judgement in the case on 10th November 2023 and set out the decision of the Court that a number of aspects of the SEMC Decision were in conflict with Article 13(7). In particular, the Judgement challenged the calculation methodology adopted in the SEMC Decision and stated that compensation should be paid by EirGrid, in its role as the TSO rather than through the SEM. The Court issued its final orders on the case on 1 July 2024. The CRU are appealing the High Court Judgement and issued a leapfrog application for leave to appeal to the Supreme Court, a reference to the European Court of Justice in Luxembourg ('CJEU') has also been sought to provide directions on the interpretation of Article 13(7). The Supreme Court agreed with the leapfrog application and heard the appeal on 12th and 13th of December. No decision has been made to date and a stay remains on the final orders from the High Court until the Supreme Court proceedings have been concluded.

At the 30 September 2024, the current legal process has not finally concluded as the outcome of the appeals process in the Supreme Court has not been decided. As a result, there is no clear methodology to calculate and make payments. EirGrid is closely monitoring the legal proceedings.

Estimated liability

SEMC decision

EirGrid has reviewed the SEMC decision and has sought and obtained clarifications from the Regulator regarding mechanisms through which it will pay compensation. The potential liability under EirGrid's current interpretation of the SEMC decision is estimated to be €100.9m (2023: €106.5m).

High Court Judgement

At this time, it is difficult to quantify the financial impact of the High Court Judgement accurately. Management's estimate of the compensation payable under Article 13(7), if the Judgement were to be sustained, is between €224m and €307m. This is subject to significant estimation uncertainty due to the complexities of interpreting the financial implications of Article 13(7) of Regulation 943 in the context of the Judgement and in the absence of further regulatory direction.

Final assessment

EirGrid TSO takes its direction from the Regulator. The SEMC is the decision making authority for the Single Electricity Market (SEM) matters on the Island of Ireland. The High Court judgement is not a settlement and the ambiguity surrounding the basis of calculation has not been resolved following the issuance of the final high court orders. The Supreme Court appeal will require significant time before a decision is reached. Given the complexity, a further regulatory consultation may then also be required, legal advice will need to be obtained and any market modifications proposals will need to be approved by the SEM committee.

Therefore, management continues to recognise the provision at 30 September 2024 in line with their interpretation of the March 2022 SEMC decision. The potential liability under the current interpretation of the SEMC decision is estimated to be €100.9m of which €65.2m is expected to be recovered through the EirGrid TSO tariff and €35.7m through the SEM imperfection tariff. The prior year provision has assumed that the full compensation would be paid and recovered through SEM so a corresponding receivable was recognised in respect of the full provision resulting in no impact to the income statement.

21. Provisions (Continued)

The Regulator has confirmed in discussions in 2023/24 that an element of the compensation to be paid for Article 13.7 under the SEMC 2022 decision should be paid by the TSO. As a result, the €65.2m has been derecognised from receivables and recognised as a direct cost in the profit and loss account as the prior year assumptions in respect of the recovery mechanism has changed. The recoverable amount in relation to the portion of the provision attributable to the SEM recovery of €35.7m (2023: €106.5m) has been included in trade and other receivables in Note 16 consistent with the prior year.

(b) Other Provision

The Group has recognised a provision in respect of a potential liability of €22.7m (2023: €45.5m) related to compensation that may be due. The determination of the provision is subject to judgement which has been made after taking into consideration the current circumstances, our experience of similar cases and advice from our legal experts both internally and externally. The final impact and timing of payments is uncertain at this point, however, should any legal proceedings result in compensation for affected parties, it will be paid after the relevant legal processes have concluded. This is expected to be paid within 12 months from the balance sheet date. In the event compensation is due, we would expect the payment would be covered by funds held on the Group Balance Sheet. Accordingly, a recoverable amount of €22.7m (2023: €45.5m) has been included in Trade and other receivables in Note 15.

22. Capital Commitments

	30 Sep 2024 € '000	30 Sep 2023 € '000
Expenditure contracted for, but not provided for in the Financial Statements	556,400	653,900

The Groups share of the Celtic Interconnector project capital commitments are included which is a joint arrangement between EirGrid plc and Réseau De Transport D'Électricité ('RTE')

23. Contingent Liabilities

The Company is not aware of any contingent liabilities at the financial year end.

24. Retirement Benefits Obligations

Defined Benefit Schemes

On 1 October 2023, SONI limited was deconsolidated from the Group as outlined in Note 6. As a result, disclosures related to the SONI Focus Plan are not required for the current reporting period but the comparative information is disclosed.

The Group operates a defined benefit arrangement for qualifying employees (the 'EirGrid Fund').

The Group's pension scheme in Ireland, the EirGrid Fund, operates under Irish trust law and is managed and administered on behalf of its members in accordance with the terms of the underlying trust deed; scheme regulations; and Irish legislation (principally the Pensions Act 1990). Under Irish legislation a defined benefit pension scheme is required to build up and maintain enough funds to pay members their pension entitlements should the scheme be wound up. Pension scheme trustees are required to obtain regular actuarial valuations and reports, put in place a Funding Proposal addressing any statutory funding shortfall and submit same to the Irish Pensions Authority for approval (where relevant). If a surplus arises in the scheme, EirGrid has an unconditional right to realise the schemes assets at some point during the life of the plan or when the plan is settled.

The EirGrid Fund closed to new entrants with effect from 1st April 2019. New entrants in EirGrid plc were eligible to join an interim group Personal Retirement Savings Account (PRSA) arrangement from 1st April 2019 and all new entrants from August 2021 are eligible to join the new defined contribution scheme.

Under the EirGrid Fund, eligible employees are entitled to receive a pension and lump sum on retirement. A survivor's pension and/or lump sum may also be payable on death under the DB Schemes. Retirement benefits payable are based on salary and length of service.

The EirGrid Fund is administered by a separate trust that is legally separated from the Group. The trusteeship of the DB Scheme is currently executed by a combination of Member Nominated Trustees and Company Nominated Trustees. The DB Schemes' trustees are required to act in accordance with the governing trust documentation and have a fiduciary responsibility to act in the best interests of the respective beneficiaries of the DB Schemes. A non-exhaustive list of the DB Scheme's trustee duties includes; the collection and investment of contributions, determining investment strategy, administration of benefits and acting in good faith and in accordance with the DB Schemes' trust documentation.

There were no amendments or material curtailments and settlements in respect of the EirGrid Fund during the financial year.

24. Retirement Benefits Obligations (Continued)

The DB Schemes expose the Group to risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the DB Schemes' liability is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on DB Schemes' assets is below this rate, it will create an accounting disclosure deficit (all else being equal).
Interest rate risk	The present value of the DB Schemes' liability is calculated using a discount rate determined by reference to high quality corporate bond yields at the measurement date. A decrease in corporate bond yields will increase the DB Schemes' liability (all else being equal).
Longevity risk	The present value of the DB Schemes' liability is calculated by reference to the best estimate of the mortality of DB Schemes' participants both during and after their employment. An increase in the life expectancy of the DB Schemes' participants will increase the DB Schemes' liability (all else being equal).
Salary risk	The present value of the DB Schemes' liability is calculated by reference to assumptions around future salaries for the DB Schemes' participants. As such, an increase in the salary of the DB Schemes' participants (relative to the chosen assumption) will increase the DB Schemes' liability (all else being equal).

Defined Contribution Schemes

As the EirGrid Fund closed to new entrants in 2019, it set up a Defined Contribution Scheme (the 'EirGrid DC Scheme'). The defined contributions paid by EirGrid plc amounted to €1.8m (2023: €1.4m). €0.4m (2023: €0.3m) of contributions were accrued and remain unpaid at year end.

SONI Defined Benefit scheme – 2023 disclosure

The SONI Focus Section has been closed to new members since 1998, other than for the purpose of admitting staff as a consequence of the transfer of the planning function in Northern Ireland in prior years, the Group also operates an approved defined contribution scheme, the 'SONI Options Section' (which is a defined contribution section of the SONI Pension Scheme for employees of SONI Limited). Contributions are paid by the members and SONI Limited at fixed rates. The benefits secured at retirement reflect each employee's accumulated fund and the cost of purchasing benefits at that time. Death benefits are insured on a group basis and may be paid in the form of a lump sum and/or survivor's pension. The assets of the SONI Options Section are held under trust and are separate from those of the Group. The only obligation of SONI Limited with respect to the SONI Options Section is to make the specified contributions and pay administration expenses. Obligations for contributions to the SONI Options Section are recognised as an expense in the Income Statement as incurred.

24. Retirement Benefits Obligations (Continued)

The SONI Focus Section operates under UK trust law and is managed and administered on behalf of its members in accordance with the terms of the trust deed, the scheme rules and UK legislation (principally the Pensions Act 1993, the Pensions Act 1995 and the Pensions Act 2004). Under UK legislation a defined benefit pension scheme is required to meet the statutory funding objective of having sufficient and appropriate assets to cover its liabilities. Pension scheme trustees are required to: prepare a Statement of Funding Principles; obtain regular actuarial valuations and reports; put in place a Schedule of Contributions and where relevant, Recovery Plan addressing any funding shortfall; and send regular Summary Funding Statements to members of the pension scheme. If a surplus arises in the scheme, SONI does not have an unconditional right to realise the schemes assets at some point during the life of the plan or when the plan is settled.

Under the SONI Focus Section, eligible employees are entitled to receive a pension on retirement.

Defined Benefit Schemes – Liabilities

The most recent actuarial valuations of the assets and the present value of the defined benefit obligations were carried out at 30 September 2024 for the EirGrid plan, under the requirements of International Accounting Standard 19: Employee Benefits (IAS 19). The present values of the defined benefit obligations, and the related current service costs and past service costs, were measured using the Projected Unit Credit Method.

The amount included in the Balance Sheet arising from the obligations in respect of these defined benefit plans are as follows:

	Total EirGrid Plan 30 Sep 2024 € '000	Total 30 Sep 2023 € '000	EirGrid Plan 30 Sep 2023 € '000	SONI Focus Plan 30 Sep 2023 € '000
Present value of funded defined benefit obligations that are wholly or partly funded	150,174	172,165	144,127	28,038
Fair value of Schemes' assets at end of year	(171,355)	(182,058)	(154,772)	(27,286)
Net (Asset)/liability	(21,181)	(9,893)	(10,645)	752
Deferred tax on net pension obligation (Note 8)	2,648	1,142	1,330	(188)
Net (Asset)/Liability after Deferred Tax	(18,533)	(8,751)	(9,315)	564

The amounts in the Consolidated Income Statement may be analysed as follows:

	Year to 30 Sep 2024 Number	Year to 30 Sep 2023 Number
Current service cost	3,402	3,937
Net interest income	(544)	(770)
Employer pension cost capitalised	(610)	(990)
Amount included in other operating costs relating to defined benefit schemes	2,248	2,177

24. Retirement Benefits Obligations (Continued)

The amounts recognised in the Consolidated Statement of Comprehensive Income are as follows:

	Total EirGrid plan Year to 30 Sep 2024 € '000	Total Year to 30 Sep 2023 € '000	EirGrid plan Year to 30 Sep 2023 € '000	SONI Focus plan Year to 30 Sep 2023 € '000
Remeasurement of net defined benefit liability:				
Actuarial gain/(loss) arising on Schemes' assets	8,522	(9,685)	(6,959)	(2,726)
Actuarial gain/(loss) arising from changes in demographic assumptions	2,041	(108)	(939)	831
Actuarial (loss)/gain arising from changes in financial assumptions	(3,368)	4,848	2,828	2,020
Actuarial gain/(loss) arising from experience adjustments	1,345	(4,901)	(1,839)	(3,062)
Asset ceiling restriction	–	1,174	–	1,174
Amount included in the Consolidated Statement of Comprehensive Income	8,540	(8,672)	(6,909)	(1,763)

Movements in the present value of the defined benefit obligations in the current financial year were as follows:

	EirGrid plan 30 Sep 2024 € '000	EirGrid plan 30 Sep 2023 € '000	SONI Focus plan 30 Sep 2023 € '000
Present value of defined obligation at beginning of year	144,127	135,957	26,718
Current service cost including contributions by Schemes' participants	4,465	4,937	196
Interest cost	5,801	4,995	1,383
Actuarial gain/(loss) arising from changes in demographic assumptions	(2,041)	939	(831)
Actuarial loss/(gain) arising from changes in financial assumption	3,368	(2,828)	(2,020)
Actuarial gain/(loss) arising from experience adjustments	(1,345)	1,839	3,031
Benefits paid	(4,201)	(1,712)	(1,347)
Exchange differences	–	–	908
Present value of defined benefit obligation at end of year	150,174	144,127	28,038

24. Retirement Benefits Obligations (Continued)

Movements in the present value of the plan assets in the current financial year were as follows:

	EirGrid plan 30 Sep 2024 €'000	EirGrid plan 30 Sep 2023 €'000	SONI Focus plan 30 Sep 2023 €'000
Fair value of Schemes' assets at beginning of year	154,772	149,329	27,828
Interest Income	6,346	5,679	1,470
Gains/(losses) on Schemes' assets	8,522	(6,959)	(2,726)
Contributions by the Companies	4,853	7,260	1,393
Contributions by Schemes' participants	1,063	1,175	21
Administration costs	–	–	(291)
Benefits paid	(4,201)	(1,712)	(1,347)
Exchange differences	–	–	938
Fair value of Schemes' assets at end of year	171,355	154,772	27,286

The major categories of plan assets at the Balance Sheet date for each category are as follows:

Fair Value	EirGrid plan 30 Sep 2024 €'000	EirGrid plan 30 Sep 2023 €'000	SONI Focus plan 30 Sep 2023 €'000
Equities	48,465	48,700	8,033
Bonds & Gilts	86,568	59,600	18,850
Property	12,588	13,700	–
Cash	2,879	8,600	–
Alternatives	17,028	20,300	–
Annuities	3,827	3,872	–
Other	–	–	403
Fair value of plan assets	171,355	154,772	27,286

For the EirGrid plan assets all except annuities €167.6m (2023: €150.9m) have quoted market prices in an active market. The Annuities €3.8m (2023: €3.9m) have no quoted market prices in an active market. The Group expects to pay contributions of €4.4m (2023: €4.6m) for the EirGrid Plan in the financial year to 30 September 2024. The actual return on the EirGrid Plan scheme assets was a gain of €14.9m (2023: 1.3m loss).

For the SONI Focus plan assets all categories for 2023 of €27.3m have quoted market prices in an active market. Contributions were €1.2m in 2023 for the SONI Focus Plan and the actual return on the SONI Focus Plan scheme assets in 2023 was a loss of €1.2m.

The actual return on Group scheme assets was a gain of €14.9m (2023: €2.5m loss).

24. Retirement Benefits Obligations (Continued)

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Valuation method	EirGrid plan 30 Sep 2024 Projected Unit	EirGrid plan 30 Sep 2023 Projected Unit	SONI Focus plan 30 Sep 2023 Projected Unit
Discount rate	3.45%	4.05%	5.45%
State pension increase	1.95%	2.45%	–
Salary increases	2.45% Plus scale	2.95% Plus scale	3.75% Plus scale
Pension increases	2.15%	2.65%	3.2%
Inflation	2.2%	2.7%	3.5%
Post-retirement life expectancy for those retiring at age 65 in 2039:			
– Men	24.7 years	24.6 years	24.3 years
– Women	26.5 years	26.4 years	26.2 years

The discount rate used by the plan actuary in the calculation of the EirGrid plan pension liability at the year end was 3.45% (2023: 4.05%). The EirGrid plan discount rate was based on the redemption yield on Euro denominated high quality corporate bonds extrapolated to an approximate duration of 23 years (2023: 23 years).

The discount rate used by the plan actuary in the calculation of the SONI plan pension liability in the prior year was 5.45% for the SONI Focus plan. The SONI Focus plan prior year discount rate was based on the redemption yield on Sterling denominated high quality corporate bonds extrapolated to an approximate duration of 13 years. This is consistent with the estimated term of the post-retirement benefit obligations.

There are inherent uncertainties surrounding the financial and demographic assumptions adopted by the Group. As an indication of the impact of changes in actuarial assumptions, a 50 basis point decrease in discount rates would increase the net pension plan liability by approximately 12% (2023: 11%).

Funding Requirements and Future Cash Flows

An ongoing funding valuation of the EirGrid Fund is required every three years to review the contribution rate required to fund future benefits. The most recent actuarial valuation was carried out as at 1 January 2023. The contribution rate required to fund the future service liabilities for the current active pension members is adjusted to take account of the value of any past service surplus or deficit which exists in the EirGrid Fund.

The Funding Standard position (the statutory minimum funding requirement) of the EirGrid Fund is reviewed annually. Where an Irish defined benefit scheme does not have sufficient assets to satisfy the Funding Standard, accelerated funding, in the form of a Funding Proposal may be required. As the EirGrid Fund meets the Funding Standard, no such Funding Proposal is required.

25. Borrowings

Details of the Group's interest-bearing loans and borrowings are outlined below.

	Total 30 Sep 2024 € '000	Repayable by instalments 30 Sep 2024 € '000	Repayable other than by instalments 30 Sep 2024 € '000	Total 30 Sep 2023 € '000	Repayable by instalments 30 Sep 2023 € '000	Repayable other than by instalments 30 Sep 2023 € '000
Repayable by instalments						
Repayable within one year:						
Bank loans	39,167	21,067	18,100	33,981	20,129	13,852
Total current borrowings	39,167	21,067	18,100	33,981	20,129	13,852
Repayable after more than one year:						
Between one and two years	22,145	22,145	–	21,067	21,067	–
Between two and five years	116,659	96,659	20,000	93,121	93,121	–
In five years or more	337,628	337,628	–	286,698	286,698	–
Total non-current borrowings	476,432	456,432	20,000	400,886	400,886	–
Total borrowings outstanding	515,599	477,499	38,100	434,867	421,015	13,852

The terms of outstanding loans are as follows:

	Financial year of maturity	At start of year €'000	Subsidiary deconsolidation (Note 6) €'000	Cashflow €'000	Non cash €'000	At end of year* €'000
Unsecured term loans						
EWIC [EirGrid Interconnector DAC]	EUR	2030	–	(8,669)	213	57,931
EWIC [EirGrid plc]	EUR	2035	–	(11,460)	–	160,258
Celtic [EirGrid plc]	EUR	2052	–	38,200	–	129,655
Celtic [EirGrid plc]	EUR	2052	–	38,200	–	129,655
		421,015	–	56,271	213	477,499
Revolving credit facilities						
EirGrid RCF (EirGrid plc)	EUR	2028	–	20,000	–	20,000
SONI [SONI Ltd]	STG	11,543	(11,543)	–	–	–
EirGrid SEMO RCF [EirGrid plc]	EUR	2025	(2,309)	18,100	–	18,100
		13,852	(13,852)	38,100	–	38,100
Total		434,867	(13,852)	94,371	213	515,599

*Balances net of any unamortised debt issuance costs.

25. Borrowings (Continued)

EWIC term loans

Borrowings by the subsidiary undertaking, EirGrid Interconnector DAC are guaranteed by EirGrid plc through a cross-guarantee structure. The bank loans are unsecured loans. A proportion of the loans has been converted from floating interest rate which is based on euribor plus a margin to fixed interest rate by using interest rate swap contracts, see Note 26 for further details.

Celtic term loans and credit facility

The Celtic Interconnector project achieved Financial Investment Decision on 7 November 2022. On 15 November 2022 the €800m funding facilities were executed by all lenders which consists of term loans of €600m and revolving credit facilities of €200m. €261.8m of the term loan was drawn at year end and the revolving credit facility remained unutilised. The term loans are used solely for the construction of the project and the RCF will be used for bridging working capital purposes. The bank loans are unsecured loans and has a remaining term of 29 years which covers the remaining 4 years of the construction period and 25 years of the operational life. €300m of the term loan is fixed based on a rate of 3.4% plus a margin and €300m is variable/floating interest rate based on Euribor plus a margin.

€282m of the term loan has been converted from floating interest rate to fixed interest rate by using interest rate swap contracts, see Note 26 for further details.

SEMO credit facilities

€150m credit facilities were put in place for the go-live of the new SEM. €37.5m of the facility can also be used to fund the EirGrid TSOs DS3 programme. At year end, EirGrid have drawn down €18.1m (2023: €nil) from these revolving credit facilities to fund working capital requirements relating to DS3 costs.

EirGrid plc credit facility

In July 2023, EirGrid plc put in place an RCF of €200m in August 2023 with a €100m accordion to manage short-term cash deficits stemming from timing disparities between the incurrence of costs and regulatory recovery. There was €20m (2023:€nil) drawn down from these credit facilities at year end.

Unutilised borrowing facilities

The Group had unutilised borrowing facilities of €950.1m (2023: €1,012.2m) at the Balance Sheet date. €538.2m (2023: €614.4m) is unutilised borrowings for the Celtic project; €131.9m (€200.0m) is unutilised borrowings which have been arranged in order that the Group has sufficient standby facilities to meet unbudgeted/unexpected constraint and DS3 payments and €280m is an unutilised revolving credit facility (includes a €100m accordion) to manage short term working capital needs.

26. Categories of Financial Assets and Financial Liabilities

Carrying Amount	Financial assets at amortised costs € '000	Financial liabilities at amortised cost € '000	Fair value through OCI € '000	Total € '000
30 Sep 2024				
Trade & other receivables	347,732	–	–	347,732
Deferred project costs	77,898	–	–	77,898
Short term deposits	134,551	–	–	134,551
Cash and cash equivalents	714,371	–	–	714,371
Trade & other payables	–	(482,995)	–	(482,995)
Borrowings	–	(515,599)	–	(515,599)
Lease liabilities	–	(32,626)	–	(32,626)
Derivative financial instruments (Note 26)	–	–	(35,346)	(35,346)
Total	1,274,552	(1,031,220)	(35,346)	207,986
30 Sep 2023				
Investments	–	–	356	356
Trade & other receivables	430,328	–	–	430,328
Deferred project costs	92,525	–	–	92,525
Short term deposits	50,206	–	–	50,206
Cash and cash equivalents	773,407	–	–	773,407
Trade & other payables	–	(489,727)	–	(489,727)
Borrowings	–	(434,867)	–	(434,867)
Lease liabilities	–	(34,793)	–	(34,793)
Derivative financial instruments (Note 26)	–	–	3,638	3,638
Total	1,346,466	(959,387)	3,994	391,073

Assets & liabilities held at fair value	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000
30 Sep 2024				
Investments (Note 11)	–	–	62,099	62,099
Derivative financial instruments (Note 26)	–	(35,346)	–	(35,346)
Total	–	(35,346)	62,099	26,753
30 Sep 2023				
Investments (Note 11)	–	–	356	356
Derivative financial instruments (Note 26)	–	3,638	–	3,638
Total	–	3,638	356	3,994

26. Categories of Financial Assets and Financial Liabilities (Continued)

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Estimation of fair values

The principal methods and assumptions used in estimating the fair values of financial assets and liabilities are explained below.

Investments

Investments in equity instruments are measured at fair value. The valuation process involved estimating the present value of expected future cash flows, market multiples and other relevant techniques. The valuation is sensitive to a number of variable factors including but not limited to market conditions, discount rates, financial performance of the investee and assumptions on terminal value. Management continues to monitor these factors closely to ensure that fair value estimates reflect the current conditions and expectations. Changes in key assumptions or inputs could result in material variations in the valuation in future reporting periods.

Although certain observable inputs were used in valuing the investment the valuation relies significantly on unobservable inputs and is therefore classified as level 3. The fair value of the investment is determined using a valuation methodology weighted equally between a discounted cash flow ('DCF') approach and adjusted market multiples. Level 2 inputs used in the valuation include observable market data such as risk free rates, corporate bond yields, market derived cost of equity and debt for calculating the weighted average cost of capital and industry market multiples based on comparable companies. Level 3 inputs include unobservable entity specific risk factors, exit multiples for terminal value calculations and adjusted EBITDA to reflect the investments regulatory business. The use of these unobservable inputs results in the investment being classified under level 3 of the fair value hierarchy.

The fair value of the investment at year end is sensitive to changes in key unobservable inputs:

- Discount rate in the DCF – A 1% increase/decrease in the discount rate would (decrease)/increase the fair value by (€1.9m)/€2.0m;
- Exit multiple growth rate in the DCF – An exit multiple increase/(decrease) of 1 would increase/decrease the fair value by €2.3m/(€2.3m);
- EBITDA multiple – An EBITDA multiple increase of 1 would increase/(decrease) the fair value by €4.4m/(€4.4m).

26. Categories of Financial Assets and Financial Liabilities (Continued)

These inputs are interrelated; for instance, an increase in the discount rate may accompany changes in market risk perception potentially impacted adjusted EBITDA.

The fair value of investments has increased from €0.4m to €63.0m as SONI Limited is now measured as an equity investment at fair value which has resulted in a gain in the income statement on initial deconsolidation and an other comprehensive loss arising from the valuation at year end as outlined further in Note 6.

Trade & other receivables/payables & deferred project costs

For the receivable and payables, a carrying amount less impairment allowances, where appropriate, is a reasonable approximation of fair value.

Cash and cash equivalents

For short term bank deposits and cash and cash equivalents, the carrying value is deemed to reflect a reasonable approximation of fair value.

Borrowings

The fair value is calculated based on discounted future principal and interest cash flows and there is no material difference between the fair value and carrying value.

Derivative financial instrument (Interest rate swaps)

The fair value of the Group's interest rate swaps at the reporting date are determined by discounting the future cash flows using market observable interest rate curves at the reporting date and hence are considered to be Level 2 instruments. There have been no transfers between valuation levels during the year.

The banks who hold the derivatives have high credit ratings so the exposure to credit risk is deemed immaterial. The Group has evaluated the credit adjustments necessary and adjusted the valuations accordingly. The Group has remained in a stable credit and financial position throughout the financial year ended 30 September 2024 and has also evaluated the debit adjustment required and adjusted the valuations accordingly.

Capital management

EirGrid plc upon the vesting of the transmission system operator had capital introduced under the Transfer Scheme dated 1 July 2006. This capital forms the core capital of the Group. There have been no changes to the core capital of the Group during the financial year. Any changes to the capital structure are subject to approval of the Minister for Environment, Climate and Communications.

The Group is funded on an ongoing basis through the regulatory tariff regime. The Group has put in place bank facilities to manage liquidity and cash flow to allow for timing mismatches between regulatory tariff receipts and working capital requirements.

26. Categories of Financial Assets and Financial Liabilities (Continued)

Significant capital expenditure projects are funded through external borrowings and subject to approval by the Minister. The Group's borrowing powers are set through legislation and individual borrowings are subject to approval by the Minister. On 14 March 2008, the Electricity Regulation (Amendment) (EirGrid) Act 2008 was signed into Irish Law. Primarily this Act empowered the Group to construct the East West Interconnector and also increased the borrowing powers of the Group to a limit of €750m. Section 13 of the EirGrid, Electricity and Turf (Amendment) Bill 2022 amends section 6 of the Electricity Regulation (Amendment) (EirGrid) Act 2008 which provides for an increased borrowing limit for EirGrid of up to €3 billion. The amendment helps to strengthen the National Grid as part of 'Shaping Our Electricity Future' and to deliver the Celtic (Ireland-France) Interconnector.

The Group's policy is to secure a low, stable, acceptable cost of funds over time, subject to acceptable levels of risk. The Group also maintains a balanced maturity profile in relation to its core borrowing portfolio so as to avoid peaked repayments and refinancing risk.

Further details of the borrowing facilities and the related hedging strategies are set out below.

Overview of financial risk management

There are no significant concentrations of risk, and there has been no significant changes during the financial year or after year end in the types of financial risk the Group faces or in how the Group manages those risks. However, following the deconsolidation of SONI Limited, the financial risks associated with SONI are no longer managed by the EirGrid Board.

The Group's funding, liquidity and exposure to interest and foreign exchange rate risks are managed by the Group's treasury function. Policies to protect the Group from these and other risks are regularly reviewed and approved by the Board.

The key financial risks to which the Group is exposed relate to liquidity, capital, market (including interest rate) and capital risk both arising from day to day operations and from key capital expenditure projects.

The Group manages its liquidity and capital risk for day to day operations through the regulatory process for establishing tariffs with the Commission for Regulation of Utilities (CRU) through internal budgeting and monitoring of variances. The Group has negotiated stand-by facilities with various banks to support cash flow projections and requirements.

For capital expenditure, the Group has in place key expenditure approval and project management processes.

26. Categories of Financial Assets and Financial Liabilities (Continued)

Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from the counterparties with whom it holds its bank accounts. The Group mitigates its exposure by spreading funds across a number of financial institutions which have a sovereign guarantee on customer deposits or have a credit rating from an independent rating agency consistent with the treasury policy approved by the Board. The Group is also exposed to counterparty risk on undrawn facilities and interest rate swap instruments. Consistent with our Treasury Policy the Group deals only with counterparties with high credit ratings to mitigate this risk. Management does not expect any significant counterparty to fail to meet its obligations. The maximum exposure to credit risk is represented by the carrying amount of each asset.

For the balancing market, under the terms of the Trading and Settlement Code for the Single Electricity Market ('SEM') each participant is required to provide credit cover at a level notified to it by the Market Operator. Such credit cover can be provided by means of an irrevocable standby letter of credit or a cash deposit held in a SEM collateral reserve account (security accounts held in the name of market participants). Any bad debt arising in the SEM, to the extent that it exceeds the available credit cover, is shared by market participants and is not borne by the Market Operator. SEMO market participant trade receivables included in Group other receivables as at 30 September 2024 were €10.5m (2023: €17.1m). Other payables include €108.4m (2023: €115.2m) owed to the market in respect of market surplus. The market balance arises mainly as a result a mismatch between the budgeted tariff income rate versus actual constraint costs which vary each year due to the unpredictable nature of the balancing market. The market balances are settled via a k-factor tariff adjustment in future years.

EPEX manages the day ahead and intraday markets for SEMOpx. The European Commodities Clearing (ECC) performs the clearing and settlement of the SEMOpx power exchange and takes financial responsibility for all concluded trades. ECC maintain collateral requirements with the exchange members and their clearing banks with any bad debt borne by ECC as the counterparty.

Appropriate arrangements are also in place to effectively manage the Group's credit risk arising from its Transmission System Operator activities. All users must deliver to the Group and subsequently maintain security for payment of all monies due to the Group under the Use of System Agreement ('Security Cover') in the form of a letter of credit or a cash deposit.

FTR market participants are governed by JAO's allocations rules. Those allocation rules mandate either a bank guarantee or cash deposit.

The deferred project costs are recovered from the transmission asset owner which are governed by agreements which facilitates the operational interaction between the TSOs and TAOs. Those agreements ensure that the TSO is not exposed to any credit risk from the recovery of the project costs.

26. Categories of Financial Assets and Financial Liabilities (Continued)

The Group applies the simplified approach to providing expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets. An allowance matrix is used to measure the ECLs of the trade receivables but there is no exposure to default due to the credit risk management policies set out above. As a result the loss allowance at 30 September 2024 was nil.

The average credit period on trade receivables is two months. The ageing profile of these past due but not impaired balances is:

	30 Sep 2024 € '000	30 Sep 2023 € '000
60 to 90 days	–	–
90 to 120 days	–	–
Greater than 120 days	–	–
Total	–	–

27. Derivative Financial Instruments and Financial Risk Management

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Compliance with the Group's debt covenants is monitored continually based on management accounts.

The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe. All trade payables at the reporting date are within this credit timeframe. Where the Company causes the late payment of an invoice, interest is paid to the supplier.

The Group has access to funding facilities, the total unutilised amount of which was €950.1m at the Balance Sheet date (2023: €1,012.2m). €538.2m (2023: €614.6m) is unutilised borrowings for the Celtic project; €131.9m (€200.0m) is unutilised borrowings which have been arranged in order that the Group has sufficient standby facilities to meet unbudgeted/unexpected constraint and DS3 payments and €280.0m (includes a €100m accordion) is an unutilised revolving credit facility to manage short-term working capital needs.

27. Derivative Financial Instruments and Financial Risk Management (Continued)

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Less than 1 month € '000	1 to 12 months € '000	1 to 5 years € '000	Greater than 5 years € '000	Total € '000
30 Sep 2024					
Trade & other payables	42,030	399,054	–	–	441,084
Lease liabilities including interest	–	3,620	14,394	17,216	35,230
Borrowings including interest	–	41,734	219,809	888,234	1,149,777
Total	42,030	444,408	234,203	905,450	1,626,091
30 Sep 2023					
Trade & other payables	46,561	319,012	–	–	365,573
Lease liabilities including interest	–	2,958	14,819	20,517	38,294
Borrowings including interest	–	52,252	211,694	938,084	1,202,030
Total	46,561	374,222	226,513	958,601	1,605,897

The cash flow hedges are expected to occur and affect the income statement over a period of 12 years and 29 years.

The amounts recognised and reclassified out of the cash flow hedge reserve are as follows:

	30 Sep 2024 € '000	30 Sep 2023 € '000
Gains arising during the year	(37,744)	11,992
Released during the year	(1,240)	3,448
Total	(38,984)	15,440

27. Derivative Financial Instruments and Financial Risk Management (Continued)

Market Risk

Interest rate risk management

The Group are exposed to interest rate risk as they borrow funds at floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings through the use of interest rate swap contracts.

The interest rates swap asset at year end was a €35.3m liability (2023: €3.6m asset). The notional amount on the EWIC swaps was €205.7m (2023: €224.2m) at an interest rate of 3.8% (2023: 3.8%) which hedged the unsecured term loan facilities of €218.2m (2023: €239.5m). €282m of the €600m Celtic term loan is hedged. The notional amount on the Celtic swaps was €130.9m (2023: €92.7m) at an interest rate of 3.4% which hedged the unsecured term loan facilities of €130.9m (2023: €92.7m).

Under interest rate swap contracts, the Group agree to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of the cash flow exposure on the issued variable rate interest on borrowings.

The Group's interest rate swaps settle periodically and the floating rates are reset between a three and six monthly basis. The Group will pay or receive the difference between the fixed and floating interest rate on a net basis.

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings. The net settlements under the interest rate swaps and the interest payments on the borrowings occur simultaneously. The amount deferred in equity is recognised in profit or loss over the period that the floating rate interest payments on debt impact profit or loss.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the combined exposure to interest rates for borrowings and derivative instruments at the Balance Sheet date. A 50 basis point increase or decrease is used when reporting interest rate risk and represents management's assessment of reasonably possible changes in interest rates. A 50 point basis point is considered a reasonable approximation of potential short term fluctuations based on historical trends in market interest rates. It is deemed to be a material and relevant assumption that appropriately reflects potential impact on the Groups performance without overstating or understating potential exposure.

If current and forward interest rates had been 50 (2023: 50) basis points higher/lower and all other variables were held constant, the Group's:

- Profit for the financial year to 30 September 2024 would have been impacted by €nil (2023: €nil); and
- Other equity reserves would have been impacted by €21.8m/(€23.6m)/(2023: €20.7m/(€21.7m)), mainly as a result of changes in the fair value of its cash flow hedges.

27. Derivative Financial Instruments and Financial Risk Management (Continued)

Foreign currency exchange risk management

The Group was exposed to foreign currency risk through the operations of SONI Limited in the prior year and continues to be exposed to risk through UK Holdings Limited. Both entities were incorporated in Northern Ireland, which have a Sterling functional currency. The risk arising from SONI Limited with Sterling functional currencies was partially mitigated by the majority of both revenue and expenditure from UK operations being denominated in Sterling. The Group had sought to further reduce this exposure by funding operations in Northern Ireland using Sterling borrowings. The foreign exchange translation risk has been reduced significantly following the deconsolidation of SONI Limited.

Foreign currency exchange sensitivity analysis

The sensitivity analyses below have been determined based on the Group's exposure to its Sterling operations as at the Balance Sheet date. The SONI TSO segment (SONI TSO and UK Holdings Limited) in the prior year recorded a loss before tax of €37.5m and the UK Holding Limited entity (shown under EirGrid TSO segment in the current year) recorded a loss before tax of €1.1m in the current year. A 20% increase or decrease has been used when reporting foreign currency exchange risk and represents management's assessment of reasonably possible changes in exchange rates.

If exchange rates had been 20% higher/lower and all other variables were held constant, the Group's profit before tax for the year to 30 September 2024 would be €11.2m higher/lower (2023: €1.4m higher/lower). Other equity reserves would have been impacted by €3.9m (2023: €2.8m).

28. Related Party Transactions

EirGrid plc is an Irish commercial state organisation, and as such is a related party of the Government of Ireland. Brendan Tuohy, Martin Corrigan and Michael Behan hold one share each in the share capital of the Company on behalf of the Minister for Public Expenditure and Reform, one ordinary share of the Company is held by the Minister for Environment, Climate and Communications and the remainder of the issued share capital is held by the Minister for Public Expenditure and Reform, or on his behalf.

Board members had no beneficial interest in the Group at any time during the year.

In common with many other entities, the Group deals in the normal course of business with other Government sponsored bodies such as ESB so the major transactions are disclosed below.

An Infrastructure Agreement is in place between the Group and ESB under the auspices of the Commission for Regulation of Utilities (CRU), in relation to the roles of owner and operator of the transmission system. The charges to the Consolidated Income Statement under this Agreement were as follows:

	Year to 30 Sep 2024 € '000	Year to 30 Sep 2023 € '000
Transmission asset owner charge	324,839	275,895

At 30 September 2024 a total of €59.9m (2023: €52.9m) was payable to ESB under this Agreement. The movement in this balance was as follows:

	30 Sep 2024 € '000	30 Sep 2023 € '000
Opening balance	52,908	38,228
Charges during the year	354,075	300,726
Payments made during the year	(347,085)	(286,046)
Closing balance	59,898	52,908

This outstanding balance is unsecured and payable in cash and cash equivalents.

28. Related Party Transactions (Continued)

On 7 July 2022, the Commission for Regulation of Utilities ('CRU') gave a direction to EirGrid plc under regulation 28(10) of the European Communities to deliver additional temporary emergency electricity generation capacity for the period of winter 2023-2024 to winter 2025-2026 and if needed to the end of winter 2026-27. In order to enable EirGrid plc to comply with the Direction, the Minister for the Environment, Climate and Communications provided a grant of €151.0m in 2022. (See Note 18 for further details). The Group has entered into contracts that procure the delivery of temporary emergency generation assets. EirGrid plc and EirGrid 2022 SPV DAC entered into a Services Agreement, Asset Sale Agreement and Novation agreement with ESB in the prior year. The Group incurred Temporary Emergency Generation direct costs of €197.2m (2023: €121.7m). Included in trade payables is €nil (2023: €16.6m) payable to ESB and there was €13,8m (2023: €37.9m) included in accruals in respect of these agreements. Included in other receivables is an ESB receivable with a carrying value of €171.1m related to the asset sale agreement which has been discounted using a discount rate of 4.09% which reflects the prevailing market rate of interest for a similar instrument with a similar credit rating.

SONI Transmission System Operator (SONI TSO), which is licensed by the Utility Regulator Northern Ireland (UR) is a related party of EirGrid plc as its owned 100% by EirGrid UK Holdings which is a subsidiary of EirGrid plc. SONI Limited was consolidated as a subsidiary of EirGrid plc in the prior year. It has been recognised as an investment at fair value in the current year following its deconsolidation arising from the governance changes which were required as a result of the UR's SONI Governance decision, which is outlined further in Note 6.

At 30 September 2024, a total of €4.4m was payable by SONI Limited to EirGrid plc. The movement in this balance was as follows:

	30 Sep 2024 € '000
Balance arising from deconsolidation	4,610
Movements during the year	(217)
Closing balance	4,393

EirGrid plc has a cost allocation policy to ensure that costs are recharged to the correct licensee or sub company. Costs such as corporate services, facilities and headcount costs are recharged based on a systematic allocation methods while capital expenditure costs are generally allocated in line with specific arrangements approved by the regulator. This approach ensures compliance with the regulatory requirements and ensures fair cost distribution. In the UR Governance Decision, the UR stated that the principal obligation of Part B of Condition 42 is "that the Licensee (SONI TSO) must ensure that all activities carried out by it in the course of the Transmission System Operator business are carried out by means of separate management and separate resources. The SONI demerger process is underway and during the transition period, the share of costs and recharges will apply to those functions that continue to be shared.

29. Post Balance Sheet Events

There have been no other events between the reporting date and the date on which the financial statements were approved by the Board, which would require disclosure in and/or adjustment to the financial statements.

30. Approval of Financial Statements

The Board approved the Financial Statements on 24 January 2025.

Company Financial Statements

Company Balance Sheet As At 30 September 2024

Notes	30 Sep 2024 € '000	30 Sep 2023 € '000
Non-Current assets		
Investments in subsidiaries	31 (E) 155,761	155,761
Other investments	31 (G) 325	325
Intangibles	31 (H) 69,019	43,502
Property, plant & equipment	31 (I) 262,140	85,945
Right of use assets	31 (J) 18,257	21,001
Retirement benefit asset	31 (S) 21,181	10,645
Total non-current assets	526,683	317,179
Trade and other receivables: amounts falling due after more than one year	31 (K) 299,299	393,329
Current assets		
Cash and cash equivalents	31 (L) 684,336	683,504
Trade and other receivables	31 (M) 809,072	601,670
Total current assets	1,493,408	1,285,174
Trade and other payables: amounts falling due within one year	31 (N) (1,004,180)	(656,397)
Net current assets	489,228	628,777
Total assets less current liabilities	1,315,210	1,339,285
Trade and other payables: amounts falling due after more than one year	31 (O) (536,184)	(517,565)
Provisions		
Other provisions	31 (T) (123,269)	(119,906)
Net assets	655,757	701,814
Capital and reserves		
Called up share capital presented as equity	19 38	38
Capital reserve	49,182	49,182
Hedging reserve	(28,497)	3,948
Retained earnings	635,034	648,646
Total equity	655,757	701,814

Approved by the Board and signed on their behalf:



Brendan Tuohy
Chairperson



Ivan Schuster
Director

Date
24 January 2025

Company Statement of Changes in Equity for the Financial Year to 30 September 2024

	Issued share capital € '000	Capital reserve € '000	Hedging reserve € '000	Retained earnings € '000	Total attributable to equity holders € '000
Balance as at 1 Oct 2023	38	49,182	(7,930)	546,137	587,427
Profit for the year	–	–	–	112,554	112,554
Other comprehensive income					
Remeasurements of defined benefit scheme net of deferred tax	–	–	–	(6,045)	(6,045)
Cash flow hedge movement net of deferred tax	–	–	11,878	–	11,878
Dividends	–	–	–	(4,000)	(4,000)
Balance as at 30 Sep 2023	38	49,182	3,948	648,646	701,814
Loss for the year	–	–	–	(17,084)	(17,084)
Other comprehensive income					
Remeasurements of defined benefit scheme net of deferred tax	–	–	–	7,472	7,472
Cash flow hedge movement net of deferred tax	–	–	(32,445)	–	(32,445)
Dividends	–	–	–	(4,000)	(4,000)
Balance as at 30 Sep 2024	38	49,182	(28,497)	635,034	655,757

Capital Reserve

The capital reserve arose on the vesting of the TSO operations from ESB to the Company under the Transfer Scheme dated 1 July 2006. There have been no movements in the reserve since this date.

Hedging Reserve

The hedging reserve represents the cumulative portion of gains and losses on hedging instruments deemed effective in cash flow hedges. The cumulative deferred gain or loss on the hedging instruments is recognised in profit or loss only when the hedged transaction impacts the profit or loss, or is included as a base adjustment to a non-financial hedged item.

Retained Earnings

Retained earnings comprise accumulated earnings net of dividends in the current financial year and prior financial years.

31 (A) Statement of Compliance

The individual financial statements of the Company were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (March 2018) ('FRS 101'). The Company financial statements have adopted certain exemptions under FRS 101. These exemptions include:

- a cashflow statement and related notes;
- disclosures in respect of revenue recognition;
- disclosures in respect of the compensation of key management personnel;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- certain comparative information; and
- the effects of new but not yet effective IFRSs.

As the consolidated financial statements include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

31 (B) General Information

EirGrid plc is a public limited company and is incorporated in Ireland. The registered office of EirGrid plc is The Oval, 160 Shelbourne Road, Ballsbridge, Dublin 4 (Registration number 338522). The principal activity of the Company is included in the Directors' Report on page 162. The largest group of which the Company was a member and for which group accounts are prepared is EirGrid plc. Copies of the consolidated group accounts of EirGrid plc which are included on pages 3 to 55 are available from the Company Secretary, EirGrid plc, 160 Shelbourne Road, Dublin 4.

The Company applies consistent accounting policies to those applied by the Group. Please refer to pages 12-23 of the Group financial statements for disclosure of the relevant accounting policies.

31 (C) Profits Attributable To EirGrid plc

(Loss)/Profit for the year attributable to the Parent Company amounted to (€17.1m) (2023: €112.6m). In accordance with Section 304(2) of the Companies Act, 2014, the Company is availing of the exemption from presenting its individual Income Statement to the Annual General Meeting. The Company has also availed of the exemption from filing its individual Income Statement with the Registrar of Companies as permitted by Section 304(2) of the Companies Act, 2014.

31 (D) Employees

The average number of persons employed by the Company during the year to 30 September 2024 was 482 (2023: 432), excluding staff engaged on capital projects.

The average number of persons engaged on capital projects during the year to 30 September 2024 was 128 (2023: 88). The staff costs associated with these employees have been capitalised and totalled €12.6m for the year to 30 September 2024 (2023: €8.9m).

Average number of persons employed on a monthly basis by business activity:

	Year to 30 Sep 2024 Number	Year to 30 Sep 2023 Number
EirGrid TSO	415	371
SEMO	50	47
SEMOpx	8	7
EWIC	9	7
Capital projects	128	88
Total	610	520

Total remuneration including the Executive Director's salary, comprised:

	Year to 30 Sep 2024 Number	Year to 30 Sep 2023 Number
Wages and salaries	49,343	40,100
Social insurance costs	3,897	4,642
Other retirement benefit costs	5,615	5,268
Total remuneration paid to employees	58,855	50,010
Employee costs charged to Income Statement	46,194	41,130
Employee costs capitalised	12,661	8,880
Total remuneration paid to employees	58,855	50,010

31 (E) Investment in Subsidiaries

The Group's subsidiaries, all of which are wholly owned, are:

Subsidiary	Country of incorporation	Subsidiary
EirGrid UK Holdings Limited	Northern Ireland	Holding company TSO
EirGrid Interconnector Designated Activity Company	Ireland	Interconnection
EirGrid Telecoms Designated Activity Company	Ireland	Telecommunications
EirGrid Celtic Interconnector Designated Activity Company	Ireland	Dormant company
EirGrid SPV 2022 Designated Activity Company	Ireland	Emergency generation procurement

EirGrid UK Holdings Limited, EirGrid Interconnector Designated Activity Company, EirGrid Telecoms Designated Activity Company, EirGrid Celtic Interconnector Designated Activity Company and EirGrid SPV 2022 Designated Activity Company are owned directly by the Company.

EirGrid UK Holdings owns 100% of the shares in SONI Limited but has no control or significant influence over SONI Limited since 1 October 2023 following the governance changes arising from the UR's licence modifications as outlined in Note 6.

EirGrid plc and EirGrid Interconnector Designated Activity Company are parties to certain financing agreements regarding the ownership of the East West Interconnector which effectively require approval from lending banks for any distributions from EirGrid Interconnector Designated Activity Company to EirGrid plc.

The registered office of EirGrid Interconnector Designated Activity Company, EirGrid Telecoms Designated Activity Company, EirGrid Celtic Interconnector Designated Activity Company and EirGrid SPV 2022 Designated Activity Company is The Oval, 160 Shelbourne Road, Ballsbridge, Dublin 4.

The registered office of EirGrid UK Holdings Limited is Victoria House, 15-17 Gloucester Street, Belfast, Northern Ireland, BT1 4LS.

Investment in Subsidiaries	30 Sep 2024 € '000	30 Sep 2023 € '000
Balance as at 1 Oct 2023	155,761	155,761
Additions	-	-
Balance as at 30 Sep 2024	155,761	155,761

The Company has made total advances of €31.7m to EirGrid Interconnector Designated Activity Company, and on-lent total debt of €285.0m in 2009. The Company has recognised an investment of €155.5m (2023: €155.5m) in EirGrid Interconnector Designated Activity Company and €0.2m in EirGrid Telecoms Designated Activity Company, representing the present value estimate of the commercial rate of interest foregone by the Company over the life of these loans. The on-lent debt balance to EirGrid Interconnector Designated Activity Company at year end is €119.1m (2023: €124.2m).

31 (F) Interest in Joint Operation

The Single Electricity Market (SEM) is the wholesale electricity market operating in Ireland and Northern Ireland, which came into operation on 1 November 2007. On that date the old wholesale electricity market in Ireland ceased and the new SEM commenced. SEMO was established as the contractual joint operation between the Company and SONI Limited responsible for the operation of the wholesale electricity market for the island of Ireland from 1 November 2007 onwards. The Company has a 75% interest in SEMO.

EirGrid plc and SONI Limited have developed and implemented the NEMO services for Northern Ireland and Ireland through SEMOpx, a 75/25 contractual joint operation between EirGrid plc and SONI Limited. SEMOpx was established on 28 September 2018. EirGrid plc is designated by the Commission for Regulation of Utilities (CRU) as a NEMO for Ireland and SONI Limited is designated by the Utility Regulatory (UR) as a Nominated Electricity Market Operator (NEMO) for Northern Ireland. The NEMO designations allow SONI Limited and EirGrid plc to provide day-ahead auction and intraday markets for trading in SEM.

Capacity Market Code JV is a 75/25 joint operation between EirGrid plc and SONI Limited, established on 28 September 2018. Its purpose is to administer the Capacity Market Code.

The Company has considered each of these arrangements a joint operation so the share of assets, liabilities, income and expenses has been included in the Company Financial Statements on a line by line basis.

The following amounts are included in the Company Financial Statements on a line by line basis to reflect SEMO and SEMOpx into the Company accounts.

	30 Sep 2024 € '000	30 Sep 2023 € '000
Non-current assets	15,215	13,223
Current assets	229,356	201,352
Total assets	244,571	214,575
Total equity	48,335	36,515
Current liabilities	196,236	178,060
Total liabilities	196,236	178,060
Total equity and liabilities	244,571	214,575

31 (F) Interest in Joint Operation (Continued)

EirGrid plc has a 50% equity interest in Celtic Interconnector DAC, a company incorporated in Ireland which is a joint arrangement between EirGrid plc and Réseau De Transport D'Électricité ('RTE'). The Celtic Interconnector project is the proposed undersea electricity link connecting Ireland and France. The purpose of the Joint arrangement is to carry out certain designated works during the design and consultation stage of the project.

Under IFRS 11, the Company classifies its interest in joint arrangements as either joint operations or joint ventures depending on the Company's rights to the assets and obligations for the liabilities of the arrangements. When making the assessment, the Company considers the structure and legal form of the arrangements, the contractual terms of the arrangement agreed by the parties and when relevant, other facts and circumstances.

Although Celtic Interconnector DAC is separate legal entity, the Company has accounted for it as a joint operation due to the contractual arrangements in place between EirGrid plc and RTE. Both parties are providing the cash to settle the Celtic Interconnector DAC liabilities and the output of Celtic Interconnector DAC is provided to both parties.

As a result the Company has accounted for its share of Celtic Interconnector DAC assets, liabilities, income and expenses in its Company Financial Statements on a line by line basis. EirGrid plc is deemed to own 50% of the rights to the assets and obligations for the liabilities.

The following amounts are included in the Company Financial Statements on a line by line basis:

	30 Sep 2024 € '000	30 Sep 2023 € '000
Non-current assets	–	–
Current assets	4,150	253
Total assets	4,150	253
Total equity	48	13
Current liabilities	4,102	240
Total liabilities	4,102	240
Total equity and liabilities	4,150	253

	Year to 30 Sep 2024 Number	Year to 30 Sep 2023 Number
Revenue	129	48
Expenses	(94)	(43)
Profit	35	5

31 (G) Other Investments

	30 Sep 2024 € '000	30 Sep 2023 € '000
Balance as at 1 Oct 2023	325	325
Additions	–	–
Balance as at 30 Sep 2024	325	325

In 2018, EirGrid acquired a 4.75% equity interest in Joint Allocation Office S.A for €0.2m, a company registered in Luxembourg. Under EU Rules TSOs are obliged to implement a Single Allocation Platform for capacity on interconnectors. EirGrid, as the certified TSO for the East West Interconnector, became a shareholder in the Joint Allocation Office (JAO) which has been proposed by the TSOs as the Single Allocation Platform.

Under the European rules (Network Codes), EirGrid is obliged to co-operate on a regional basis with at least one 'Regional Security Co-ordinator' (RSC) so it has acquired a 3.7% equity interest in the RSC Coreso SA for €0.1m in 2018, a company registered in Belgium.

31 (H) Intangible Assets

	Integrated Single Electricity Market € '000	Other IT Software € '000	Software under development € '000	Total € '000
Cost				
Balance as at 30 Sep 2023	88,030	47,819	26,510	162,359
Additions	–	–	32,313	32,313
Transfer (to)/from other assets	2,457	1,440	(3,897)	–
Balance as at 30 Sep 2024	90,487	49,259	54,926	194,672
Amortisation				
Balance as at 30 Sep 2023	77,029	41,828	–	118,857
Amortisation charge	3,740	3,056	–	6,796
Balance as at 30 Sep 2024	80,769	44,884	–	125,653
Carrying amount as at 30 Sep 2024	9,718	4,375	54,926	69,019
Carrying amount as at 30 Sep 2023	11,001	5,991	26,510	43,502

The SEM has undergone significant change. EU legislation is driving the coming together of energy markets across Europe with the aim of creating a fully liberated internal electricity market. Significant investment was required in the redesign of the SEM and these costs are defined as the Integrated Single Electricity Market ('I-SEM') asset.

31 (I) Property, Plant & Equipment

	Land and Buildings (i) € '000	Fixtures and fittings € '000	IS, telecomm-unications equipment and other € '000	Motor Vehicles € '000	Integrated Single Electricity Market (ii) € '000	Assets under Construction (iii) € '000	Total € '000
Cost							
Balance as at 30 Sep 2023	20,408	7,410	65,673	77	2,923	61,895	158,386
Celtic grant adjustment (iv)	-	-	-	-	-	-	21,522
Additions	-	-	-	-	-	158,834	158,834
Disposals	-	-	-	-	-	-	-
Transfer (to)/from other classes	-	2,833	469	-	-	3,302	-
Balance as at 30 Sep 2024	20,408	10,243	66,142	77	2,923	238,949	338,742
Depreciation							
Balance as at 30 Sep 2023	6,580	4,924	57,937	77	2,923	-	72,441
Charge	433	1,433	2,295	-	-	-	4,161
Disposals	-	-	-	-	-	-	-
Balance as at 30 Sep 2024	7,013	6,357	60,232	77	2,923	-	76,602
Carrying amount as at 30 Sep 2024	13,395	3,886	5,910	-	-	238,949	262,140
Carrying amount as at 30 Sep 2023	13,828	2,486	7,736	-	-	61,895	85,945

(i) The cost of the Company's buildings represents leasehold improvements.

(ii) This asset relates to costs associated with the redesign of the new SEM market and relates to IT Hardware.

(iii) Assets under Construction consist of IT hardware, telecommunications, facilities, EWIC and Celtic Interconnector project expenditure. €6.7m (2023: €7.1m) of Celtic Interconnector project borrowing costs have been capitalised during the year.

(iv) The Celtic grants received to the end of 2022/23 have been reclassified and shown within capital grants in Note 31 (p) as all grants of a capital nature are accounted for as deferred income in the Balance Sheet.

31 (J) Right of Use Assets and Lease Liabilities

	Property € '000	Motor vehicles € '000	Total € '000
Right of use assets			
Cost			
Balance as at 1 Oct 2022	33,331	29	33,360
Lease modifications	-	-	-
Balance as at 1 Oct 2023	33,331	29	33,360
Lease modifications	-	-	-
Balance as at 30 Sep 2024	33,331	29	33,360
Accumulated depreciation and impairment Losses			
Balance as at 1 Oct 2022	9,517	29	9,546
Depreciation	2,813	-	2,813
Balance as at 1 Oct 2023	12,330	29	12,359
Depreciation	2,744	-	2,744
Balance as at 30 Sep 2024	15,074	29	15,103
Carrying amount as at 30 Sep 2024	18,257	-	18,257
Carrying amount as at 30 Sep 2023	21,001	-	21,001

	Total € '000
Lease liabilities	
Balance as at 1 Oct 2023	25,391
Lease modification	-
Interest	340
Lease payments	(2,547)
Balance as at 30 Sep 2024	23,184

	€ '000
Analysed as:	
Current	2,890
Non-current	20,294
Balance as at 30 Sep 2024	23,184

The table below shows the maturity analysis of the discounted and undiscounted lease liability arising from the Group's leasing activities.

	Discounted € '000	Undiscounted € '000
Lease liabilities		
Within one year	2,890	3,194
Between two and five years	12,399	13,197
After five years	7,895	8,044
Total	23,184	24,435

31 (J). Right of Use Assets and Lease Liabilities (Continued)

Amounts recognised in consolidated income statement	Total € '000
Depreciation on right of use assets	2,744
Expenses relating to short terms leases	–
Variable lease payments*	8
Expenses relating to leases of low value leases, excluding short term leases of low value assets	–
Interest on lease liabilities	340

*The Group has a managed print service contract with variable lease payments linked to future use of the underlying asset so these payments have been excluded from the measurement of the lease liabilities.

Amounts recognised in consolidated cash flow statement	Total € '000
Total cash outflows for the lease during the year*	2,547

*Includes interest expense, principal repayments, short term and low value lease expenses.

31 (K) Trade and Other Receivables – Amounts Falling Due After More Than One Year

Note	30 Sep 2024 € '000	30 Sep 2023 € '000
Prepayments and deferred project costs	30,898	45,769
Advance payment	71,804	107,837
Other receivables	35,585	79,875
Amounts owed by subsidiary undertakings	152,741	155,336
Derivative financial instrument	–	4,512
Deferred tax	31 (R) 8,271	–
Total	299,299	393,329

The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

Company prepayments and deferred project costs include deferred costs in respect of transmission projects of €30.9m (2023: €45.8m), all of which may not be recoverable within twelve months.

Other receivables includes €35.7m (2023: €79.9m) relating to recoverable costs arising from the introduction of the EU Regulation 2019/943 on the internal market for electricity which came into effect on 1 January 2020. The Group is satisfied that all costs arising from these matters will be supported by a regulated, market-based tariff. These costs have been recognised through a provision as outlined in Note 30 (T).

31 (L) Cash and Cash Equivalents

	30 Sep 2024 € '000	30 Sep 2023 € '000
Corporate cash	170,536	278,128
Restricted/Ringfenced cash	513,800	405,376
Balance as at 30 Sep 2024	684,336	683,504

Cash and cash equivalents primarily comprises cash held by the Company and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value. The credit risk on liquid funds is limited because the counterparties are banks with relatively high credit ratings assigned by international credit rating agencies.

Included in the cash balances are security deposits, collateral and bonds of €39.3m (2023: €31.6m). Included in the cash balances is €111.1m (2023: €98.9m) held on trust for market participants in the SEM and €75.1m (2023: €64.4m) held in SEM collateral reserve accounts (security accounts held in the name of market participants), €nil (2023: €0.6m) which represents cash which can only be used for the purposes of the EWIC asset, €52.5m (2023: €53.5m) which represents cash which can only be used for the purposes of the Celtic asset, €46.1m (2023: €156.4m) of cash which is ringfenced as the cash is collected and returned to the relevant customer and €189.7m (2023: nil) which relates to the Energy Windfall tax. Per the Energy (Windfall tax in the Energy Sector, Cap on Market Revenues) Act 2023, EirGrid TSO assumed the role as collection agent for surplus revenues generated by participants (producers, intermediaries and traders) from December 2022 to June 2023.

31 (M) Trade and Other Receivables – Amounts Falling Due Within One Year

	30 Sep 2024 € '000	30 Sep 2023 € '000
Trade receivables	1,239	1,023
Prepayments and deferred project costs	91,270	66,491
Advance payment	44,651	9,774
Short Term deposits	134,551	50,206
Unbilled receivables	168,471	157,516
Other receivables	67,310	88,995
Current tax receivables	3,608	2,815
Amounts owed by related company	3,243	–
Amounts owed by subsidiary undertakings	294,729	224,850
Total	809,072	601,670

Company prepayments and deferred project costs include deferred costs in respect of transmission projects of €47.0m (2023: €31.0m), all of which expected be recoverable within twelve months.

Other receivables includes €22.4m (2023: €40.0m) relating to the ongoing legal claim provision outlined in Note 30 (T). In the event of compensation we would expect any payment to be covered by funds held on the Group Balance Sheet so the costs will be recoverable.

31 (N) Trade and Other Payables – Amounts Falling Due Within One Year

Note	30 Sep 2024 € '000	30 Sep 2023 € '000
Trade payables	71,261	76,766
Accruals	321,381	284,208
Deferred income	4,523	3,274
Taxation and social insurance	11,827	15,043
Other payables	411,430	255,429
Amounts owed to subsidiary undertakings	33	4,980
Grants	31 (P) 151,000	–
Borrowings	31 (Q) 29,835	11,246
Lease liabilities	31 (J) 2,890	2,208
Deferred tax	31 (R) –	3,243
Total	1,004,180	656,397

Taxation and social insurance comprises of the following:

	30 Sep 2024 € '000	30 Sep 2023 € '000
Income tax deducted under PAYE	831	762
Pay-related social insurance	561	504
VAT	10,109	12,956
Withholding tax	326	821
Total	11,827	15,043

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs.

Other payables due in less than one year includes €108.4m (2023: €86.4m) owed to the SEM balancing market due to overrecoveries which will be returned via a k-factor tariff adjustment.

31 (O) Trade and Other Payables – Amounts Falling Due After More Than One Year

Note	30 Sep 2024 € '000	30 Sep 2023 € '000
Derivative financial instrument	32,569	–
Grants	31 (P) 55,274	151,000
Borrowings	31 (Q) 428,047	343,382
Lease liabilities	31 (J) 20,294	23,183
Total	536,184	517,565

31 (P) Grants

	30 Sep 2024 € '000	30 Sep 2023 € '000
Balance as at 1 Oct 2023	151,000	–
Celtic grant reclassification	21,522	–
Additions	33,752	151,000
Amortisation	–	–
Balance as at 30 Sep 2024	206,274	151,000

Analysed as:	€ '000	€ '000
Current	151,000	–
Non-Current	55,274	151,000
Closing balance	206,274	151,000

On 7 July 2022, the Commission for Regulation of Utilities ('CRU') gave a direction to EirGrid plc under regulation 28(10) of the European Communities to deliver additional temporary emergency electricity generation capacity for the period of winter 2023-2024 to winter 2025-2026 and if needed to the end of winter 2026-27. In order to enable EirGrid plc to comply with the Direction, the Minister for the Environment, Climate and Communications provided a grant of €151.0m in 2022. The purpose of the grant is to procure the delivery of 412MW of additional temporary emergency generation for the period of winter 2023-24 to winter 2025-26 and if needed to the end of the winter 2026-27. The grant monies are deferred until the Company delivers the MW capacity as per the direction which is expected to be in 2024/25.

The Group receives grants towards the Celtic project under the Connecting Europe Facility (CEF) programme, the EU's financial mechanism supporting trans-European infrastructure. The Celtic Interconnector is a new electrical link between France and Ireland being developed jointly by EirGrid plc and the French TSO – Réseau De Transport D'Électricité ('RTE'). €33.8m of CEF grants was received during the year bringing the total CEF grants to €55.2m at year end.

31 (Q) Borrowings

	Total 30 Sep 2024 € '000	Repayable by instalments 30 Sep 2024 € '000	Repayable other than by instalments 30 Sep 2024 € '000	Total 30 Sep 2023 € '000	Repayable by instalments 30 Sep 2023 € '000	Repayable other than by instalments 30 Sep 2023 € '000
Repayable within one year:						
Bank loans	29,835	11,735	18,100	11,246	11,246	–
Total current borrowings	29,835	11,735	18,100	11,246	11,246	–
Repayable after more than one year:						
Between one and two years	12,235	12,235	–	11,734	11,734	–
Between two and five years	83,205	63,205	20,000	61,570	61,570	–
In five years or more	332,607	332,607	–	270,078	270,078	–
Total non-current borrowings	428,047	408,047	20,000	343,382	343,382	–
Total borrowings outstanding	457,882	419,782	38,100	354,628	354,628	–

A proportion of the loans have been converted from floating interest rate to fixed floating interest rate by using interest rate swap contracts. See Note 25 of the consolidated financial statements.

The Company had unutilised borrowing facilities of €950.1m (2023: €964.6m) at the Balance Sheet date. €538.2m is unutilised borrowings for the Celtic project; €131.9m is unutilised borrowings which have been arranged in order that the Company has sufficient standby facilities to meet unbudgeted/unexpected constraint and DS3 payments and €280.0m (includes a €100m accordion) is an unutilised revolving credit facility to manage short-term working capital needs.

31 (R) Deferred Tax

	Accelerated tax depreciation € '000	Retirement benefits obligations € '000	Cash Flow Hedges € '000	Tax losses € '000	Total € '000
Deferred tax asset as at 1 Oct 2022	505	(1,672)	1,133	–	(34)
Credit to the Income Statement for the year	(1,853)	(523)	–	–	(2,376)
Charge to the Statement of Comprehensive Income	–	864	(1,697)	–	(833)
Deferred tax asset as at 30 Sep 2023	(1,348)	(1,331)	(564)	–	(3,243)
(Charge)/credit to the Income Statement for the year	1,702	(250)	–	6,494	7,946
(Charge)/credit to the Statement of Comprehensive Income	–	(1,067)	4,635	–	3,568
Deferred tax liability as at 30 Sep 2024	354	(2,648)	4,071	6,494	8,271

31 (S) Retirement Benefit Obligations

The amount included in the Balance Sheet arising from the obligations in respect of these defined benefit plans are as follows:

	30 Sep 2024 € '000	30 Sep 2023 € '000
Present value of funded defined benefit obligations that are wholly or partly funded	150,174	144,127
Fair value of Schemes' assets at end of year	(171,355)	(154,772)
Net Asset	(21,181)	(10,645)

As outlined in Note 24 of the consolidated financial statements, there is one pension scheme held on the balance sheet of EirGrid plc. Information has been provided on these pension schemes as per Note 24 of the consolidated financial statements. As there are no material differences between the information given in the consolidated notes and the Company information, it has been chosen not to reproduce this information.

31 (T) Provisions

	Clean Energy Package € '000	Other provision € '000	Total € '000
Balance as at 30 Sep 2023	79,875	40,031	119,906
Transferred to accruals	–	(20,065)	(20,065)
Provisions made during the year	20,988	2,440	23,428
Balance as at 30 Sep 2024	100,863	22,406	123,269

Further information on these provisions is outlined in Note 21 of the consolidated financial statements.

31 (U) Capital Commitments

	30 Sep 2024 € '000	30 Sep 2023 € '000
Expenditure contracted for, but not provided for in the Financial Statements	556,400	653,900

These are the Company's share of the Celtic Interconnector project capital commitments which is a joint arrangement between EirGrid plc and Réseau De Transport D'Électricité ('RTE').

31 (V) Contingent Liabilities

The Company is not aware of any contingent liabilities at the financial year end.

31 (W) Related Party Transactions

EirGrid plc is an Irish commercial state organisation, and as such is a related party of the Government of Ireland. Further details on related party transactions are outlined in the consolidated financial statements in Note 28.

An Infrastructure Agreement is in place between the Group and ESB under the auspices of the Commission for Regulation of Utilities (CRU), in relation to the roles of owner and operator of the transmission system. The transactions under this agreement are disclosed in Note 28.

On 7 July 2022, the Commission for Regulation of Utilities ('CRU') gave a direction to EirGrid plc under regulation 28(10) of the European Communities to deliver additional temporary emergency electricity generation capacity for the period of winter 2023-2024 to winter 2025-2026 and if needed to the end of winter 2026-27. In order to enable EirGrid plc to comply with the Direction, the Minister for the Environment, Climate and Communications provided a grant of €151.0m in 2022 (See Note 30 (P) for further details). EirGrid plc has also entered into contracts with ESB that procure the delivery of temporary emergency generation assets. EirGrid plc incurred Temporary Emergency Generation direct costs of €197.2m (2023: €121.7m). Included in trade payables is €nil (2023: €16.6m) payable to ESB and there was €13.8m (2023: €37.9m) included in accruals in respect of these agreements.

Borrowings by EirGrid Interconnector Designated Activity Company are guaranteed by EirGrid plc through a cross-guarantee structure. The Company has issued letters of support for its EirGrid UK Holdings Limited, EirGrid Interconnector Designated Activity Company and the EirGrid Celtic Interconnector Designated Activity Company subsidiaries.

The Company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with fellow wholly owned subsidiaries. SONI Limited is no longer a subsidiary following the UR's SONI Governance decision, which is outlined further in note 6. However it continues to be a related party as it is owned 100% by EirGrid UK Holdings which is a subsidiary of EirGrid plc and SONI Limited is recognised as an investment at fair value in the consolidated financial statements.

EirGrid plc has given a Parent Company Undertaking to SONI Limited to the value of £10.0m (2023: £10.0m).

31 (W) Related Party Transactions (Continued)

At 30 September 2024, a total of €3.2m was payable by SONI Limited to EirGrid plc. The movement in this balance was as follows:

	30 Sep 2024 € '000
Balance on 1 October 2023	3,228
Movements during the year	15
Closing balance	3,243

EirGrid plc has a cost allocation policy to ensure that costs are recharged to the correct licensee or sub company. Costs such as corporate services, facilities and headcount costs are recharged based on a systematic allocation methods while capital expenditure costs are generally allocated in line with specific arrangements approved by the regulator. This approach ensures compliance with the regulatory requirements and ensures fair cost distribution. In the UR Governance Decision, the UR stated that the principal obligation of Part B of Condition 42 is "that the Licensee (SONI TSO) must ensure that all activities carried out by it in the course of the Transmission System Operator business are carried out by means of separate management and separate resources. The SONI demerger process is underway and during the transition period, the share of costs and recharges will apply to those functions that continue to be shared.

31 (X) Post Balance Sheet Events

There have been no other events between the reporting date and the date on which the financial statements were approved by the Board, which would require disclosure in and/or adjustment to the financial statements.

31 (Y) Approval of Financial Statements

The Board approved the Financial Statements on 24 January 2025.

Notes





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