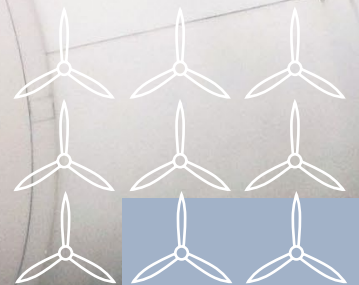




A delivery plan for cleaner, homegrown, Irish energy

2024



Actions, not ambitions will secure our energy future

At SSE, we're investing over €900m in homegrown energy in Ireland. The race is on for green growth, and a more secure and sustainable future.

SSE has been investing in Ireland for over 20 years, developing onshore and offshore wind projects and harnessing our natural resources to deliver cleaner energy for homes and businesses across the country. And we're ready to invest much more.

And for those days when the wind isn't blowing, we're also developing the next generation of flexible power stations and low-carbon solutions to secure Ireland's energy future.

The next government has an historic opportunity.

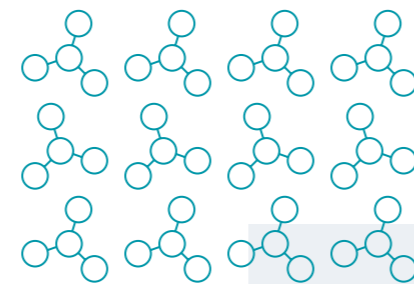
We know that clean, homegrown energy supply is the best means to insulate Ireland from future energy crises. Our natural renewable energy resources present us with the opportunity to decarbonise our electricity supply and electrify the wider Irish economy; this means extending the benefits across Irish society to sectors like transport and heat, as well as wider industry.

Not only does this vision reduce our dependence on imported fossil fuels and support security of supply, it also presents an unparalleled new industrial and economic opportunity for Ireland and our communities, whilst safeguarding our planet for future generations.

Ireland can and should be one of the best places in the world to invest in and build clean energy infrastructure.

Ireland has significant potential to capitalise on the opportunities that the 'green economy' presents; specifically, investment and green jobs in our rural and regional communities as demand for clean, homegrown energy continues to grow. In delivering the energy transition, we must ensure that the benefits are shared widely.

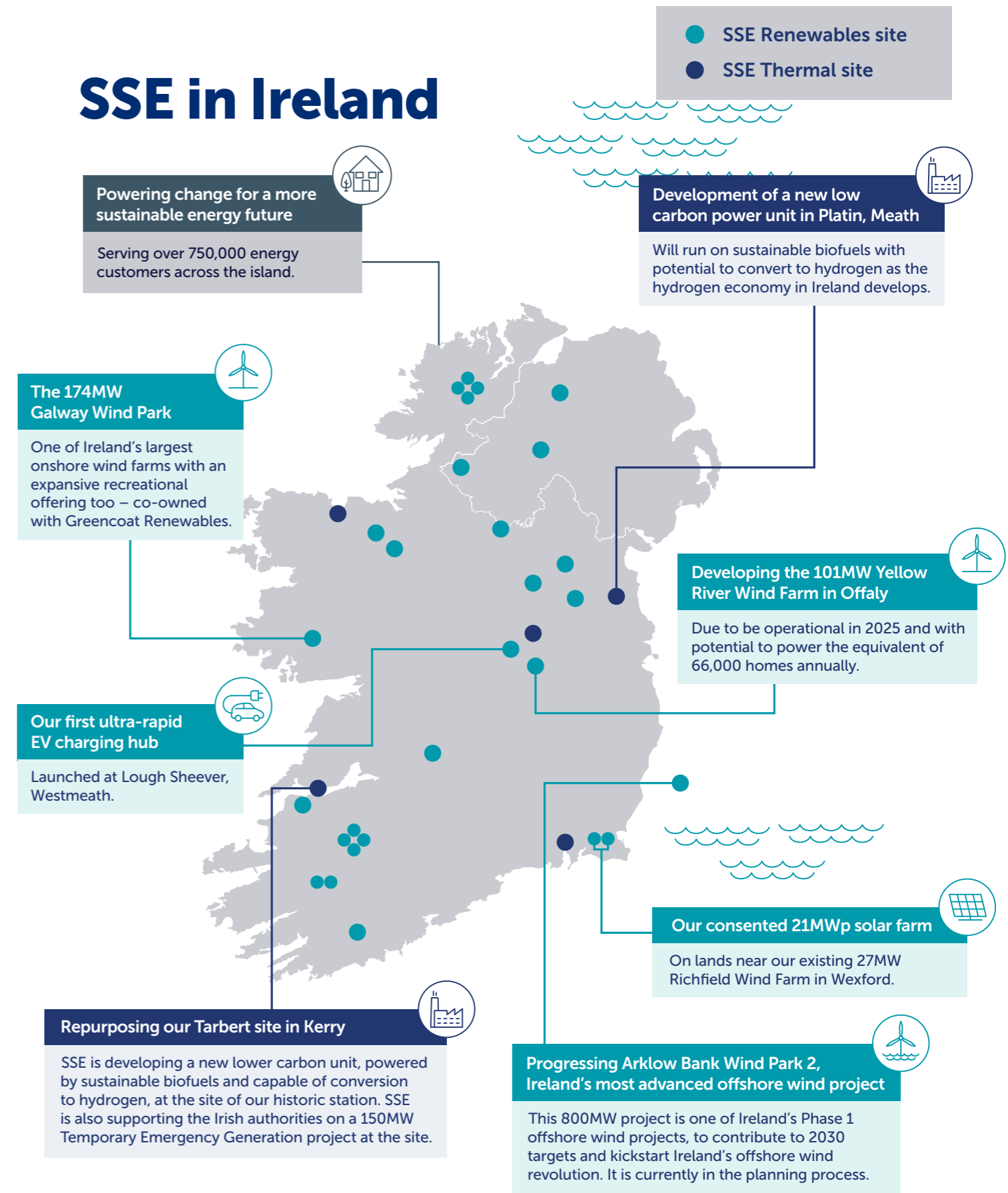
This document sets out how the next Government can hit the ground running, with policy proposals under five areas of focus for the decade ahead.



About Us

- Plans to invest over €900m by 2027 and up to €2bn over the course of the decade
- Serving over 750,000 electricity and gas customers across the island
- One Stop Shop energy efficiency offering, with ambition to deliver up to 45,000 home upgrades by 2030
- 700MW of onshore wind generation capacity across 31 sites
- Three flexible thermal units supporting security and stability of electricity supply
- Employing over 1,300 people across the island. Supported over 3,200 jobs in 2023/24
- Economic contribution of over €1bn to Irish GDP in 2023/24

SSE in Ireland



SSE policy proposals for the next government

To ensure these opportunities are realised, the next Government will need to turn ambition into action to translate high-level targets into real-world outcomes, with tangible results for communities across the country.

Stable and comprehensive policies and frameworks will help unlock industry investment, deliver a net zero energy system and ensure Ireland continues to provide a robust and competitive economic offering for the decades to come.

We look forward to working with all stakeholders in the months and years ahead to build on these proposals, seize the opportunities that the energy transition presents and secure Ireland's energy future.

Our Proposals



1. Empower homes and businesses to decarbonise



2. Accelerate renewable energy growth



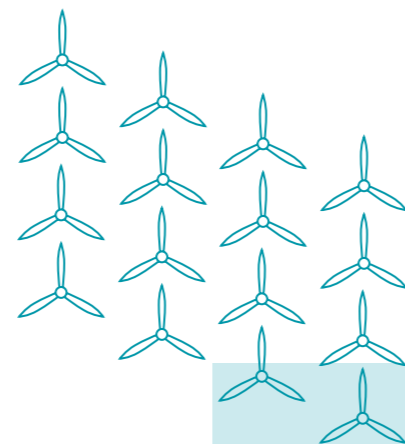
3. Develop the necessary infrastructure for the electrification of society



4. Enable flexible power to meet our future energy needs



5. Deliver a planning system for Net Zero



1. Empower homes and businesses to decarbonise

Government's energy efficiency retrofit supports are making a positive difference for many households and have stimulated innovations such as SSE Airtricity's 'One Stop Shop'. SSE supports the continuation of these schemes as a means to deliver the long-term health, social and economic benefits for households, as well as decarbonisation objectives. They are a means to empower households to reduce consumption and control their energy usage.

With the upcoming restriction on the installation of oil and gas boilers under the EU Energy Performance of Buildings Directive, the Warmer Homes Scheme should be amended to facilitate greater installation of heat pumps; the Scheme currently sets a pre-condition standard before awarding funding.

Energy efficiency

Our Proposals

- Encourage household demand for decarbonisation measures such as home energy upgrades through existing measures like enhanced grant incentive schemes and through exploration of new measures, such as mortgage interest relief for more energy efficient homes.
- Introduce regional-based aggregation of building upgrades led by Local Authorities to optimise use of scarce contractor resource, leverage economies of scale, increase take-up of measures and reduce costs overall. For example, phasing the work of Local Authority upgrades under the Energy Efficiency Retrofit Programme with eligible upgrades under the Warmer Homes Scheme, and enabling providers to focus on onboarding private homeowners at the same time can boost delivery.
- Amend the Warmer Home Scheme to allow for the upgrade to standard (including measures such as window upgrades) and installation of heat pumps to take place in one intervention to maximise effectiveness and resources.

Business supports

Businesses are also eager to undertake energy efficiency upgrades to reduce their overall emissions and minimise ongoing business costs. However, targeted support is required to unlock these upfront investments.

These were expected to be introduced in early 2024; delays compromise the achievement of retrofit and carbon targets and potentially lock in higher-carbon technologies.

Our Proposals

- Set expedited timelines for the introduction of business energy efficiency supports, particularly for SMEs.

Smart meters

Investment in Smart Meters and Demand Side Management solutions gives households greater control over their energy usage and costs. By shifting demand to periods of lower price and plentiful renewable generation, carbon and cost savings can be made across the system.

Our Proposals

- Continually monitor the Smart Metering Programme and National Energy Demand Strategy, assessing whether the governing legislation and regulatory regime effectively unlock the potential of smart technology for the benefit of households and businesses.

EU Directives

Obligations on suppliers have the potential to impose policy costs on customers in a regressive way, and could represent a disincentive to electrify or switch to other lower carbon fuels.

As we strive to meet Renewable Heat targets it is important to ensure that supply side is stimulated and enabled by supportive business models, reviewing any associated energy supplier obligations against market maturation.

Our Proposals

- Maximise the use of 'alternative measures' under EU Energy Efficiency legislation to transpose obligations in the most efficient way via policy design.
- Carefully transpose the updated EU Electricity Directive to optimise outcomes for customers and safeguard the positive aspects of customer protection practice in Ireland, as illustrated through the Energy Engage Code.

2. Accelerate renewable energy growth

Ambitious targets have been set for renewable energy; their delivery requires acceleration in supportive policies and investable renewable energy auctions. Homegrown renewables can insulate Ireland from future energy crises and provide stability to costs for customers as well as bringing security of supply benefits.

Onshore wind and solar continue to be integral to the delivery of climate targets and will do much of the heavy lifting to 2030 and beyond, whilst offshore wind can represent a step change in the delivery of renewable power in Ireland from 2030.

The delivery of the Phase 1 offshore wind projects for 2030 is underway and should be progressed and supported as a national priority.

Through harnessing our offshore wind potential, Ireland can become a European leader in the export and supply of electricity, pursuant to the agreed Memorandum of Understanding with the UK and ongoing discussions by the North Seas Energy Cooperation (NSEC) initiative.

Our Proposals

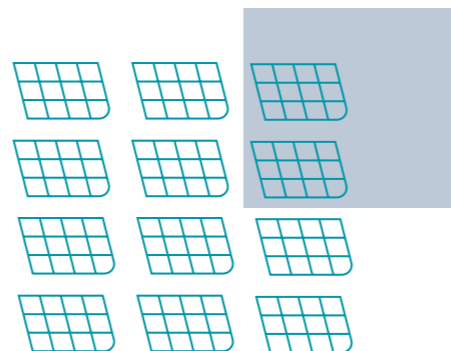
- Promote an investable policy environment for renewable energy that supports a variety of routes to market into the future, including Corporate Power Purchase Agreements, and continually review support scheme auction parameters against market dynamics.
- Develop a clear timetable for onshore renewable energy auctions through to 2030 and extend the duration of contracts to 20 years (the same as for offshore wind auctions) to de-risk those investments and place downward pressure on the cost of the energy transition.
- For future auctions following the Offshore Renewable Energy Support Scheme 2.1 (ORESS 2.1), facilitate a two-step auction process in future for seabed rights and for support schemes to promote competition, and enable more informed auction bids, leading to better outcomes for customers.
- Progress allocation and auction of the first Designated Marine Area Plan (DMAP) region for offshore wind development early in 2025.

- Advance the Future Framework for Offshore Wind and prioritise publication of the DMAP roadmap, to comprehensively outline the future offshore energy opportunity in Ireland and the required investment, infrastructure and jobs for the future. This should ensure the ongoing progression of fixed-bottom offshore wind, while also enabling the kick-start for floating offshore wind deployment. The design of multiple DMAPs in parallel should be considered to accelerate the achievement of offshore wind targets and give confidence to our domestic supply chain.

Progressing Arklow Bank Wind Park 2, Ireland's most advanced offshore wind project



- Proposed 800MW site.
- €800m estimated economic benefit over the project's lifetime.
- Half a billion euro could directly benefit the counties of Wicklow and Wexford.
- Forecast to create 2,300 direct and induced jobs.



3. Develop the necessary infrastructure for the electrification of society

Continued development of our electricity infrastructure is paramount to support the electrification of our growing economy; it is the bedrock that transports electricity from where it is generated to where it is needed most.

Availability of grid connection capacity can in turn determine where industry locates, meaning grid investment can also facilitate the future economic potential of Ireland's regions. It also extends value to consumers, enabling the deployment of technologies such as EVs and heat pumps.

Our Proposals

- Support the reinforcement of our electricity grid across the island and prioritise grid infrastructure development in the North-West and Midlands regions in particular and ensure the construction of the North-South Interconnector. This can maximise the use of existing generation, eliminating today's constraints and curtailment, and is essential for the growth of renewable generation.
- Ensure grid development is future-proofed to support offshore renewable energy ambitions and is aligned with the roadmap for Designated Maritime Area Plans (DMAPs) and the National Planning Framework.
- Publish and implement a policy framework on hybrid connections and private wires (i.e. direct connection of power generation assets to demand) which can make a material contribution to decarbonisation and security of supply in the short-term.

Our consented 21MWp solar farm



On lands near our existing 27MW Richfield Wind Farm in Co Wexford.

- Invest in strategic port development to facilitate involvement in construction and operational phases of onshore and offshore wind and maximise local economic benefit and supply chain development.

Development of a robust Electric Vehicle charging infrastructure is critical to support decarbonisation of transport.

Our Proposals

- Prioritise delivery of local EV charging infrastructure in Local Authority Climate Action Plans and Decarbonising Zones to reduce transport emissions in line with national targets.
- Monitor the take-up of electric vehicles and continually review support schemes to encourage delivery against targets, which gives confidence to investors in EV charging infrastructure.

4. Enable low carbon flexible power to meet our future energy needs

Ireland has an acute security of supply challenge at present. Our response should be consistent with our decarbonisation objectives while also future-proofed to meet our long-term economic and industrial needs.

Low carbon thermal power generation, alongside storage and other flexibility solutions will play a continuing role in the transition to net zero, supporting security and stability of supply when the wind doesn't blow and the sun doesn't shine. Technologies such as hydrogen power generation and carbon capture and storage are technologies that can provide low carbon dispatchable generation.

Our Proposals

- Further define Ireland's electricity generation mix beyond 2030, giving greater guidance as to the types of generation, storage and other assets needed.
- Progress plans for energy clusters, enabling decarbonisation of Ireland's energy system. This should include an analysis of the role of hydrogen power generation and carbon capture and storage (CCS) with plans for the rollout of necessary infrastructure in energy clusters. This will enable developers to bring forward the projects needed.

- Require any new generation units to demonstrate that they are decarbonisation-ready, at a minimum, and ensure the regulatory and market frameworks to support this, so as to avoid continued carbon lock-in.
- Translate the 2023 Hydrogen Strategy into a strategic plan for deployment of hydrogen storage and transmission infrastructure, production and offtake, including a comprehensive, step-by-step Action Plan. Set targets for hydrogen production and offtake across priority sectors and locations, including power generation, and develop holistic business models to support investment in this emerging market.

5. Deliver a planning system for net zero

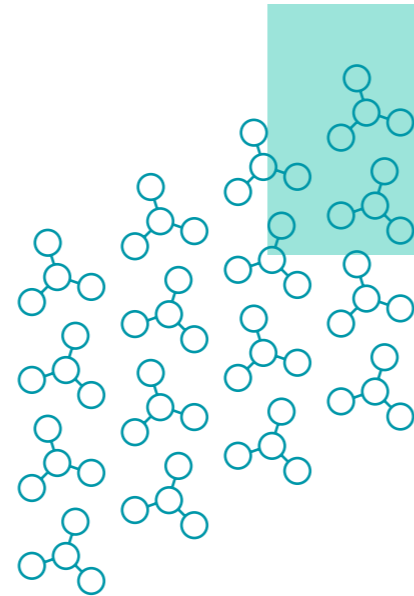
The delivery of large infrastructure is complex by its nature, and involves the interaction of many parties, including state agencies, regulators and communities.

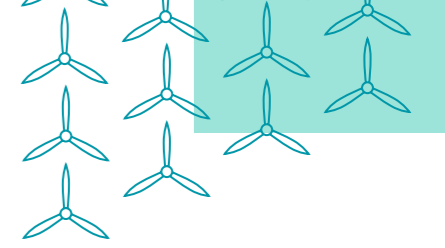
We must ensure the system of consenting and regulation is clear, timely and efficient in order to support the net zero transition and enable security of supply. Currently, these processes can act as a bottleneck to delivery.

Our Proposals

- Ensure that required government departments, regulators, planning authorities and relevant agencies are fully resourced to support the State's transition to net zero. These include Local Authorities, An Bord Pleanála, Maritime Area Regulatory Authority (MARA), National Parks and Wildlife Service (NPWS), Commission for Regulation of Utilities and the Environmental Protection Agency.
- Implement the Planning and Development Act 2024 as a priority, with a focus on meeting decision timelines set out in the Act. The alignment of planning policy and decision-making with national climate targets is key, ensuring consistency from national to local level and bringing clarity to decision-making criteria.

- Utilise provisions under the EU Renewable Energy Directive to create Renewable Acceleration Areas aligned with DMAPs, to support delivery of renewable energy projects.
- Finalise and publish the Wind Energy Development Guidelines, providing balanced and clear guidance, facilitative of Ireland's targets. Guidelines should include policy to streamline the repowering of existing windfarms so that retention of existing onshore wind capacity is enabled and ensure that any timelines placed on consents for new or existing windfarms reflect the operational performance of the technology.





A sustainable and just transition for Irish communities

SSE's core business goals for 2030, which are aligned to four UN Sustainable Development Goals, provide us with important milestones on the journey to net zero and place sustainability at the centre of our business strategy.

In delivering the energy transition, we must ensure that the benefits are shared widely, whilst preventing an unfair burden of the costs on those least able to afford it. We recognise that the climate emergency and energy security are shared priorities for society, and we are proud to play our part in helping Ireland's transition to net zero. We fully recognise that an integral part of a just transition is sharing value with the local communities in which we operate.

Through our SSE Renewables Community Fund, we awarded almost €1 million over the last year to over 250 community groups that neighbour our wind farms. To date we have invested over €12 million to community groups across the country.

We are also delighted to launch this year our new €5m SSE Airtricity Generation Green Community Fund, to support communities working to enhance biodiversity, cleaner and more efficient energy usage and sustainability-focused education in cities, towns, villages and neighbourhoods, urban and rural, across the island. Further, we have also launched this year our Great Island Community Fund for local communities at our Great Island power station on the Wexford/Waterford border.

SSE is also proud to be a Living Wage employer in Ireland since 2016 and the first FTSE100 company to achieve Fair Tax Mark accreditation back in 2014.

SSE holds the Business Working Responsibly Mark, awarded by Business in the Community Ireland, and which is granted to companies that demonstrate a best-in-class commitment to sustainability. SSE was evaluated on its commitment to responsible value chain management, environmental sustainability and addressing the needs of key social stakeholders and wider society through decision-making structures.

Our 2030 Goals



Cut carbon intensity by 80%



Increase renewable energy output fivefold



Enable low-carbon generation and demand



Champion a fair and just energy transition





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