An Coimisiún um Rialáil Fóntais
Commission for Regulation of Utilities

# The Initial Project Assessment for the proposed MaresConnect electricity interconnector

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# CRU Strategic Plan 2025-27

## Vision, Purpose, and Values

**OUR VISION:**

Resilient, efficient, sustainable, and safe energy and water services for Ireland.

**OUR PURPOSE:**

We actively serve the public interest by regulating the provision of energy and water to Irish homes and businesses, while supporting the transformation to net zero.

**OUR VALUES:**

• Integrity • Professionalism • Openness • Accountability

# Executive Summary

The purpose of this paper is to set out the CRU's final Decision on the Initial Project Assessment (IPA) of the proposed MaresConnect electricity interconnector. The proposed MaresConnect interconnector is a 750 MW electricity interconnector connecting Ireland and Great Britain with a planned commercial operation date of 2030. The project is being developed by MaresConnect Limited (MCL).

MCL submitted an IPA application to the CRU for a Cap and Floor regime in October 2024 and provided additional information in December 2024. Following this, the CRU undertook a detailed assessment of the application, in line with the CRU 2018 Policy for Electricity Interconnectors: Assessment Criteria for Electricity Interconnection Applications (hereafter known as the '2018 Policy for Electricity Interconnectors'). The analysis was structured around the following four areas:

- **Market Modelling analysis**, which quantified the projected impact of the proposed MaresConnect interconnector on Socio-Economic Welfare (SEW), decarbonisation and security of supply in the Single Electricity Market (SEM), Great Britian (GB) and the rest of Europe.
- A **System impact assessment**, which analysed the impact of the proposed MaresConnect interconnector on the SEM electricity system. This was informed by qualitative and quantitative analysis provided by EirGrid.
- A **cost and technical assessment**, which analysed the project development approach and costs. This was informed by a technical assessment and an initial bottom-up cost assessment.
- A **deliverability assessment**, which considered whether the project's current stage of development is sufficiently mature to be seeking regulatory approval. It also considered the feasibility of MCL meeting its proposed operational date of 2030.

In May 2025, the CRU consulted on its findings from these four assessments, having outlined an *in principle* decision to award the proposed MaresConnect interconnector with a Cap and Floor regime, subject to a set of IPA conditions. This consultation elicited a range of responses from market stakeholders, including MCL, the transmission system operator (EirGrid), energy suppliers and generators, and industry representative bodies. While most respondents did not oppose the award of a Cap and Floor regime in principle, several emphasised the need for further evidence before the project progresses beyond the IPA stage, particularly on the impact of dispatch down in SEM, and a range of other system impacts and considerations.

Since consultation, the CRU has compiled further evidence from third parties and via bespoke analyses focused on several prominent issues raised by stakeholders. This includes quantitative analysis of the potential welfare impact of dispatch down due to the MaresConnect interconnector, a delay to commissioning, or different trajectories of key underlying assumptions not considered in the original SEW analysis. In addition, the CRU has received additional input from EirGrid on various system impacts and connection options for the MaresConnect interconnector. This additional evidence has been fully incorporated into the CRU's final IPA decision.

Having considered these responses and the additional evidence gathered since consultation, the CRU has decided to award the proposed MaresConnect interconnector a Cap and Floor regime, subject to a set of IPA conditions, allowing the project to progress to the Final Project Assessment (FPA) stage.

This decision reflects the CRU's conclusion that the MaresConnect interconnector remains in the interests of SEM consumers. The socio-economic welfare case remains robust after accounting for the concerns raised at consultation, alongside its wider contribution to decarbonisation and security of supply. The further evidence provided by EirGrid confirmed that viable, technically feasible connection solutions exist and gave the CRU sufficient clarity on the associated system reinforcement costs in absence of a fully confirmed connection solution. The CRU found no basis to depart from its consultation position on cost, technical design or deliverability. Finally, while there are risks surrounding the original 2030 target operational date, the CRU considers the economic case resilient to moderate delay, with the IPA conditions providing the means to intervene should circumstances change materially.

# Public/ Customer Impact Statement

Electricity interconnectors, such as the Moyle Interconnector, East West interconnector, Greenlink interconnector (all operational), Celtic interconnector (under construction), and the proposed MaresConnect interconnector, are physical links which allow the transfer of electricity from one electricity system to another via subsea cables. If developed, the MaresConnect Interconnector would be the fourth interconnector connecting the SEM to Great Britian (GB); the Celtic interconnector will be connecting to France. New interconnectors should be built only to the extent that they benefit the public at large. That is, as long as the benefits of adding interconnection capacity outweigh or equal the costs. In addition, consideration is taken into account for the additional security of supply benefit interconnectors provide for SEM, and also the positive impact interconnection has on our decarbonisation targets.

A market modelling analysis has been performed to determine the projected impact of the MaresConnect interconnector on Socio-Economic Welfare (SEW) in the SEM and GB. Interconnectors have the potential to increase SEW through enabling access to lower-cost sources of generation in the interconnected markets, contributing to savings in generation costs, including fuel, variable operations and maintenance as well as carbon costs. However, SEW benefits may not accrue equally to each interconnected market, nor are they likely to be evenly distributed among consumers, producers and interconnector owners in either market.

A new interconnector tends to reduce price differences between connected markets. It lowers electricity prices in the higher-priced market and increases prices in the lower-priced market, although which market is higher or lower priced may change over time. As prices converge, consumers in the higher-priced market typically benefit from lower electricity prices, resulting in an increase in consumer welfare. Conversely, consumers in the lower-priced market may face higher prices, leading to a reduction in consumer welfare.

However, consumer welfare is only one component of Social Economic Welfare (SEW). SEW also captures impacts on electricity producers, other interconnectors and the overall efficiency of electricity trading between markets. As a result, an interconnector can deliver a positive SEW benefit even in periods when consumer prices increase. For example, if prices rise in one market, generators in that market may receive higher revenues, increasing producer welfare. More importantly, the interconnector allows electricity to flow from lower-value to higher-value uses, improving the efficiency of the overall electricity system. The net SEW impact therefore reflects the combined effect on consumers, producers and wider market efficiency, rather than consumer prices alone.

When understanding the impact of further interconnection, it is important to consider the increasing deployment of renewable energy sources. There are times (for example on windy days) when

renewable generators in Ireland can generate more renewable electricity than can be safely transported through the island's electricity grid. In such circumstances, this potential renewable energy may go unused. Additional interconnection could reduce this effect and allow more renewable electricity onto the system (as with more export capacity, it can be safely exported). Some of this renewable energy may need to be turned down due to system or network limits, which is referred to as dispatch down. This is discussed in further detail in Section 4.2.2.

Building a new interconnector can be costly for Irish consumers, depending on the way it is regulated and funded. Interconnectors derive their revenues from sales of capacity to users who wish to move electricity between markets with different prices (congestion revenues). They can also earn revenue through participation in capacity markets and the provision of other services to the grid (ancillary services).

There are various approaches to regulate interconnectors and determine who bears the risk of the interconnector being able to earn revenue. This proposed project is seeking a Cap and Floor regulatory regime. In this type of regime, the CRU sets a value for the Cap and Floor of the project based on specific parameters. If the revenues earned by the interconnector are below the floor, the revenue is topped up by electricity consumers (via the electricity tariffs). Conversely, if the revenues earned by the interconnector are above the cap, the additional revenue is returned to the consumer (via the electricity tariffs). Hence, this type of regime can have a positive or negative impact on network tariffs, and ultimately on end consumers, depending on the performance of the interconnector. Therefore, the risk of underperformance and its potential cost to Irish consumers must be balanced against the potential benefits that a new interconnector may bring.

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# Glossary of Terms and Abbreviations

| Term or acronym | Definition or meaning |
|---|---|
| **BESS** | Battery Energy Storage System |
| **BGE** | Bord Gáis Energy |
| **BSP** | Bulk Supply Point |
| **CapEx** | Capital Expenditure |
| **CBA** | Cost Benefit Analysis |
| **CBAM** | Carbon Border Adjustment Mechanism |
| **CEF** | Connecting European Facility funding |
| **C&F** | Cap and Floor |
| **CP30** | Clean Power 2030 |
| **CRU** | Commission for Regulation of Utilities (formerly, Commission for Energy Regulation [CER]) |
| **DECC** | Department of the Environment, Climate and Communications |
| **DevEx** | Development Expenditure |
| **DS3** | Delivering a Secure, Sustainable Electricity System |
| **DSO** | Distribution System Operator |
| **EAI** | Energy Association of Ireland |
| **ECP** | Enduring Connection Policy |
| **EIA(R)** | Environmental Impact Assessment (Report) |
| **EIDAC** | EirGrid Interconnector Designated Activity Company |
| **EirGrid** | Transmission System Operator for Ireland |
| **ENTSO-E** | European Network of Transmission System Operators for Electricity |
| **EPC** | Engineering, Procurement and Construction |
| **EPUKI** | EP UK Investments |
| **ETS** | Emissions Trading Scheme (EU ETS) |
| **EU** | European Union |
| **EWIC** | East-West Interconnector |
| **FES** | Future Energy Scenarios (NESO) |
| **FID** | Final Investment Decision |
| **FPA** | Final Project Assessment |
| **FTI** | FTI Consulting |
| **GB** | Great Britain |
| **GW** | Gigawatt |
| **GWh** | Gigawatt Hour |
| **HVDC** | High Voltage Direct Current |
| **IPA** | Initial Project Assessment |
| **LDES** | Long Duration Energy Storage |

| | |
|---|---|
| **LIL** | Largest Infeed Loss |
| **LSI** | (Single) Largest Infeed Loss |
| **MCL** | MaresConnect Limited |
| **MW** | Megawatt |
| **MWh** | Megawatt Hour |
| **NERA** | NERA Economic Consulting |
| **NESO** | National Energy System Operator |
| **Ofgem** | Office for Gas and Electricity Market |
| **OpEx** | Operating Expenditure |
| **ORESS** | Offshore Renewable Electricity Support Scheme |
| **PCI** | Project of Common Interest |
| **PCR** | Post Construction Review |
| **PMI** | Project of Mutual Interest |
| **PV** | Photovoltaic (solar) |
| **RES** | Renewable Energy Sources |
| **RESS** | Renewable Electricity Support Scheme |
| **RoCoF** | Rate of Change of Frequency |
| **SEM** | Single Electricity Market |
| **SEMC** | SEM Committee |
| **SEW** | Socio Economic Welfare |
| **SIA** | Social Impact Assessment |
| **SNSP** | System Non-Synchronous Penetration |
| **SONI** | System Operator of Northern Ireland |
| **TEN-E** | The Trans-European Networks for Energy |
| **TES** | Tomorrow's Energy Scenarios |
| **TSO** | Transmission System Operator |
| **TUoS** | Transmission Use of System (charges) |
| **TWh** | Terawatt Hour |
| **TYNDP** | Ten-year Network Development Plan |
| **TYNDP DE** | Ten-year Network Development Plan Distributed Energy |
| **TYNDP GA** | Ten-year Network Development Plan Global Ambition |
| **TYTFS** | Ten Year Transmission Forecast Statement |
| **UAEC** | Unrealised Available Energy Compensation |
| **UK** | United Kingdom |
| **WEI** | Wind Energy Ireland |

# 1. Introduction

## 1.1. Commission for Regulation of Utilities

The CRU is Ireland's independent energy and water regulator. The CRU was originally established in 1999. The CRU's mission is to protect the public interest in Water, Energy and Energy Safety. The work of the CRU impacts every Irish home and business. The sectors the CRU regulates underpin Irish economic competitiveness, investment and growth, while also contributing to our international obligations to address climate change.

The CRU is committed to playing its role to help deliver a secure, low carbon future at the least possible cost, while ensuring energy is supplied safely, with empowered and protected customers paying reasonable prices and the delivery of a sustainable, reliable and efficient future for energy and water.

Further information on the CRU's role and relevant legislation can be found on the CRU's website www.cru.ie/.

## 1.2. Background

Electricity interconnectors are high-voltage transmission lines which connect electricity systems and enable the transport of electrical power across borders. Interconnectors have the potential to provide substantial benefits to consumers, including:

- Enhancing **security of supply** through providing access to a wider fleet of generation.
- **Reducing emissions** from the electricity system by integrating higher levels of renewable energy.
- Enabling a more **efficient use of generation** across the two connecting markets, driving down overall system cost.
- Ensuring efficient **dispatch of low-cost generation**, reducing costs for consumers.

### 1.2.1 The SEM interconnector landscape

The All-Island Single Electricity Market (SEM) is currently connected to Great Britain (GB) via three interconnectors. These interconnectors not only provide access to the larger electricity market of GB, but also indirectly to the EU internal Energy Market through GB's connection with Continental Europe. SEM interconnectors including those operational, under construction and in

development, are detailed in Table 1 below, alongside their connecting location, revenue model, and year of operation (where applicable).

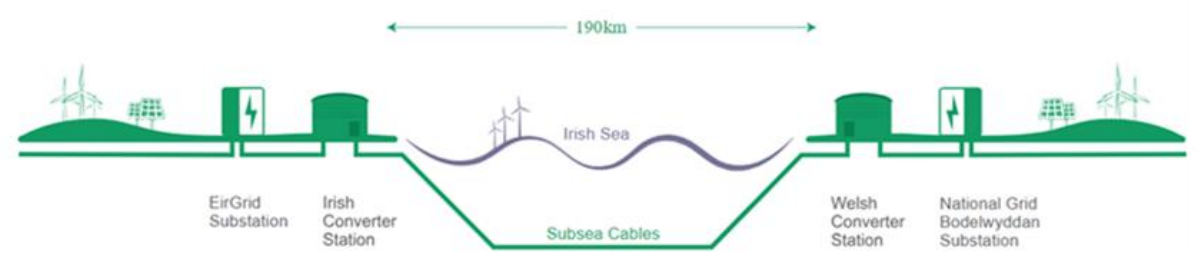
*Table 1 - List of current and in-development interconnector projects on SEM*

| Interconnector | Connection to the SEM | Connecting country | Status | Revenue model | Year of operation |
|---|---|---|---|---|---|
| **Moyle** | Northern Ireland | GB (Scotland) | Operational | Fully regulated | 2002 |
| **East-West interconnector (EWIC)** | Ireland | GB (Wales) | Operational | Fully regulated | 2012 |
| **Greenlink** | Ireland | GB (Wales) | Operational | Cap and Floor | 2025 |
| **Celtic** | Ireland | France | Under construction | Fully regulated | - |
| **LirIC** | Northern Ireland | GB (Scotland) | In development | Seeking Cap and Floor | - |
| **MaresConnect** | Ireland | GB (Wales) | In development | Seeking Cap and Floor | - |

### 1.2.2 The proposed MaresConnect electricity interconnector

The MaresConnect interconnector is a proposed 750 MW electricity interconnector connecting Ireland and Great Britain. It is being developed by MaresConnect Limited (MCL) and has a planned commercial operations date of 2030. The proposed connection points for the project are the Bodelwyddan substation in North Wales, and a substation in the Dublin region of Ireland, as illustrated in Figure 1 below.

*Figure 1 - MaresConnect project diagram*



In December 2025, the proposed MaresConnect interconnector was included in the European Union's second list of Projects of Common/Mutual Interest (PMI/PCI)[1], confirming its status as a strategic priority within Europe's evolving energy system. PMIs and PCIs are key cross-border infrastructure projects that are intended to help the European Union achieve its energy policy and climate objectives. Upon being granted PCI/PMI status, a project benefits from accelerated permitting procedures and funding, alongside the possibility of regulatory incentives as set out in Article 17 of The Trans-European Networks for Energy (TEN-E) policy.

In early 2023, MCL applied to the GB energy regulator, Ofgem, for a Cap and Floor regime through Ofgem's Third Window for Electricity Interconnectors. In November 2024, Ofgem published its IPA decision to award the proposed MaresConnect interconnector with a Cap and Floor in-principle. This was on the basis of the MaresConnect interconnector being deemed deliverable prior to the end of 2032, along with demonstrating positive total Socio-Economic Welfare in the UK. The results also showed a positive Socio-Economic Welfare in SEM.

The Cap and Floor regime awarded by Ofgem covers 50 per cent of the efficiently incurred project cost of the proposed MaresConnect interconnector. This Decision is concerned with MCL's application to the CRU for a Cap and Floor regulatory regime in Ireland, for the remaining 50 per cent of the efficiently incurred project cost.

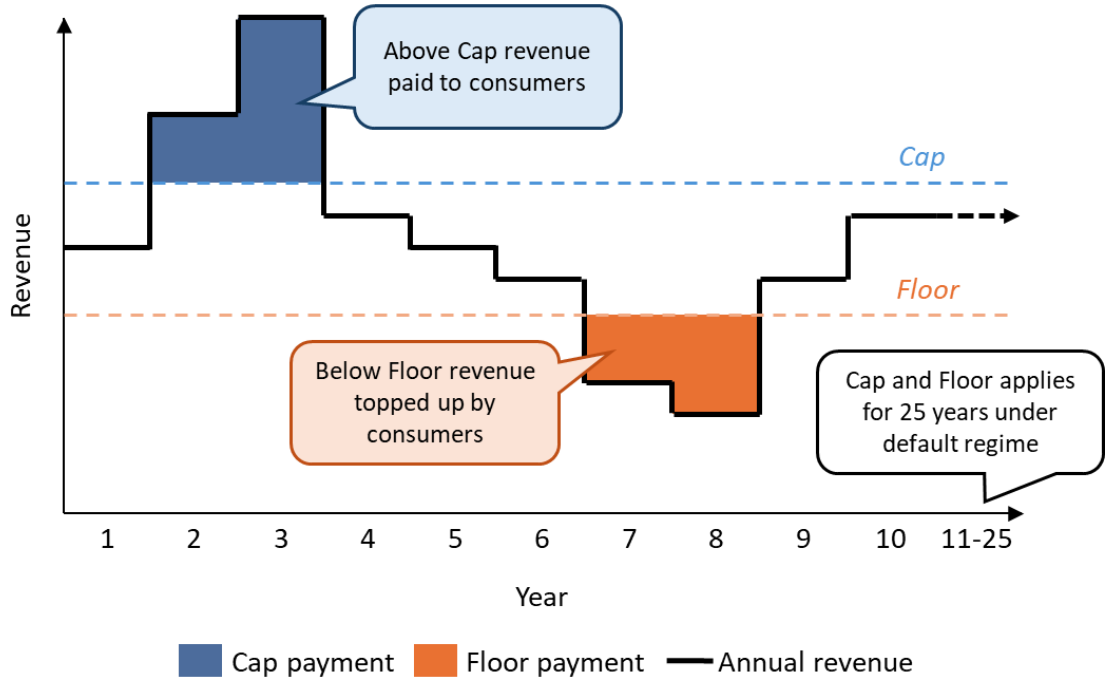
### 1.2.3 The Cap and Floor regime

The Cap and Floor regime is a cost-based regulated revenue regime. The maximum (the 'Cap') and minimum (the 'Floor') level of revenue which an interconnector operator can earn in each year is set by applying financial parameters to the efficient costs of developing, building and operating the project. The Floor is set at a level that ensures that an interconnector can cover its annual operating costs and debt obligations. Conversely, the Cap is set to provide equity investors with appropriate returns. The revenue in each year of operations by an interconnector are compared to the Cap and Floor levels to determine any payments to or from consumers. When revenues fall below the Floor, interconnectors receive a top-up payment, and when revenues are above the Cap, interconnectors must return the excess to consumers via Transmission Use of System (TUoS) charges.

The aim of the Cap and Floor model is to support efficient investment in electricity interconnectors by underpinning financeability, while retaining performance incentives and

[1] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202600764

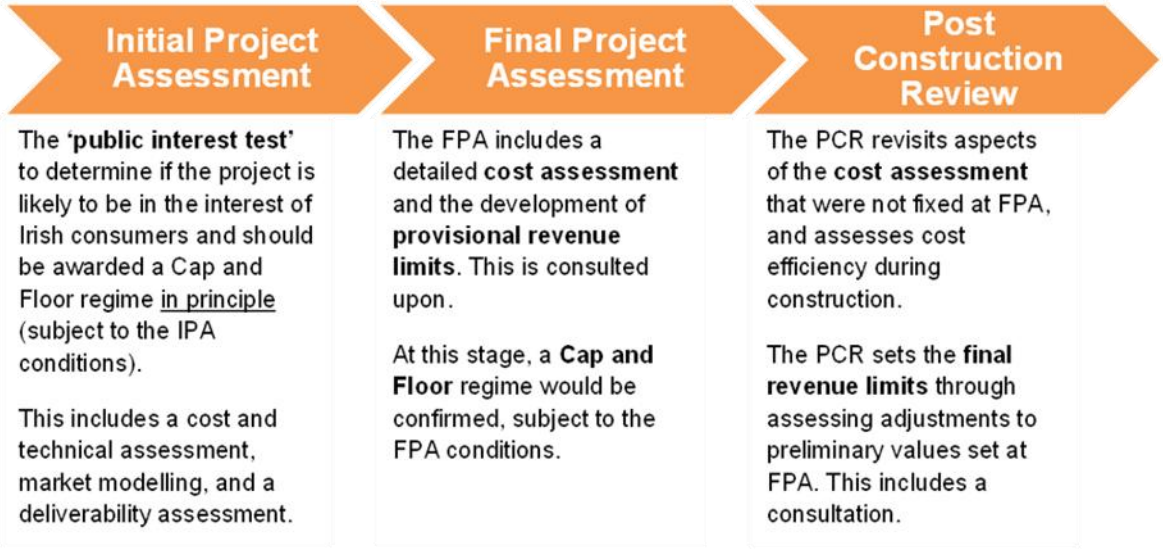
limiting consumer risk exposure. Consumers are protected through the Cap, which ensures that high returns are passed back through lower bills.




### 1.2.4 The Initial Project Assessment (IPA)

The IPA is the first step for an interconnector to be regulated by the Cap and Floor regime. Figure 2 demonstrates the objective and high-level activities undertaken at each assessment stage

*Figure 2 - Summary of Cap and Floor regime process*



Should the proposed MaresConnect interconnector be awarded a Cap and Floor regime in principle at the IPA stage, it would progress to the FPA stage, and then the PCR stage. Each stage includes a consultation, and progression to the next assessment phase is dependent on the conditions of the current stage, e.g. the IPA or FPA conditions respectively. In addition to the above assessment stages, between the FPA and PCR stage a project would be required to submit annual assessments which enable the CRU to monitor project progress and cost variations through construction.

In May 2025 the CRU published the MaresConnect IPA consultation (CRU202563[2]), which outlined its proposed decision to award MCL with a Cap and Floor support regime, subject to a number of IPA conditions designed to manage risk and ensure that further evidence is provided as the project develops. The CRU reached this proposed decision based on several analytical exercises. These included;

- **Market modelling analysis,** which quantified the likely impact of the proposed MaresConnect interconnector on Socio-Economic Welfare, decarbonisation and security of supply in Ireland, GB and the rest of Europe.
- **A System impact assessment,** which analysed the impact of the proposed MaresConnect interconnector on the SEM electricity system. This was informed by qualitative and quantitative analysis provided by EirGrid.
- **A cost and technical assessment,** which analysed the project approach and costs. This was informed by a technical assessment and bottom-up cost assessment.
- **A deliverability assessment,** which determined whether the project's current stage of development is sufficiently mature to be seeking regulatory approval. It also considered the feasibility of MCL in meeting its proposed operational date of 2030

The IPA consultation elicited ten responses from a range of stakeholders, including the project developer (MCL), the transmission system operator (EirGrid), energy suppliers and generators, and industry representative bodies. While most respondents did not oppose the award of a Cap and Floor regime in principle, several emphasised the need for further evidence before the project progresses beyond the IPA stage. A number of common themes emerged across the responses. One prominent issue raised was that the market modelling did not quantify dispatch down, curtailment and constraint costs, and may therefore overstate socio-economic welfare. Respondents also called for broader and updated modelling scenarios; fuller treatment of

[2] Initial Project Assessment of the MaresConnect electricity interconnector – Consultation Paper (link)

additional revenue streams, such as capacity market and ancillary services income; further technical consideration of system-impact concerns, including the increased largest single infeed and Ireland's growing reliance on GB interconnection; and further clarity regarding pathways, including any necessary network reinforcement, for connecting MaresConnect to the SEM.

A full summary of consultation responses can be found in Section 2.

### 1.2.5 Related Documents

Decisions in this paper should be read in conjunction with the CRU documents listed in Table 2 below.

*Table 2 - List of related documents*

| Reference | Date | Title | Type |
|---|---|---|---|
| CRU17300 | 2017 | Grid Connections for Electricity Interconnectors with PCI status | Direction to EirGrid |
| CRU18221 | 2018 | Policy for Electricity Interconnectors Assessment Criteria for Electricity Interconnection Applications | Decision |
| CRU20171 | 2020 | Greenlink Cap and Floor Regulatory Treatment | Decision |
| CRU202563 | 2025 | Initial Project Assessment of the MaresConnect electricity interconnector | Consultation |

## 1.3. Structure of Paper

- **Section 1** (Introduction) sets out the background to the proposed MaresConnect interconnector, the Cap and Floor regime and the Initial Project Assessment (IPA).
- **Section 2** (Summary of consultation responses) presents the responses received to the consultation and the CRU's assessment across each of the consultation questions. This includes the proposed award decision, market modelling, system impact, cost and technical, and deliverability assessments, together with wider costs, benefits, risks and proposed IPA conditions.

- **Section 3** (CRU Decision) sets out the CRU's overall IPA decision, and
- **Section 4** (Next Steps) describes the process from here.

A glossary of key terms and abbreviations precedes **Section 1**.

# 2. Summary of consultation responses

The CRU received 10 responses from the following market participants. Abbreviations (where relevant) are provided in brackets.

- Energia
- Bord Gáis Energy (BGE)
- EirGrid Interconnector Designated Activity Company (EIDAC)
- A Welsh resident
- Electricity Association of Ireland (EAI)
- EirGrid
- EP UK Investment (EPUKI)
- MaresConnect Limited (MCL)
- Statkraft
- Wind Energy Ireland (WEI)

The IPA consultation asked respondents' views on seven questions spanning all aspects of the CRU's Initial Project Assessment framework. These questions are provided below:

**Questions**

1. Do you agree with the proposed decision to award the proposed MaresConnect interconnector with a Cap and Floor agreement in principle?
2. Do you agree with the conclusions of the market modelling assessment? Are there any other factors the CRU should consider?
3. Do you agree with the conclusions of the system impact assessment? Are there any other factors the CRU should consider?
4. Do you agree with the conclusions of the cost and technical assessment? Are there any other factors the CRU should consider?
5. Do you agree with the conclusions of the deliverability assessment? Are there any other factors the CRU should consider?

6. Are there any other broader costs, benefits or risks that have not been considered in this document that you believe should be considered as part of the decision by the CRU?

7. Do you have any comments on the proposed IPA conditions?

The remainder of this section provides a summary of responses to each question. Each summary is followed by the CRU's response, which in some instances contains an account of additional information relating to the question at hand that has emerged since the IPA consultation.

## 2.1. Decision to award a Cap and Floor in principle

The CRU consulted on its proposed decision to award the proposed MaresConnect interconnector a Cap and Floor regime (Question 1). This decision was in part based on socio-economic welfare (SEW) analysis carried out as part of the CRU's Initial Project Assessment (IPA), which projected the proposed MaresConnect Interconnector to provide a net welfare benefit for the Single Electricity Market (SEM) of between €1.0bn to €1.6bn. It was also based on the CRU's assessment against system impact, cost and technical, and deliverability criteria. The CRU received seven responses to this consultation question.

### 2.1.1 Summary of responses received

One respondent (MCL) agreed with the proposed decision. MCL stated that the CRU's assessment is consistent with national policy, ENTSO-E analysis and Ofgem's IPA decision. They highlighted the project's expected positive welfare, security-of-supply and decarbonisation benefits, and noted that a minded-to decision would provide the regulatory clarity needed to maintain progress towards a 2030 delivery date.

Six respondents (Energia, BGE, EAI, EPUKI, EirGrid and WEI) either disagreed or raised material concerns with the CRU's proposed decision to award a Cap and Floor regime for the proposed MaresConnect interconnector based on the evidence presented in the consultation. Respondents outlined reasons for their positions on this question in their answers to Question 1 but also signposted to their answers to Questions 2-7 as contributing to their position on Question 1. Only responses to Question 1 are summarised in this Section. Two respondents (EAI and EPUKI) raised concerns about the treatment of revenue streams in the socio-economic welfare analysis carried out to reach the CRU's position. They highlighted that the IPA does not incorporate potential revenues the interconnector could earn in the capacity market and system services. They argued that excluding these revenues may overstate the need for a Cap and

Floor regime and does not allow for a proper assessment of whether the project could operate without regulatory support.

EAI and EPUKI also jointly expressed concerns around the risks to consumers, noting that the current analysis does not sufficiently assess downside risk or potential tariff exposure under challenging market conditions.

One respondent (EirGrid) commented on the broader interconnection context, noting that, if the proposed MaresConnect interconnector and other proposed projects proceed, a large proportion of Ireland's interconnection would connect to the GB system. They proposed the Final Project Assessment (FPA) should include a more comprehensive market analysis as well as further consideration of certain system impacts for the proposed interconnector.

One respondent (WEI) pointed to the absence of quantified analysis of potential dispatch-down impacts, network reinforcement costs, the impact of delivery delay, the project's carbon value, and the implications of increased Largest Single Infeed/Outfeed.

### 2.1.2 CRU response

The CRU has carefully considered the issues raised by stakeholders on this question.

The CRU recognises that some respondents questioned whether the project could proceed without regulatory support and highlighted the potential relevance of additional revenue streams and consumer risk considerations. The CRU notes, however, that the purpose of the Cap and Floor regime is to provide sufficient certainty for developers and investors to progress interconnection projects that may otherwise not be delivered. While some market scenarios allowing for high interconnector congestion rent may provide adequate revenues without regulatory support, the uncertainty associated with those revenues is unlikely to provide a sufficiently robust basis for investment in large-scale interconnection infrastructure. The benefits arising from the delivery of such assets, including enhanced security of supply, decarbonisation and market integration, are therefore an important consideration in the assessment.

The CRU also acknowledges the views of respondents who considered that further evidence was required before the project could progress beyond IPA, particularly in relation to system impacts, dispatch-down effects, connection arrangements and costs. In response to these concerns, and to strengthen the evidence base for its assessment, the CRU commissioned additional analysis on the system impacts of the proposed MaresConnect interconnector and on connection options and associated costs. The findings of this analysis have informed the CRU's assessment and are discussed in the relevant sections of this Decision Paper.

The IPA process is intended to provide a rigorous assessment of whether continued project development remains in the interests of Irish consumers, taking account of market outcomes, system impacts, technical considerations, costs and deliverability. The CRU's conclusions on each of these areas are set out in the sections that follow.

## 2.2. Market modelling assessment

The CRU consulted on the conclusions of the market modelling assessment carried out as part of its IPA of the proposed MaresConnect interconnector, and whether any other factors should be considered in this analysis (Question 2). The CRU received seven responses to this consultation question (Energia, BGE, EAI, EirGrid, EPUKI, MCL, WEI)

### 2.2.1 Summary of responses received

One respondent (MCL) agreed with the CRU's market modelling assessment, stating that SEW benefits (€1.0bn – €1.6bn) are robust across scenarios, and consistent with separate modelling carried out by their consultants, FTI. They highlight additional benefits not captured in the modelling, including capacity market and ancillary service revenues (20–40% of total interconnector revenues), intraday trading value, and higher SEW and curtailment reduction benefits under the updated TYNDP 2024 scenarios. They emphasise the strong renewables integration, emissions reduction, and security of supply contributions that the proposed MaresConnect interconnector would provide.

Five respondents (Energia, BGE, EAI, EirGrid, WEI) said the IPA does not quantitatively assess dispatch down, imperfections, and constraint costs and therefore overstates SEW. Energia, citing analysis carried out by consultants NERA, argued that constraint costs could be as high as €464m–€1.6bn over the asset life, potentially wiping out benefits. BGE point to evidence from the SEM Committee consultation on imperfection charges for 2025/26, which states that updated capacities for renewable energy sources and interconnector capacities are forecast to increase imperfection costs by €104m for Tarif Year 2025/26, although they note that the consultation does not separate the impact of additional interconnection capacity. BGE argue that the additional renewables integration allowed for by the proposed MaresConnect interconnector may be offset by dispatch down it also causes in parallel, eroding overall socioeconomic welfare. Separately, EAI asked the CRU to model local constraints and out-of-market actions that raise imperfections in an already constrained region of the grid. EirGrid noted that ramp-rate limits, loss-based loading, and dispatch down are often omitted from market studies. WEI highlighted additional costs to consumers from dispatch/balancing (imperfections) and support-scheme compensation (RESS/UAEC).

Five respondents (Energia, EirGrid, EAI, WEI, EPUKI) called for updated and broader scenarios to illustrate different SEW outcomes from the introduction of the proposed MaresConnect electricity interconnector. Respondents raised a range of suggestions for additional and refined scenarios. These included the impact of delays to the proposed MaresConnect interconnector entering operation, alternative fuel and carbon price assumptions, and the use of more recent scenario frameworks (such as updated TYNDP or TES scenarios). One respondent (Energia) challenged the uniform carbon and fuel prices across scenarios, and the potential for excessively high fuel prices to overstate the potential welfare benefits of the proposed MaresConnect interconnector.

Two respondents (BGE, EPUKI) challenged the use of a shadow price of carbon in the presentation of the results on the SEW analysis. They noted the shadow price of carbon in 2030 (€408/tCO2) is significantly higher than the market price in the EU ETS today (around €72/tCO2 at the time of the consultation). Using the shadow price of carbon to value changes in emissions may therefore overstate potential benefits. Both respondents also noted that other regulatory decisions made by the CRU, for example on DS3, have not used the higher shadow price of carbon. They argued a consistent approach should be taken to valuing carbon emissions in CRU decisions to reduce regulatory uncertainty.

Three respondents (EirGrid, WEI, MCL) asked that Capacity Market and Ancillary Services revenues be considered explicitly in the value case and the regime assessment. EirGrid recommended fuller consideration, including considerations of regulations[3] relating to the participation of interconnectors in capacity markets. WEI argued that the Cap and Floor should adjust for additional revenues and a counterfactual scenario should be considered in which MaresConnect operates on a merchant basis. MCL stated Capacity Market and Ancillary Services typically provide 20–40% of interconnector revenues; excluding them undervalues welfare and overstates Floor payment risk. MCL point to FTI analysis which estimates €28.7m per annum in capacity market revenue accessible to the proposed MaresConnect interconnector, corresponding to a net present value of €0.4bn in 2022 terms.

Two respondents (EPUKI, EirGrid) sought greater transparency and data access. EPUKI flagged a lack of information on the CBA tool and methodology and asked that it be shared. EirGrid asked for hourly outputs, annual price duration curves, and curtailment data assumed in SEM and GB to enable scrutiny.

[3] Defined in EU 2019/943 Act. 26

Two respondents (EAI, EPUKI) highlighted negative consumer welfare in certain scenarios despite positive total SEW. EAI argue that the modelling is unclear on the cost allocation to consumers in these scenarios.

Three respondents (EirGrid, WEI, EPUKI) referenced post-Brexit intraday coupling, locational/zonal pricing in GB, and future EU-UK recoupling as key value drivers that should be modelled. EirGrid specifically raise the prospect of modelling welfare outcomes under a locational pricing regime in GB to inform the final IPA decision. WEI warn that loop flows facilitated by the MaresConnect interconnector could affect SEM dispatch and welfare, with the combination of GB-SEM interconnectors and the Irish transmission network being used to circumvent the main north-south transmission constraint in the GB network. EPUKI point to reduced intraday liquidity in post-Brexit cross-border trade which is not captured in the SEW modelling.

Finally, two respondents (Energia, EAI) highlighted concerns that increasing the Single Largest Infeed (LSI) will necessitate a greater volume of operating reserves, despite current assessments suggesting limited system impact. EAI note that in EirGrid's Operational Roadmap, all thermal unit dependency is to be removed by 2035, meaning the reliance for operating reserves will rise and will increasingly be provided by batteries. EAI argued this will lead to higher costs which should have been incorporated into the SEW modelling. EAI note a contradiction between this growing need for reserves and the SEMC's view that reserve services are over-procured. It also raises specific concerns about the proximity of EWIC and the proposed MaresConnect interconnector, which increases the risk of a simultaneous outage and a higher effective LSI.

### 2.2.2 CRU response

The CRU's response is structured by themes raised by consultation respondents. This includes the impact of dispatch down, varying input assumptions, and delayed commissioning of MaresConnect interconnector on SEW outcomes.

#### *2.2.2.1 Dispatch Down*

The IPA consultation considered the impact of the proposed MaresConnect interconnector on dispatch down. Based on market fundamentals, the CRU outlined in the IPA consultation paper its expectation that the MaresConnect interconnector would:

- **Reduce oversupply**: At periods of high renewable generation or low electricity demand, available renewable output can exceed total demand. When this occurs, not all renewable generation can be accommodated by the market, resulting in some renewable energy failing to clear in the day-ahead market. This is referred to as oversupply. The

MaresConnect interconnector helps to reduce oversupply by providing an additional flexible source of demand, enabling more renewable generation to be utilised and improving the integration of renewable energy into the electricity system.

- **Increase curtailment of renewable energy generation**. The TSOs (EirGrid and the System Operator for Northern Ireland, SONI) impose system-wide constraints on the network in order to maintain the secure and reliable operation of the power system, which can cause curtailment. Any plant on the network can be turned down to meet the system constraint that affects curtailment. The MaresConnect interconnector can increase curtailment for two reasons. First, by reducing oversupply, more renewable generation remains on the system, potentially breaching operational limits such as System Non-Synchronous Penetration (SNSP) and requiring curtailment. Second, imports via the MaresConnect interconnector during periods of high renewable output can also push the system closer to limits such as SNSP or Rate of Change of Frequency (RoCoF), increasing the likelihood that the TSOs will need to re-dispatch generators to maintain system security.
- **Increase or decrease constraints in the SEM**: Constraints occur at local points on the network where the transmission capacity of the lines is insufficient to be able to transfer the required power from supply to demand. The impact on constraints would be dependent on the local network configuration around the connection point for the proposed MaresConnect Interconnector and the relevant sources of renewable generation, along with imports and export rates.

Based on its analysis for the IPA consultation, the CRU concluded that the expected impact of the proposed MaresConnect interconnector on dispatch down was unlikely to be sufficiently material to warrant the rejection of the IPA application.

In response to consultation feedback and requests for further quantitative evidence, the CRU commissioned two studies to strengthen the evidence base on the potential impact of the proposed MaresConnect interconnector on dispatch down.

The first study was carried out by Baringa and was provided to the CRU in October 2025. The study adopted a PLEXOS-based market modelling approach, consistent with that applied in the original IPA consultation, to quantify the impact of the proposed MaresConnect interconnector on renewable dispatch down and the resulting implications for SEW. The analysis assessed how the proposed MaresConnect interconnector would affect oversupply and curtailment, and constraints related to the North-South interconnector. From this point on, this study is referred to as the ‘market modelling assessment’.

The second study was undertaken by EirGrid using its more detailed nodal network model and was provided to the CRU in April 2026. This analysis explicitly represents local transmission constraints and network conditions, enabling the assessment of how the proposed MaresConnect interconnector could interact with congestion on the wider transmission system, particularly in the Dublin region where the interconnector is expected to connect. From this point on, this study is referred to as the 'EirGrid network analysis'.

Both studies considered the impact of the MaresConnect interconnector on oversupply, curtailment and constraints. Understanding a proposed interconnector project's potential impact, positive or negative, on network constraints is a requirement set out in the CRU's decision on Assessment Criteria for Electricity Interconnection Applications (CRU/18/221[4]). Specifically, criteria 4.2.2 (4) relates to the 'Change in grid transfer capability (GTC) between the interconnected systems and within each of them, reflecting reduced congestion. Impact on network constraints'.

**Market modelling assessment**

The PLEXOS analysis compared a scenario in which the proposed MaresConnect interconnector is developed (the Factual case) against a scenario without the proposed MaresConnect interconnector (the Counterfactual). The assessment was conducted across the three scenarios used in the IPA consultation for SEW assessment, representing different pathways for the future development of the SEM: the TYNDP Distributed Energy scenario, the TYNDP Global Ambition scenario and the Baringa Reference Case. The modelling also spanned the time horizon 2030 to 2050, with outputs reported at 5-year increments. The modelling found that the proposed MaresConnect interconnector consistently reduces oversupply over the lifetime of the interconnector by providing an additional export route for surplus renewable generation. During periods of high renewable output, the interconnector enables electricity that might otherwise have been unable to clear in the market to be exported to neighbouring markets.

However, the reduction in oversupply can be accompanied by an increase in curtailment. By retaining more renewable generation on the system, the proposed MaresConnect interconnector can increase the likelihood of operational limits being reached, requiring additional system operator interventions to maintain system security. As a result, some renewable generation that would previously have been classified as oversupply may instead be curtailed.

[4] CRU/18/221 – Decision on the Policy for Electricity Interconnectors Assessment Criteria for Electricity Interconnection Applications (link)

The overall impact varied by scenario. In the Baringa Reference Case, oversupply was reduced by approximately 0.4 percentage points of available renewable generation, while curtailment increased by approximately 0.5 percentage points, resulting in a small net increase in total dispatch down. In contrast, the TYNDP Distributed Energy and Global Ambition scenarios saw larger reductions in oversupply than increases in curtailment, resulting in an overall reduction in total dispatch down.

The analysis also examined dispatch down driven by constraints across the North-South interconnector. Across all scenarios, these impacts were found to be minimal. However, this assessment only captures constraints associated with the North-South interconnector[5] and does not represent wider transmission network constraints or local congestion elsewhere on the network. As such, the results should not be interpreted as indicating that all constraint-driven dispatch down impacts associated with the proposed MaresConnect interconnector are immaterial. Within the scope of the modelling, changes in oversupply and curtailment were the primary drivers of differences in total dispatch down.

**Table 3** below summarises these outcomes across the different forms of dispatch down levels and across scenarios (expressed as a % of available renewable generation), and details key scenario characteristics.

*Table 3 - Summary of market modelling outcomes across scenarios*

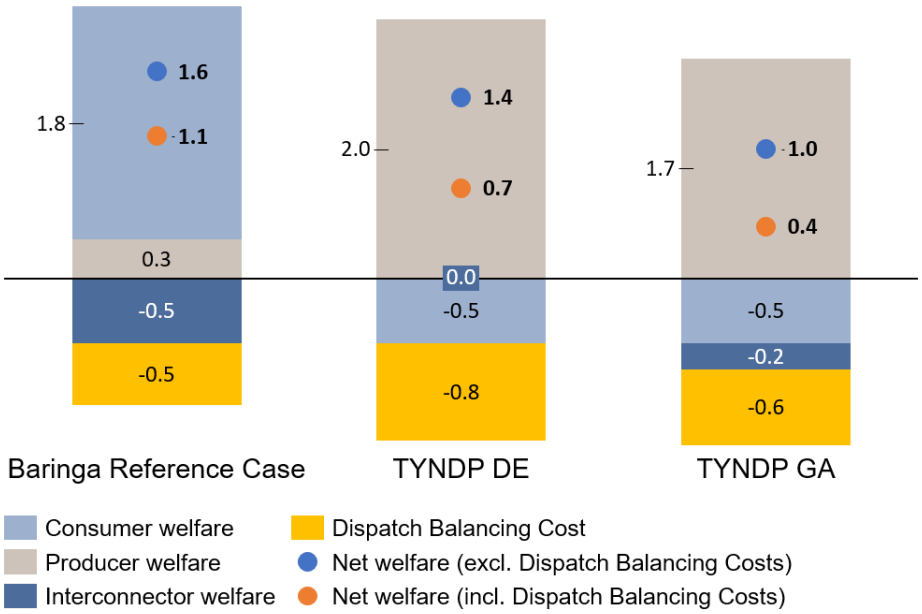
| Scenario | SEM Prices | MaresConnect flow | Oversupply change | Curtailment Change | Constraint Change | Total Dispatch Down Change |
|---|---|---|---|---|---|---|
| **Baringa Reference Case** | High (83 €/MWh) | GB -> IE (Import) | ↘ 0.4% | ↗ 0.5% | → | ↗ |
| **TYNDP DE** | Low (46 €/MWh) | IE -> GB (Export) | ↓ 1.5% | ↑ 0.7% | → | ↓ |
| **TYNDP GA** | Low (50 €/MWh) | IE -> GB (Export) | ↓ 1.1% | ↗ 0.5% | → | ↓ |

↓ Decrease ↘ Small decrease → Negligible impact ↗ Small increase ↑ Increase

[5] Baringa's modelled outputs include constraint levels resulting from the North-South interconnector only. Baringa's modelling assuming a maximum capacity of 400 megawatts (from the Republic of Ireland to Northern Ireland) and 450 megawatts (from Northern Ireland to the Republic of Ireland) across the North-South interconnector from 2030. The modelling also assumes that the North-South interconnector is reinforced to 1500 MW in 2032.

To assess the welfare implications, the additional dispatch balancing costs associated with an increase in curtailment were incorporated into the original IPA socio-economic welfare framework. While these additional costs reduced net welfare relative to the original IPA consultation results, the overall net welfare impact of the proposed MaresConnect interconnector remained positive in all three scenarios considered, as shown in **Figure 3**.

*Figure 3 - Summary of SEW impact of dispatch down across scenarios*




Across all three scenarios dispatch down results in higher dispatch balancing costs and lower overall net welfare. The most significant impact occurs in the TYNDP DE scenario, where net welfare falls from €1.4 billion (in the previous IPA assessment) to €0.7 billion (real, 2024 prices). This decline is driven by the high volumes of renewables deployed in the scenario. Although the dispatch balancing costs within the SEM as a result of the proposed MaresConnect interconnector are higher, the net welfare benefit remains positive across all three scenarios.

**EirGrid network analysis**

The CRU also requested further analysis from EirGrid, including in relation to local transmission constraints and congestion in the Dublin region.

As part of its *Connection Cost and Network Impact Study* for the proposed MaresConnect interconnector, submitted in April 2026, EirGrid assessed the impact of the proposed MaresConnect interconnector using its detailed network model. Unlike the market modelling analysis, EirGrid's network analysis explicitly captured local transmission constraints and congestion in the Dublin region, alongside oversupply and curtailment effects.

Two aspects of EirGrid's approach to this modelling exercise are important to highlight. Firstly, the scenario adopted ('50% Enduring Connection Policy') for the analysis assumes significantly higher levels of renewables deployment than the scenarios adopted in the market modelling assessment, which results in higher oversupply-driven dispatch down rates relative to the scenarios adopted in the market modelling analysis described above. Secondly, EirGrid's network analysis produced outputs for a single spot year (2030) only, rather than a longer time horizon covering the full duration of the Cap and Floor regime. This is due to uncertainty around the extent and phasing of network buildout, both SEM-wide and within the North Dublin region.

EirGrid's analysis found that the proposed MaresConnect interconnector could increase imports into the SEM, displacing renewable generation that would otherwise flow from the Southern and Western regions towards Dublin. Consequently, EirGrid estimated that the proposed MaresConnect interconnector could increase total dispatch down in 2030 from 13.4 TWh to 14.9 TWh, an increase of approximately 1.5 TWh.

Expressed as a share of available electricity generation, the additional dispatch down equates to approximately 3.4%, comprising approximately 2.0% from oversupply, 0.1% from curtailment and 1.3% from network constraints. The analysis highlighted that local transmission constraints in the Dublin region could be a significant contributor to dispatch down and therefore form an important consideration when assessing the overall impacts of the proposed MaresConnect interconnector.

Taken together, the two studies provide a more comprehensive assessment of the potential dispatch down implications of the proposed MaresConnect interconnector than was available at the time of the IPA consultation.

The market modelling indicates that the proposed MaresConnect interconnector generally reduces oversupply but may increase curtailment, with the net impact on total dispatch down dependent on future system conditions. Importantly, even after accounting for additional dispatch balancing costs, the analysis continued to show positive net socio-economic welfare across all scenarios considered. In parallel, the EirGrid analysis provides additional insight into the potential impact of local transmission constraints, identifying a possible increase in dispatch down under the specific 2030 network conditions modelled.

On balance, the evidence does not support a conclusion that the potential dispatch down impacts of the proposed MaresConnect interconnector would, in isolation, make the project contrary to the interests of Irish consumers. The CRU recognises that the direction and magnitude of oversupply, curtailment and constraints are influenced by a wide range of factors, including renewable deployment, demand growth, network development, market conditions and the

availability of complementary flexibility technologies. This uncertainty is reflected in the modelling results, which show different dispatch down outcomes across different future scenarios.

Accordingly, the CRU considers that the evidence on dispatch down should be weighed alongside the broader range of factors relevant to the assessment of the proposed MaresConnect interconnector. The findings of both studies form part of the evidence base considered by the CRU in its decision on the IPA for the proposed MaresConnect interconnector.

Taken together, the analyses summarised above materially expand the evidence base available to the CRU on the potential dispatch down implications of MaresConnect, relative to the position at the point of consultation. The remainder of this section outlines how the CRU has considered these findings in reaching its view on whether progression of the project to the next stage of regulatory approval remains in the interest of Irish consumers.

At the outset, the CRU notes that dispatch down has not been considered in the same level of detail in previous interconnector IPA decisions. The decision to commission additional analysis in this area reflects the specific issues raised through the consultation and the CRU's intention to take a proportionate, evidence-based approach to the assessment, rather than the establishment of a new evidential threshold that MaresConnect must clear in isolation. The findings should therefore be weighed alongside the wider set of considerations set out in this Decision Paper.

On the substance of the findings, the modelling-based analysis indicates that dispatch balancing costs associated with MaresConnect reduce net welfare relative to the position set out in the IPA consultation, but that overall SEW remains positive across all three scenarios considered. This provides a reasonable degree of assurance that, on the evidence currently available, the dispatch down impact of the proposed MaresConnect interconnector is unlikely to give rise to a negative welfare outcome over the asset's lifetime.

The CRU recognises that the market modelling analysis does not capture local constraint-driven dispatch down, and that EirGrid's assessment of local constraints in 2030 has not been translated into monetary welfare terms or extended across the full operational life of the asset. This represents a limitation in the modelling evidence which the CRU has considered.

However, two further considerations are relevant in weighing the EirGrid findings. First, the analysis is based on the network configuration currently forecast for 2030. It therefore does not incorporate any additional network reinforcement that EirGrid may bring forward over the course of the asset’s 25-year operational lifetime to specifically address the local constraint impacts identified. Second, the commissioning date for MaresConnect may extend beyond its proposed operational date of 2030, providing further scope for planned reinforcements to be implemented

in advance of commercial operation and to mitigate the level of constraint-driven dispatch down modelled in 2030 in EirGrid's network analysis.

More broadly, the CRU recognises that the direction and magnitude of all three forms of dispatch down (oversupply, curtailment and constraint) are shaped by a wide range of interdependent and mutually reinforcing drivers. These include the pace and location of renewables deployment both domestically and in connected markets, the evolution of the transmission network and reinforcement programmes, demand growth, wider policy and market conditions, and the deployment of complementary technologies such as long duration energy storage and measures such as demand-side response. The uncertainty associated with these drivers increases materially over longer time horizons, which is a particularly relevant consideration for an asset with an operational life in the region of 25 years. This is illustrated by the modelling results themselves, in which the net direction of the dispatch down varies across scenarios, increasing in some cases and decreasing in others depending on the assumptions applied. In the CRU's view, it would not be proportionate to reach a definitive conclusion on the long-term dispatch down impact of the proposed MaresConnect interconnector on the basis of any single set of results.

On balance, the CRU considers that the evidence available does not support a conclusion that the potential dispatch down impact of the proposed MaresConnect interconnector, taken on its own, would render the project contrary to the interests of Irish consumers.

#### *2.2.2.2 Market modelling input assumptions*

Several respondents to the IPA consultation commented on the additional value of exploring market modelling outcomes under a wider range of input assumptions and scenarios. The CRU recognises the value of integrating the significant uncertainty around SEM and GB power market evolution into its market modelling of the proposed MaresConnect interconnector. In the IPA consultation, and as part of the follow up dispatch-down analysis, three distinctly different scenarios (Baringa Reference Case, TYNDP DE, and TYNDP GA) were adopted to understand welfare outcomes under various wholesale price, renewables deployment, demand, and policy environments.

Results of the TYNDP 24 scenario were only available in draft at the time of the IPA consultation and contained several areas that required updating. However, TYNDP 24 scenarios were analysed as part of the follow-up dispatch-down analysis, and the potential impacts on SEW were explored qualitatively based on power market fundamentals.

The TYNDP 2022 and TYNDP 2024 scenarios differ materially in both demand and supply assumptions. TYNDP 2024 reflects updated policy and economic assumptions following the energy crisis and Repower EU, with significantly higher electrification of transport, heating and

industry. This results in higher electricity demand driven by explicit modelling of electric vehicles, hydrogen production, heat pumps and battery storage. On the supply side, TYNDP 2024 assumes faster and larger deployment of renewable generation, particularly offshore wind, solar PV and battery energy storage systems (BESS), with storage modelled explicitly and optimised for system benefit rather than treated generically as flexible capacity.

These substantive changes affect the welfare of the proposed MaresConnect interconnector primarily through wholesale price formation and interconnector flows. Increased renewable and storage capacity in TYNDP 2024 lowers and flattens wholesale prices relative to TYNDP 2022, particularly in the Global Ambition scenarios where capacity growth outpaces demand. Expanded BESS deployment dampens price volatility, reduces renewable oversupply and curtailment, and competes with interconnector arbitrage by reducing imports during peak periods and exports during high renewable output. As a result, interconnector flows, and associated congestion rents, are expected to be lower in the 2024 scenarios than under TYNDP 2022 assumptions.

The net expected effect is that the MaresConnect interconnector delivers similar or slightly lower net welfare impacts across the updated TYNDP scenarios. In the Distributed Energy scenario, flat or rising prices relative to TYNDP 2022 mean limited change in net welfare impacts. In the TYNDP 2024 Global Ambition scenario, lower wholesale prices relative to TYNDP 22 increase consumer welfare but reduce producer welfare and interconnector revenues. This leads to a slight reduction in overall net welfare using TYNDP 24 GA scenario compared to the equivalent analysis using the TYNDP 22 GW scenario. Overall, the updated TYNDP 2024 assumptions suggest that while the SEW impact of the MaresConnect interconnector remains positive, its incremental contribution to net welfare is modestly reduced due to structural changes in demand, renewables deployment, and system flexibility.

In addition, higher levels of BESS capacity in TYNDP 24 relative to TYNDP 22 scenarios is expected to reduce renewable oversupply and constraint, as BESS assets act as an additional source of flexible demand on the SEM.

On the issue of carbon and fuel price assumptions, the CRU applied consistent assumptions across the Baringa Reference Case and the TYNDP 2022 Distributed Energy and Global Ambition scenarios. This was to ensure that differences between scenarios reflect only their intended distinctions, namely demand levels and the generation capacity mix, and that additional variation not captured in the original scenarios did not obscure the impacts that these variables have on welfare outcomes.

The CRU notes the request from Energia to explore a wider range of assumptions relating to demand, generation capacity, interconnection and input prices. The CRU agrees that these

parameters are uncertain and will evolve over time. However, the purpose of the IPA is not to identify a single most-likely future, but to assess whether the proposed interconnector delivers net socioeconomic welfare benefits across a range of plausible system outcomes.

Modelling as part of the IPA consultation and follow-up dispatch down spans materially different futures, including import-led and export-led outcomes, varying levels of renewable deployment, and differing market conditions between the SEM and Great Britain. While alternative assumptions could affect the magnitude of welfare impacts, the CRU considers it unlikely that further scenario permutations would materially alter the overall direction of results or the conclusions of the IPA.

The CRU also notes that several of the changes suggested by the respondent, including higher renewable capacity deployment in Great Britain consistent with Clean Power 2030 (CP30), alternative demand trajectories, and greater system flexibility, do not have a clear or uniform effect on the welfare impact of MaresConnect. For example, faster renewable deployment or lower near-term demand in Great Britain (as in the FES projections) could reduce interconnector welfare from export opportunities in some periods but could equally increase the consumer welfare of cheaper imports during scarcity periods. As a result, while alternative assumptions would affect the magnitude of interconnector flows and welfare impacts, they do not point unambiguously towards higher or lower net welfare. The CRU therefore considers that further scenario expansion would be unlikely to materially change the overall conclusions of the IPA.

Finally, the CRU notes the comments from BGE and EPUKI regarding the use of the DECC Shadow Price of Carbon and the importance of methodological consistency across regulatory assessments. In this IPA, the Shadow Price of Carbon is applied for the purpose of understanding the societal benefits of emissions reductions associated with the proposed MaresConnect interconnector, consistent with established government appraisal guidance for long-lived infrastructure investments. However, the underlying SEW results in the IPA consultation and presented in this Decision Paper are based on the market price of carbon, with the incremental benefit from valuing emissions reductions at the Shadow Price of Carbon presented separately.

The CRU notes that other regulatory decisions are undertaken under different statutory frameworks, objectives and assessment methodologies. The application of carbon valuation within those decisions is therefore considered on a case-by-case basis and is outside the scope of this IPA. The use of the Shadow Price of Carbon in the IPA does not prejudge the approach that may be taken in other regulatory contexts.

The CRU will continue to consider the appropriate and proportionate treatment of carbon values across its decision-making, taking account of evolving policy guidance and regulatory objectives.

#### *2.2.2.3 Delayed start-up*

The CRU recognises the risk of delay to operations for the proposed MaresConnect interconnector and notes the concerns expressed by some stakeholders that this could materially impact the IPA assessment. To address this concern, the CRU has assessed the impact of a two and a five-year delay to the operational date for the proposed MaresConnect interconnector.

A delay to operations impacts the IPA analysis through two mechanisms:

- Firstly, it results in the reduction in net social welfare as benefits are realised later and are therefore more heavily discounted.
- Secondly, it may increase the cost of developing the interconnector due to the extended development period. Costs may also be influenced positively or negatively by potential changes in market conditions and supply chain cost escalation.

The impact on net social welfare has been tested using results of the analysis published in the IPA consultation. The impact of a two-year delay has been estimated by removing the net social welfare at the start of the modelling horizon (e.g. 2030 and 2031 for a two-year delay) and extending them at the end of the modelling horizon (e.g. 2055 and 2056 for a two-year delay). This maintains the 25-year appraisal period from the year the proposed interconnector is operational to match the default period for a standard Cap and Floor regime.

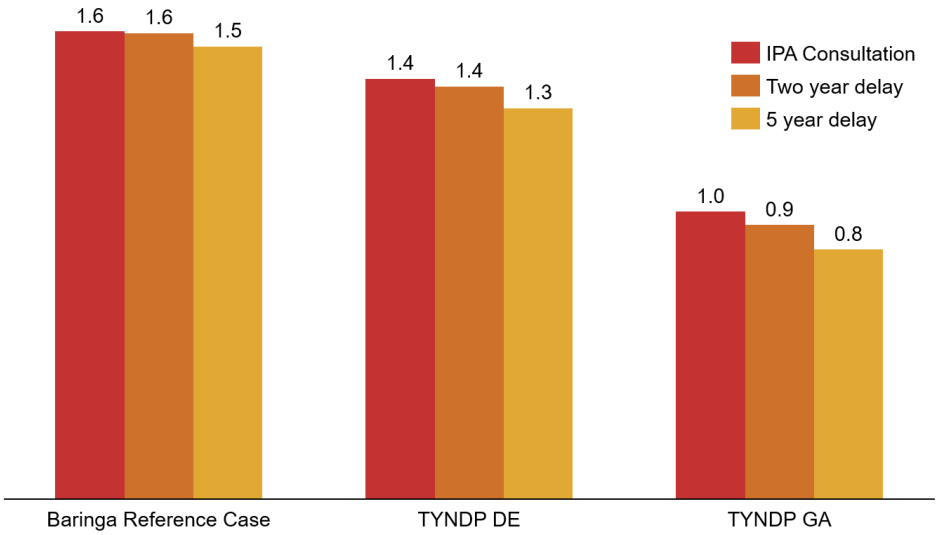
A delay of two to five years reduces the net social welfare across all scenarios, although the impacts are relatively modest. This is because the absolute value of net social welfare (before discounting) is higher in the later years of the modelling horizon than it is in the initial years. As more renewables are deployed, the variability of electricity prices in both markets increases, which increases the value provided by the proposed MaresConnect interconnector in absolute terms. However, a higher discount factor is applied to the net social welfare in the later years, resulting in the reduction in net social welfare when expressed in present value terms.

The results vary across the three scenarios, as shown in Figure 4. The largest reduction in SEW occurs in the TYNDP GA scenario, where the long-term value of the proposed MaresConnect interconnector is lower. Under a five-year delay scenario, SEW decreases from €1.0 billion to €0.8 billion.

Overall, the analysis indicates that a delay to the operational date of the proposed MaresConnect interconnector has a modest impact on SEW in isolation. However, this impact should be

considered alongside the potential effects of dispatch down and any increase in project costs resulting from the delay.

*Figure 4 - SEW impact of two- and five-year delay (€bn, present value, 2024 prices)*




### *2.2.2.4 Other market modelling issues*

Several respondents (EirGrid, WEI and MCL) noted that the SEW analysis underpinning the IPA consultation, and the follow-up dispatch down analysis, do not incorporate potential revenues that the proposed MaresConnect interconnector could earn from participation in the Capacity Market or from the provision of ancillary services in either the SEM or GB. Respondents highlighted that these revenue streams can represent a material share of total interconnector revenues and pointed to the need for their treatment to be considered further.

The CRU recognises that the exclusion of these revenue streams introduces some uncertainty in the exact welfare outcomes of the proposed MaresConnect interconnector. However, both the IPA consultation analysis and the subsequent dispatch down analysis conclude that the proposed MaresConnect interconnector delivers a positive net welfare outcome across the scenarios considered. The inclusion of additional revenues from the Capacity Market and ancillary services would be expected to reinforce this conclusion rather than alter its direction, and the CRU does not consider that this gap materially affects its overall assessment at IPA.

The CRU notes requests from respondents for additional transparency around underlying assumptions and methodology underpinning the CBA carried out in the IPA consultation paper. In parallel to issuing the consultation Paper, the CRU published a Data Workbook detailing a range of key assumptions made in the consultation Paper CBA, including assumed operational and pipeline interconnection capacity, commodity prices, SEM and GB generation capacity, and

SEM and GB peak and annual demand. These assumptions comprise the key variables that drive the range in welfare impacts of the proposed MaresConnect interconnector across scenarios considered.

The methodology adopted to complete the CBA draws on the guidance provided in the 4th ENTSO-E Guideline for cost-benefit analysis of grid development projects[6]. This guidance sets out a harmonised, multi-criteria framework for assessing pan-European grid development projects, including interconnectors. It defines standard indicators covering socio-economic welfare, RES integration, $CO_2$ and non-$CO_2$ emissions, grid losses, security of supply and system stability, alongside CAPEX, OPEX and residual environmental and social impacts.

## 2.3. System impact assessment

The CRU sought views on the conclusions of its system impact assessment of the IPA, as well as any other factors that it should consider (Question 3). The system impact assessment was informed by input from EirGrid, at the CRU's request, in relation to the impact of the proposed MaresConnect interconnector on:

- Transmission Losses in SEM
- Dispatch down of renewable generation in SEM
- Largest infeed loss
- Balancing requirements
- System Resilience
- Ramp rates

The remainder of this sub-section summarises responses received on the detailed outcomes of the system impact assessment, which are detailed fully in the IPA consultation. The CRU received nine responses to this consultation question (Energia, BGE, a Welsh resident, EAI, EirGrid, EPUKI, MCL, Statkraft and WEI).

[6] 4th ENTSO-E Guideline for cost-benefit analysis of grid development projects

### 2.3.1 Summary of responses received

MCL broadly agreed with the CRU's system impact assessment and considers the proposed MaresConnect interconnector to deliver significant long-term system benefits. MCL argued that interconnection is a proven solution to help accommodate growing levels of renewables, by enabling real-time balancing and providing access to system services from neighbouring grids. They noted the proposed MaresConnect interconnector will operate within marginal pricing frameworks and reflect, rather than set, market conditions, enhancing price convergence and access to lower cost generation. MCL argued that dispatch down is primarily a system planning issue, not a consequence of interconnector behaviour and that dispatch down uncertainty does not justify rejecting the IPA. MCL also highlighted the proposed MaresConnect interconnector's role in diversification, resilience, ramping capability, evolving market arrangements and long-term decarbonisation objectives.

Two respondents (Energia, WEI) emphasised that the absence of a confirmed SEM connection point and grid connection offer limits the ability to complete a robust system impact assessment at this stage. Both referenced the CRU interconnector policy criteria and noted that connection-dependent items (such as route and locations, firmness, deep reinforcement requirements and TUoS impacts, changes in balancing needs and frequency/voltage support works, and potential impacts on other assets near the connection point) cannot be concluded on without a defined connection solution.

Two respondents (Energia, WEI) highlighted the need for clearer assessment of transmission reinforcements and the implications of network constraints for realised imports/exports and system operation. Energia and WEI referred to the Ten-Year Transmission Forecast Statement (TYTFS) which evidences limited generation opportunity in the Dublin region and indicated that accommodating ±750 MW could require material additional reinforcements, potentially dependent on the delivery of other projects and further reinforcements not yet identified. These two respondents noted that reinforcement projects can be high-risk and subject to delay, which could lead to restrictions on operational capacity beyond the target commissioning date and should be considered in any system impact assessment.

Six respondents (BGE, EAI, EirGrid, WEI, Statkraft, EPUKI) stated that dispatch down effects and related system actions require more detailed and quantitative treatment before the IPA Decision is made. They emphasised that interconnector flows are determined by price differentials and market arrangements, and that this can result in imports coinciding with high renewable availability, creating a need for TSO actions that can increase dispatch down and associated costs. EAI and WEI highlighted the experience of increased dispatch down in Northern Ireland and sought assurance that further interconnection would not produce similar

outcomes in the Republic of Ireland. Statkraft expressed concern that increased levels of dispatch down may erode commercial viability of renewables projects in certain regions, threatening 2030 power sector decarbonisation targets.

Six respondents (Energia, EAI, EirGrid, EPUKI, WEI, BGE) highlighted the need for deeper assessment of largest infeed loss, reserve requirements, and multiple interconnector loss risk. Energia and WEI noted that the IPA's treatment of reserve costs and Largest Infeed Loss (LIL) effects required stronger justification and should be incorporated alongside other system costs. Five respondents (BGE, Energia, EAI, EirGrid and WEI) pointed to concentration risk arising from proximity of the MaresConnect interconnector to existing interconnectors and the need to consider credible shared contingency events that could affect more than one interconnector. EPUKI similarly noted that describing LIL impacts as small without quantification may understate requirements for operational reserves and locational support services, particularly where cascade tripping risk exists.

Five respondents (EAI, EirGrid, WEI, MCL, EPUKI) identified a number of additional system operability factors that could influence the conclusions of the system impact assessment and merit further consideration.

(EirGrid raised ramp rate limitations as a potential constraint on the effective operation of interconnectors. They noted that system-wide ramp rate limits restrict how quickly interconnectors can change flow direction and are shared across all operational links. Unless ramp rate capability increases sufficiently by the time the proposed MaresConnect interconnector enters operation, this could limit responsiveness to changing market conditions and reduce operational flexibility. On this subject, MCL noted planned increases in ramp rate capability and considered these sufficient to accommodate the proposed MaresConnect interconnector.

EirGrid highlighted the potential for GB system throughflows, whereby Irish transmission assets could be utilised to support internal GB power flows under certain conditions, with implications for network loading and flow patterns. This issue was also raised by WEI in response to Question 2.

EPUKI noted that onshore transmission losses could vary with flow direction and magnitude and requested more quantitative analysis to support the IPA's conclusions in the area.

Finally, one respondent (Welsh resident) raised local community and environmental considerations associated with the scale and cumulative effects of substation infrastructure near Bodelwyddan and asked that these cumulative impacts be taken into account.

### 2.3.2 CRU response

The CRU welcomes respondent input on the potential system impact of the proposed MaresConnect interconnector. The CRU's response to this input is structured by several key themes that were raised.

#### *2.3.2.1 Connection point and additional system reinforcement*

The CRU recognises the uncertainty surrounding the exact connection arrangements of the proposed MaresConnect interconnector, and corresponding technical and cost implications, at the time of IPA consultation. In light of this, in advance of the IPA Decision, the CRU issued EirGrid with a Request for Information seeking clarity on the range and feasibility of connection options for the proposed MaresConnect interconnector, as well as the broader system impact implications due to the asset's development and commissioning.

In April 2026, EirGrid submitted its 'MaresConnect Interconnector Connection Cost & Network Impact Study Report' to the CRU, which assessed feasible transmission connection options for the proposed MaresConnect interconnector in the context of wider system needs in North County Dublin. The assessment was carried out at a high-level desktop stage to inform the IPA and is not a final connection design. The analysis adopted a holistic approach, recognising that the proposed MaresConnect interconnector cannot be considered in isolation and must be assessed alongside other interacting needs in the region, including Distribution System Operator (DSO) demand growth, offshore wind project development, and longer-term strategic network development.

Four potential connection options were developed and assessed against consistent criteria covering technical performance, deliverability, future-proofing, and indicative cost. These options span different voltage levels and degrees of integration with wider network reinforcements:

- **Option 1** involves independent connection using primarily 110 kV reinforcements;
- **Option 2** involves independent connection supported by expanded 220 kV infrastructure;
- **Option 3** is an integrated solution centred on the development of new 400 kV infrastructure in North Dublin;
- **Option 4** is a hybrid, phased solution combining 220 kV and 400 kV reinforcements.

The technical assessment indicates that Option 1 is not capable of supporting full import and export of a 750 MW interconnector and provides no capacity for future growth and was therefore discounted as a feasible option. Option 2 can meet the immediate needs of the proposed

MaresConnect interconnector, DSO demand and offshore wind, but offers limited scope for future development and faces material deliverability risks due to the number and complexity of new cable routes required and was also therefore discounted.

Options 3 and 4 both meet all identified needs, including the proposed MaresConnect interconnector, DSO demand, offshore wind connection, and future growth, by establishing a stronger 400 kV backbone in the region. While Options 3 and 4 are more complex and have higher costs, EirGrid indicate that these options provide more robust and future-proof solutions, align with longer-term system development objectives, and support resolution of existing challenges such as high short-circuit levels in the Dublin area. The assessment also shows that, under an integrated 400 kV solution, a substantial proportion of the required infrastructure is driven by wider system needs rather than the proposed MaresConnect interconnector alone.

Overall, EirGrid concludes that integrated solutions involving significant 400 kV development (such as Option 3 and 4) perform best against the assessment criteria. The ultimate connection method will depend on further refinement through the Framework for Grid Development, the selection of a converter station location by the developer, and the progression of parallel network reinforcements. Detailed technical, environmental and cost assessments would be undertaken at subsequent stages.

Although EirGrid's connection options analysis does not constitute a full design option appraisal and recommendation, it does identify a number of feasible solutions to expand the current and planned network infrastructure to accommodate the proposed MaresConnect interconnector and wider system needs. Each option is assessed against the same criteria, covering technical performance, deliverability, and cost. The report's key resulting output is a holistic assessment of both technically viable and non-viable connection options, namely the connection of the proposed MaresConnect interconnector into North County BSP or Ward 400 kV stations, following the development of a new 400 kV station at both points. EirGrid's assessment has provided the CRU with greater clarity in understanding the eventual system reinforcement requirements to integrate the proposed MaresConnect interconnector and broader and parallel system needs into the SEM.

There remains some uncertainty as to the exact connection option MCL will opt for, pending the submission of its full grid application. EirGrid is currently progressing the appraisal of grid development options to accommodate various system needs via its Framework for Grid Development. This process will provide further certainty to MCL around future network configuration, providing the basis of a complete grid application submission. EirGrid's analysis described above provides an account of emerging options identification but does not constitute an explicit decision or recommendation.

*2.3.2.2 Proximity to other interconnector assets*

Several respondents raised concerns around the proximity of the onshore connection arrangements for the proposed MaresConnect interconnector and the currently operational East West Interconnector (EWIC) interconnector, both at the SEM landing point in North Dublin and GB landing point in North Wales. These respondents requested further investigation into the nature and potential scale of these risks.

As part of the CRU's broader information request, EirGrid provided further clarity regarding the nature of the issues that could arise from the close physical and electrical proximity between the proposed MaresConnect interconnector and the existing EWIC interconnector, as well as potential mitigating options to address these potential issues. In particular, EirGrid outlined the following potential risks;

- **Converter control interactions**, including sub-synchronous instabilities and interactions between HVDC controls and other power-electronic devices such as batteries and wind turbines. Such interactions have been observed previously on the Irish system.
- **Cable routing and installation risks**, which arise where new HVDC cables cross or run in parallel with existing interconnector infrastructure. Physical proximity can lead to mechanical, thermal and electromagnetic interactions, potentially resulting in cable de-rating, reduced operational flexibility, increased maintenance complexity, and heightened exposure to common-mode failures from external damage such as anchoring or dredging. EirGrid identify several potential means of minimising these risks, including protective mattresses or rocks to ensure permanent physical separation between cables. In their consultation response, EIDAC (EirGrid Interconnector Designated Activity Company), the owner-operator of EWIC, recommends a minimum distance of no less than 50 metres between the proposed MaresConnect interconnector and existing EWIC cable routes.
- **Harmonic resonance risks**, which is the potential for two nearby interconnectors to interact with the power grid's natural frequencies, causing unstable high-frequency oscillations that can damage equipment or cause system instability.
- **Power oscillation damping**, which refers to the ability of HVDC interconnectors to help stabilise low-frequency power swings on the transmission system. Where multiple HVDC links are located in close proximity, poorly coordinated control settings could amplify rather than dampen oscillations, highlighting the need for detailed studies once the final connection design is defined.

Across all these areas, EirGrid's consistent view is that risks cannot be fully assessed or quantified without a defined cable route and connection solution. EirGrid, as the TSO, would need to carry out further detailed technical studies and ensure close coordination between asset owners once these design elements are specified. At this stage, the CRU is satisfied that upon the TSO completing these detailed technical analysis and identification of risks (which the CRU expects would be carried out after a grid application has been made and accepted by EirGrid), appropriate measures are available to minimise the risks associated with physical proximity.

#### *2.3.2.3 Ramp rate limitations*

The CRU notes that interconnector ramp rates are an important operational consideration, particularly as interconnection on the all-island system increases. The current ramp rate limit is 15 MW/min, raised from 10 MW/min following the commissioning of Greenlink. This ramping capability currently shared across the three existing SEM–GB interconnectors. As additional interconnectors commission, individual interconnector ramp rates may reduce if total system ramping capability does not increase.

As part of its technical input to the MaresConnect IPA Decision, EirGrid noted it is assessing if the current ramp rate can be increased ahead of the commissioning of the Celtic interconnector. EirGrid has advised that future system conditions, including a reduced number of conventional synchronous generators after 2030, may further constrain overall ramping capability. In this context, EirGrid considers that detailed studies will be required to assess ramping limitations, frequency performance and imbalance management associated with the proposed MaresConnect interconnector alongside other existing and potential future interconnectors.

The CRU considers these issues to be system-wide operational matters rather than project-specific constraints for the Initial Project Assessment. Consistent with the consultation Paper, further ramp-rate assessments will be progressed through EirGrid-led studies ahead of any FPA, and do not warrant delaying the IPA decision.

#### *2.3.2.4 Dispatch down*

In response to Question 3, several respondents raised concerns of additional dispatch down following the integration of the potential MaresConnect interconnector to the SEM. These views were provided separately to those given in response to Question 2 (market modelling), although there is a thematic overlap between the CRU response to Question 2 and 3. Broadly, the CRU's response to Question 3 covers the system impact implications of dispatch down (volumes, system reinforcement requirements etc.), while its response to Question 2 focusses specifically on the impact of dispatch down on market modelling outcomes, specifically SEW outcomes.

In response to Question 3, respondents highlighted the need for further modelling-based analysis and quantification of potential dispatch down impacts before a final IPA Decision can be made. In light of this, the CRU now has two additional areas of evidence.

1. **Market modelling**: In October 2025 additional analysis was carried out to quantify additional volumes dispatched down as a result of the commissioning of MaresConnect. This analysis was carried out under three scenarios, including the Baringa Reference Case, and the TYNDP 22 Distributed Energy and Global Ambition Scenarios. The outcomes from this analysis are detailed fully in the CRU's response to Question 2 (market modelling)

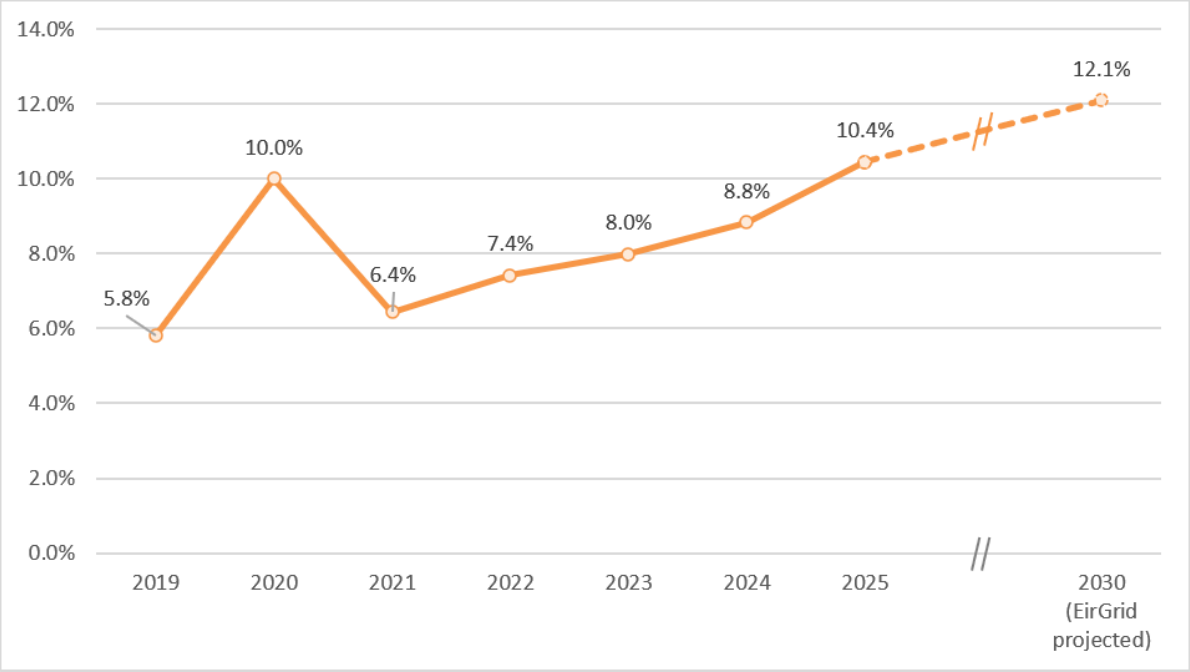
2. **EirGrid network modelling**: Eirgrid's *MaresConnect Interconnector Connection Cost & Network Impact Study Report*: As part of its response to a broader information request, EirGrid carried out a transmission network modelling exercise, which is sensitive to system-wide and local constraints, to investigate the impact of the proposed MaresConnect interconnector on all forms of dispatch-down (oversupply, curtailment, and constraint). This analysis found that in 2030 (the spot-year assumed), the MaresConnect interconnector increases dispatch-down by 1.5 TWh between a scenario without the MaresConnect interconnector versus a scenario with the MaresConnect interconnector. This dispatch down is equivalent to 3.4% of available RES. This dispatch-down rate can be broken down according to the three underlying drivers as follows: Oversupply (2.0%), Curtailment (0.1%), and Constraints (1.3%). EirGrid's modelled scenario assumes additional grid reinforcement as per its Option 4, which involves a phased solution combining new 220 kV and 400 kV circuits and stations at the Gorman and North County stations, and a new 400 kV circuit into the existing Ward 400 kV station.

EirGrid's modelled levels of SEM-wide curtailment and constraints reflect rates seen in recent years. Its network impact modelling outlined above projects levels of curtailment and constraint in 2030 resulting in 12.10% of total dispatch down in a scenario where the proposed MaresConnect interconnector is online. This is in line with the trajectory of historical rates published by EirGrid for renewable curtailment and constraint between 2019 and 2025 (see Figure 5). In 2025, Eirgrid reported 10.4% of dispatch down of renewables due to curtailment and constraint. This suggests

moderate impact on SEM-wide curtailment and constraint due to the addition of the proposed MaresConnect interconnector[7].

The chart below also highlights the fact that constraint and curtailment rates have been steadily increasing year on year, which has long been identified as a broader system issue beyond the immediate context of interconnector development[8].

*Figure 5 – Renewables curtailment and constraint levels, 2019-2025 and 2030 (forecast with MaresConnect by EirGrid). Figures in % of available renewable generation*




The CRU recognises that EirGrid's forecast dispatch down rests on the assumption of yet-to-be-complete grid reinforcement, which resembles Option 4 in connection options analysis.

However, the additional evidence received since the IPA consultation provides the CRU with greater clarity that, based on the available evidence, the introduction of MaresConnect will not

[7] EirGrid's latest (as of July 2026) historical dispatch down spreadsheet can be found here. Only figures for dispatch down driven by curtailment and constraint are reported by EirGrid (i.e., not oversupply). As such, only rates for curtailment and constraint are compared across EirGrid's historical levels reported, and projected levels in its MaresConnect network modelling.

[8] The CRU's PR6 Final Determination, published in December 2025, provided ESB Networks and EirGrid with €8.9bn and €1.1bn, respectively, in Capex allowance for the period 2026-2030. This investment will in part be directed towards a package of strategic network investments to strengthen and reinforce the grid in appropriate areas, and to reduce imperfections and constraint costs.

significantly increase levels of dispatch down above recent historical levels, assuming appropriate grid reinforcement investment takes place.

#### *2.3.2.5 Largest infeed loss*

The CRU notes that the size of the Largest Infeed Loss (LIL) is a relevant operational consideration for system security, as it determines the level of operating reserves that must be held by the TSO. As set out in the consultation Paper, the commissioning of the Celtic interconnector is expected to increase the LIL to 700 MW. The addition of MaresConnect would increase the LIL further to 750 MW, resulting in an increase of approximately 7 per cent in reserve requirements.

EirGrid has advised that this increase represents a relatively small increment beyond the impacts already being managed following the commissioning of Celtic. As such, the CRU does not consider this impact to be material to the overall conclusions of IPA and is satisfied that LIL considerations have been considered by EirGrid.

#### *2.3.2.6 GB system throughflows*

The CRU notes the point raised by EirGrid on the potential use of Irish onshore transmission capacity to support GB throughflows, and its interaction with GB locational pricing. Following engagement with EirGrid, the CRU recognises this remains a relevant technical consideration. Throughflows could arise from trade between GB and continental Europe (via Celtic and any future SEM–CE interconnection), or from internal GB flows transiting the Irish system, contributing to unplanned flows, increased network loading and operational complexity.

GB's decision not to pursue zonal pricing dampens the immediate incentive for such flows but does not eliminate it. Congestion, interconnector availability and market coupling arrangements could still drive throughflows. While EirGrid state that GB-to-GB flows remain possible under certain future market conditions and interconnector configurations, and should be considered in long-term planning, the CRU does not consider the issue material enough in isolation to alter its position on the SEW of the proposed MaresConnect interconnector outlined at IPA consultation.

#### *2.3.2.7 Community and local environmental impacts*

One respondent raised the social and environmental impact of any additional substation development that is progressed to meet the needs of the proposed MaresConnect interconnector and other system needs in the coming years.

The CRU refers to EirGrid's Framework for Developing the Grid, which establishes a process through which potential network solutions are identified and assessed, in part according to their environmental and social impact.

EirGrid's environmental assessment activity accounts for considerations relating to biodiversity and nature inclusive design, cultural heritage, population and social impact, land use, traffic, and waste management. Likewise, EirGrid applies a Social Impact Assessment (SIA) methodology to identify the societal concerns and issues arising from grid development projects. Further information on EirGrid's approach to assessing the environmental and social impact of grid development projects is available in its Strategic Framework for Grid Development[9].

In addition, the CRU explicitly includes environmental impacts as an assessment criteria for electricity interconnection applications[10], and will continue to maintain oversight of MCL's environmental surveying and stakeholder engagement, and its formal reporting of these activities to the relevant planning authorities.

## 2.4. Cost and technical assessment

The CRU sought views on the cost and technical assessment carried out in the IPA consultation, and whether there were any other factors that should be considered as part of the analysis (Question 4).

The technical assessment evaluated MCL's technical design of the proposed MaresConnect interconnector to understand if it was aligned with standard industry practice. The cost assessment considered the cost estimates provided by MCL to determine whether they were efficient and aligned to industry benchmarks.

The outcome of the assessments concluded that the evidence provided indicates that the proposed MaresConnect interconnector's cost and technical design were in line with industry benchmarks and practices, which supported the proposed decision to award a Cap and Floor agreement. The CRU also emphasised that consumers would remain protected from subsequent significant increases in costs through the implementation of IPA conditions.

[9] Strategic Framework for Grid Development in the Eastern and Midland Region – January 2025
[10] Policy for Electricity Interconnectors Assessment Criteria for Electricity Interconnection Applications – September 2018

### 2.4.1 Summary of responses received

MCL agreed with the outcome of the cost and technical assessments. They provided an update on their Engineering, Procurement and Construction (EPC) strategy, noting that the outcome of that process will define the final technical solution and influence the overall costs of the project. MCL explained they have been undertaking up-front engagement with the supply chain to remove or reduce uncertainty for suppliers and enable a competitive bidding process. MCL also highlighted they anticipated reaching the preferred bidder stage of the procurement process in Q1 2026.

Energia, EAI, EirGrid and WEI reiterated concerns that the uncertainty around the grid connection point and the resulting onshore reinforcement costs created a gap in the cost assessment.

EAI and EPUKI raised concerns with the use of generic industry benchmarks and information submitted by MCL for the cost assessment, rather than project-specific costs. They argued this approach undermines the robustness of cost estimates and may result in material misrepresentation of the project's economics.

WEI questioned how electrical losses were reflected in the analysis for the IPA. They explained that losses have a direct effect on trading, setting a minimum price spread at which trade is profitable. They noted the relative loss factor between interconnectors connected to the same markets is an important factor in determining the congestion revenue for each interconnector. They added the Cap and Floor regime should consider the trade-off between higher costs and lower electrical losses.

Energia noted that interconnector costs can increase significantly during the development cycle which could have a significant impact on the SEW analysis. They supported this argument by referring to the rise in estimated costs for the Celtic Interconnector, which reported cost inflation of around 75% from 2019 to 2022.

### 2.4.2 CRU response

The CRU recognises the uncertainty at the IPA stage around the proposed MaresConnect interconnector's final costs and technical specifications, and the effect these variables could have on any final consumer impact. The decision to award a Cap and Floor will be subject to IPA conditions which protect consumers from the impact of material changes in project parameters, including technical specifications and cost. In addition, the regulatory stage proceeding the IPA (the Final Project Assessment) will closely scrutinise projected costs and ensures only those which are economic and efficient are considered in setting the preliminary Cap and Floor levels.

No additional substantive evidence was submitted as part of the consultation that warrants altering the CRU's position that the proposed MaresConnect interconnector's current devex and capex cost estimates are within range of industry benchmarks, and technical parameters are aligned with best practices. To reach this position, the CRU compared early-stage cost estimates for the proposed MaresConnect interconnector against industry cost benchmarks. External benchmarks drawn from existing GB and European projects were used due to the absence of any earlier project-specific cost estimates provided by MCL. The lack of project-specific costs is not unexpected given the project's early development phase, and the early stage of the Cap and Floor regulatory process.

In addition, the consultation outlined a set of conditions that IPA approval would be subject to. These conditions seek to protect consumers by providing the CRU with the opportunity to intervene before the FPA decision should the project deviate from the basis upon which it was awarded a Cap and Floor regime in principle at the IPA stage. These conditions include any developments which result in material changes in key project parameters such as timelines, connection date and location, project configuration, commercial arrangements, regulatory support, grid connection, and costs. Material changes in these parameters, including significant escalations in costs, may trigger an IPA review, where relevant developments would be scrutinised in detail and the IPA decision revisited. The CRU maintains the ability to apply IPA conditions where appropriate.

The CRU recognises concerns raised by respondents relating to the outstanding uncertainty surrounding the grid connection solution for the proposed MaresConnect interconnector, and the associated reinforcement costs that would entail. The CRU lists necessary reinforcement costs explicitly as a criterion for assessing interconnector applications, which are detailed in CRU/18/221[11].

In its 'MaresConnect Interconnector Connection Cost & Network Impact Study Report', provided in response to the CRU's post-consultation request for information, EirGrid carried out a desktop study to evaluate transmission connection options for the proposed MaresConnect interconnector and parallel system needs, including the connection of additional projects and the accommodation of additional DSO demand. The overall cost of reinforcement, as well as the incremental reinforcement costs imposed specifically by the proposed MaresConnect interconnector, formed part of EirGrid's evaluation framework.

[11] 'Transmission deep reinforcement works required to connect the project to the Irish system and their impact on use of system charges', criteria 4.1.10, found in Assessment Criteria for Electricity Interconnection Applications (CRU/18/221) – September 2018

EirGrid found that under its Option 3 (one of its two recommended options), reinforcement costs to accommodate the proposed MaresConnect interconnector and wider system needs (primarily offshore wind connection and DSO demand growth) range from €367-€454m, depending on whether overhead or underground cables are used. EirGrid's view is that the 400 kV reinforcement programme in Option 3 is justified by broader network needs irrespective of the proposed MaresConnect interconnector. As a result, the proposed MaresConnect interconnector is treated as a user of infrastructure that would be required in any case, rather than the driver of additional network investment.

EirGrid's findings do not constitute a full costing study or quote. Unit costs assumptions are based on Transmission Standard Development Costs, which are estimated unit cost benchmarks used by EirGrid when issuing offers for connection to the transmission system.

However, on the basis of this additional evidence provided by EirGrid, the CRU is satisfied it has sufficient clarity as to the general magnitude of system reinforcement costs that would need to be incurred to integrate the proposed MaresConnect interconnector into the SEM and that this does not materially change the proposed decision to award a Cap and Floor to the MaresConnect interconnector.

## 2.5. Deliverability assessment

The CRU sought views on the feasibility of MCL meeting its proposed operational date of 2030 and whether the current stage of development of the proposed MaresConnect interconnector was sufficiently mature to seek regulatory approval (Question 5).

### 2.5.1 Summary of responses received

MCL agreed with the deliverability assessment conducted by the CRU and provided several updates on key development milestones. MCL noted that it remains focused on delivery by 2030, provided obtaining a grid connection in Ireland is advanced in Q3 2025.

Several respondents (Energia, EAI, EPUKI, and StatKraft) expressed concern that the absence of a confirmed grid connection point poses a major deliverability risk to the project. They also highlighted the challenge of connecting into the North Dublin region given existing local grid constraints. Some respondents noted that without a confirmed connection point, issues relating to permitting, cable routes, reinforcement works and construction phasing cannot be assessed.

Energia, WEI and EAI provided a comparison to other SEM interconnector projects to illustrate the challenge of MCL achieving a 2030 operational date for the proposed MaresConnect interconnector. For example, EAI noted that the Greenlink interconnector connected to a location

which did not require significant transmission reinforcement to facilitate delivery, yet from IPA to delivery the Greenlink interconnector took seven years (2018 – 2025). They concluded this would suggest the five-year delivery of the proposed MaresConnect interconnector from IPA to operation is unrealistic. WEI noted that EWIC took five years to develop from inception to operation but also highlighted the longer delivery timeline for the Greenlink interconnector and the Celtic interconnector.

Several respondents flagged the concern that delays to the project would feed through into higher costs and a delay in benefits being realised, negatively impacting consumers. StatKraft noted that any delays or issues in grid connection design will inevitably lead to higher development and construction costs, which will in turn have a consumer impact by raising the required value of the floor under the Cap and Floor regime. This would increase the risk of revenues falling below the floor and consumers being required to top up revenues through floor payments.

EPUKI and WEI also highlighted the risk supply-chain constraints in HVDC technologies, including manufacturing bottlenecks for cables and converters, could delay delivery of the proposed MaresConnect interconnector. They noted that recent interconnector projects across Europe have experienced long lead times and price volatility.

### 2.5.2 CRU response

The CRU recognises the deliverability concerns raised by respondents in relation to the proposed MaresConnect interconnector, particularly regarding the feasibility of the proposed 2030 operational date and the grid reinforcement required to facilitate a firm connection to the SEM.

As set out in EirGrid's Connection Cost & Network Impact Study Report (detailed further in Section 2.3), viable connection solutions for the proposed MaresConnect interconnector have been identified and are technically feasible. However, EirGrid also conclude the timelines associated with the required grid reinforcement works are not currently aligned with a 2030 connection date. The reinforcement in question, relating to the North Dublin and East Meath transmission network, is driven by broader system needs, including the connection of offshore wind projects and growing Distribution System Operator demand. These works are currently being fully scoped and assessed by EirGrid as part of its wider transmission development programme and are not solely attributable to the MaresConnect interconnector.

The CRU acknowledges that this introduces uncertainty around the precise operational date of the interconnector. However, the IPA conditions proposed alongside the Cap and Floor regime are specifically designed to protect consumers in this regard. These conditions require MCL to

notify the CRU of any material changes to key project parameters, including timelines and connection arrangements, and provides the CRU with the ability to review the IPA decision should the project deviate materially from the basis on which it was assessed. Advance notification of the Final Project Assessment (FPA) submission, and annual progress reporting once in the construction phase further ensures that the CRU retains appropriate oversight throughout the development period. While these mechanisms do not eliminate delivery risk, they provide the CRU with the means to intervene at an appropriate stage before consumers are exposed to material adverse outcomes.

Given this risk of delay, the CRU assessed the welfare impact of a two- and five-year delay to commissioning post-2030, the details of which are provided in the CRU's response in Section 2.2. This analysis found that the welfare case for the proposed MaresConnect interconnector remains robust under delayed operational scenarios.

A number of respondents raised concerns regarding supply chain risk and the ability of MCL to secure the necessary contracts and materials within the proposed timeline. MCL has addressed this directly in its consultation response, confirming its procurement arrangements at the time of its response were aligned with 2030 delivery. MCL has demonstrated a procurement strategy that reflects a robust understanding of the current supply chain landscape, including early engagement with key contractors and the completion of subsea marine surveys, representing a significant at-risk investment to maintain the development programme. In addition, MCL has made material progress since the IPA submission on land acquisition, technical feasibility studies, and permitting in both Ireland and Wales.

In December 2025, the European Commission confirmed the inclusion of the proposed MaresConnect interconnector on the 2nd Union list of Projects of Mutual Interest (PMI) under the TEN-E Regulation. This designation recognises the strategic importance of the interconnector in enhancing regional energy security, supporting the integration of renewables, and contributing to European decarbonisation objectives. PMI status carries significant deliverability benefits, including access to accelerated planning and permitting procedures across jurisdictions and eligibility to apply for funding under the Connecting Europe Facility (CEF), which can cover up to 50% of qualifying development costs. The CRU considers this a material and positive development for the deliverability of the project.

Taking the above into account, the CRU maintains assurance that the proposed MaresConnect interconnector can be delivered, notwithstanding the likelihood that the original 2030 operational date will not be achieved. The economic case for the project is resilient to moderate delay, the developer has demonstrated continued progress and commitment, and the IPA conditions provide the CRU with appropriate mechanisms to intervene should circumstances change

materially. The CRU will continue to monitor progress closely through the annual reporting and milestone framework established under the IPA conditions.

## 2.6. Other costs, benefits or risks

The CRU sought views on whether there were any other costs, benefits or risks that should be taken into consideration in the IPA analysis (Question 6).

The analysis in the consultation quantified a range of costs, benefits and risks in the Socio-Economic Welfare, system impact, cost and technical, and deliverability assessments. The consultation also considered qualitatively the potential impact of the EU Carbon Border Adjustment Mechanism (CBAM), the discussion at the time on moving to locational pricing in GB, and of including Capacity Market and ancillary services revenues in the assessment.

### 2.6.1 Summary of responses received

MCL highlighted several additional benefits of the proposed MaresConnect interconnector. They noted the proposed MaresConnect interconnector would support the Irish Government with meeting its policy ambitions and would be an enabler for future offshore wind in Ireland. They also highlighted the Celtic interconnector coming online in a similar timeframe, enabling SEM to simultaneously utilise flexibility from both GB and France, providing additional arbitrage opportunities. On locational pricing in GB, MCL noted the UK Government's announcement in July 2025 that it has decided to retain a single national GB-wide wholesale market.

Several respondents repeated the need for the system impact assessment and Socio-Economic Welfare analysis to consider the impact of the proposed MaresConnect interconnector on dispatch down. These responses are summarised in Section 2.2 and 2.3 above.

EAI raised concerns that the IPA analysis does not provide sufficient detail on how the proposed MaresConnect interconnector will be integrated into existing market trading arrangements. They highlighted concerns around the efficiency of interconnector flows within the existing market arrangements given they are determined in Ireland in Intraday Auctions and not Day Ahead Auctions. They flagged this inefficiency not only increases costs for market participants and weakens their ability to hedge against price volatility but also reduces the effectiveness of interconnection as a tool for balancing supply and demand.

BGE suggested there should be a more detailed consideration of the impact of the EU CBAM on the proposed MaresConnect interconnector. They provided analysis by EirGrid which estimated the cost of CBAM to be between €29m and €86m for EWIC alone based on flows and prices in 2024. MCL on the other hand noted recent developments in UK-EU relations, with the agreement

in principle to link the emissions trading schemes in the UK and EU which would result in the impact of the CBAM on GB-SEM interconnectors falling away. On this basis, MCL supported the CRU's decision not to include the costs of CBAM in the assessment.

BGE also raised a concern that Capacity Market and ancillary services revenues were not taken into account within the IPA analysis. They provided analysis illustrating their understanding that this would result in the risk of higher floor payments from consumers or lower cap payments to consumers in the event revenues were outside of the cap and floor.

EirGrid noted that the addition of the proposed MaresConnect interconnector and the LirIC interconnector between Northern Ireland and GB would result in five of the six SEM interconnectors being connected to GB, with three connected to the GB system in Wales. They suggested a more diverse mix of interconnectors would provide greater security of supply. They suggested a wider set of criteria should be considered in the IPA assessment to account for this, including the direct benefits to meeting net zero and the impact on the onshore transmission network.

Finally, EIDAC supports the development of the proposed MaresConnect interconnector and increased interconnection capacity, subject to maintaining system resilience and consumer value. Its response highlights considerations arising from the proposed proximity to the East West Interconnector, citing potential technical, operational and system security risks, and calls for further assessment of routing, network impacts and stakeholder engagement.

### 2.6.2 CRU response

A number of issues raised in response to Question 6 have been covered elsewhere in the paper, specifically on the inclusion of dispatch down costs, and capacity and ancillary services revenue in the CRU's SEW analysis. As such, the CRU's response to stakeholder views on Question 6 is structured by the key themes not addressed elsewhere in the paper.

#### *2.6.2.1 Market trading arrangements*

The CRU notes EAI's and EPUKI's point on the integration of the proposed MaresConnect interconnector into existing market trading arrangements. The SEW analysis follows ENTSO-E CBA guidance and standard market modelling practice, which assumes efficient flows between coupled markets. Trading arrangements between GB and SEM sit outside the scope of the IPA and are addressed through separate SEM Committee and cross-jurisdictional processes. The Cap and Floor regime is designed to protect investors from revenue uncertainty, including that which is driven from prevailing trading arrangements. The CRU also notes that trading arrangements may evolve over the proposed MaresConnect interconnector's operational life (2030 onwards), including through potential EU-UK re-coupling initiatives, and it would not be

appropriate to base a 25-year regulatory decision on the specific inefficiencies of current arrangements. The CRU will continue to monitor developments in GB-SEM and EU-UK market coupling arrangements.

#### *2.6.2.2 IPA criteria diversity*

The CRU acknowledges the point raised by EirGrid on the overall diversity of Ireland's interconnection portfolio, and the merits of considering a wider set of criteria when assessing future interconnection. The CRU notes the Department, who provide the overall policy direction on interconnectors, committed to consider further interconnection with France, Spain, Belgium and the Netherlands, as well as GB in the 2023 National Policy Statement on Interconnection. The Policy Statement highlights it is the CRU's responsibility to decide the appropriate regulatory support to underpin interconnection investment, determine cross-border cost allocation decisions, grant licences and authorisation to construct. The IPA process is part of the regulatory framework established by the CRU and is designed to assess whether individual projects are in the interest of consumers. While the results of the IPA assessment may be influenced by the level of interconnector diversity, it is not the purpose of the IPA to test and set the direction for future interconnection needs.

#### *2.6.2.3 CBAM costs*

The CRU recognises the uncertainty driven by ongoing negotiations (as of Q3 2026) between the UK and EU on linking emissions trading schemes, and the impact this may have on carbon border adjustment costs payable by interconnector operators linked to the SEM. In its IPA consultation, the CRU outlined its explicit methodological decision to exclude the potential welfare impact of CBAM in reaching its position, so as not to pre-empt any outcomes to live and ongoing UK-EU negotiations. These negotiations could secure mutual exemptions from the UK and EU's respective CBAM schemes, alleviating the concern of additional trade frictions and costs as a result. The CRU will maintain close visibility of any developments following ongoing negotiations.

#### *2.6.2.4 Technical considerations due to EWIC proximity*

The CRU notes the technical observations provided by EIDAC related to the proposed routing and proximity of the proposed MaresConnect interconnector to the East West Interconnector. The CRU will continue engaging with EIDAC and EirGrid TSO where appropriate to ensure these technical considerations are fully identified and reflected, where appropriate, in regulatory decision-making. The CRU notes it is the role of EirGrid to ensure these technical and operational challenges are appropriately managed in its role as the TSO.

## 2.7. IPA conditions

The CRU sought views on four conditions that the IPA would be subject to if the decision to award the proposed MaresConnect interconnector a Cap and Floor regime in was retained (Question 7). These proposed IPA conditions are intended to protect consumers by allowing the CRU to intervene before the FPA decision if the project departs from the assumptions underpinning the IPA approval. The four conditions were:

- **Material change:** If any information received before the FPA decision suggests that the project no longer aligns with the conditions under which it was initially granted a cap and floor regime, the CRU may decide to conduct an IPA review. This includes changes to key project parameters such as timelines, connection date and location, project configuration, commercial arrangements, regulatory support, grid connection, and costs. The developer must formally notify the CRU in writing of any material changes, providing a clear rationale and outlining the impact on project costs and delivery.
- **FPA timing:** MaresConnect Limited are expected to confirm the timing of the FPA submission in writing to the CRU at least 3 months before the anticipated submission date.
- **Annual reporting:** MaresConnect Limited must submit annual progress reports against a number of key development milestones, including but not limited to development work, permitting and consents, procurement, financing, operational management plans and costs, project managements, and other relevant aspects.
- **Policy, regulatory and market changes:** MCL must notify the CRU if there is a change in policy that is likely to materially impact the costs or expected revenues of the MaresConnect interconnector. This includes, but is not limited to, GB and wider European policy.

### 2.7.1 Summary of responses received

The CRU received three responses to this question, with respondents seeking clarification on specific aspects of the conditions.

MCL stated the conditions were appropriate and confirmed their willingness and ability to comply with them.

EirGrid sought further details on what was included in the term key project parameters, as well as the timing and publication of the annual reports.

Energia noted that if a decision is taken at the IPA stage to award a Cap and Floor regime in principle, then it is highly unlikely it will be removed. They therefore warned the CRU should not rely on the material change condition as a backstop to provide protection to Irish consumers.

### 2.7.2 CRU response

The CRU maintains that the IPA conditions proposed are sufficient to provide meaningful consumer protection in the event of changes in key project parameters or to policy that directly impacts the proposed MaresConnect interconnector's costs and revenue. The CRU would exercise reasonable judgement in utilising the proposed IPA conditions.

This judgement is especially important in relation to escalation in project costs in the period between the IPA and FPA. The CRU is aware of significant and unavoidable cost pressures that interconnector developers have faced in recent years, and the possibility that these pressures will also be faced by MCL pre-FPA and during construction. If the CRU considers that there is a significant change in project costs, which may erode the net benefit of the project for Irish consumers, the CRU reserves the right to review the SEW analysis and reverse its decision to award a Cap and Floor to the MaresConnect interconnector. The CRU notes that the project would also be subject to a Post Construction Review, which would ensure only efficiently incurred costs are considered in the calculation of the final Cap and Floor levels.

The CRU will share additional guidance with MCL on the annual reporting requirements as part of FPA. These annual reports are expected to provide a comprehensive update on project progress and form part of the evidence base that will be used to inform any Post Construction Review.

The CRU has made some minor changes to the wording of the IPA conditions to improve their clarity, as presented in Section 3.1 below.

# 3 IPA Decision

On the basis of the IPA of the proposed MaresConnect interconnector, the CRU has decided to award the project a Cap and Floor regime, subject to the IPA conditions set out below. This confirms the position set out in the May 2025 IPA consultation. Having considered the responses received and the additional evidence gathered since consultation, the CRU is satisfied that the evidence continues to support progression of the project to the Final Project Assessment (FPA) stage.

At consultation, the CRU's proposed decision rested in part on socio-economic welfare (SEW) analysis showing a projected net welfare benefit to the SEM of €1.0bn to €1.6bn, tested across a range of future market scenarios and reinforced by the interconnector's wider contribution to SEM decarbonisation and security of supply.

In addition, the CRU projected MaresConnect would reduce carbon emissions in SEM by 0.5MtCO2 to 11 MtCO2 over a 25-year period.

The CRU identified some uncertainty around system and dispatch down costs, and around wider market arrangements (particularly in GB), but concluded that these were not sufficient to reverse the proposed decision to award a Cap and Floor regime.

Since consultation, the evidence base has been materially strengthened in two key areas, with the CRU's full conclusions on each set out in Section 2. First, in response to concerns that the modelling did not quantify dispatch down, the CRU commissioned additional market modelling analysis of the SEW impact of dispatch down across the three originally adopted scenarios. While the associated dispatch balancing costs reduce net welfare relative to the consultation position, the net welfare benefit remains positive across all three scenarios. On this basis the CRU concludes that the dispatch down impact of the proposed MaresConnect interconnector, taken on its own, does not render the project contrary to the interests of Irish consumers. Second, following a Request for Information, EirGrid's Connection Cost & Network Impact Study Report has confirmed that viable and technically feasible connection solutions exist and has given the CRU sufficient clarity on the general magnitude of the system reinforcement costs required to integrate the proposed MaresConnect interconnector. Taken together, this additional evidence reinforces the proposed decision.

The CRU also carried out additional analysis post-consultation on a broader set of issues raised by respondents, including the welfare impact of delayed commissioning, and the adoption of more varied scenarios and assumptions underpinning the original SEW analysis. In summary, findings from this additional analysis (which are summarised fully in Section 2), did not find substantive evidence to warrant departing from the proposed IPA decision made at consultation.

On the cost and technical and deliverability assessments, no substantive additional evidence has been received that would justify departing from the position set out in the IPA consultation. The CRU's view remains that the proposed MaresConnect interconnector's cost estimates sit within industry benchmarks and its technical parameters are aligned with industry best practice. On deliverability, the CRU acknowledges that the original 2030 operational date is unlikely to be met, given the timing of the associated grid reinforcement works. However, the positive welfare outcomes remain resilient to moderate delay, and the developer has demonstrated continued progress and commitment. The IPA conditions provide the CRU with the means to intervene should circumstances change materially.

Some concerns were raised by respondents regarding the overstatement of benefits of carbon emissions. In this IPA, the Shadow Price of Carbon is applied for the purpose of understanding the societal benefits of emissions reductions associated with the proposed MaresConnect interconnector, consistent with established government appraisal guidance for long-lived infrastructure investments. Concerns were also raised regarding the possible impact the proposed interconnector would have on dispatch down of renewables, which is covered in more detail in **Section 2.2.2.1** and **Section 2.3.2.4** of this paper.

Taking all the above into account, the CRU's decision is to award the proposed the proposed MaresConnect interconnector a Cap and Floor regime in principle, subject to the IPA conditions set out below. This decision complements the Governments ambitions for interconnection as set out in the National Policy Statement on Electricity Interconnection 2023[12], and in the Climate Action Plan 2025[13].

## 3.1 IPA conditions

This IPA approval will now be subject to a set of IPA conditions as set out below. These conditions are in place to protect consumers by providing the CRU with the opportunity to intervene before the FPA decision should the project deviate from the basis upon which it was awarded a Cap and Floor regime.

[12] https://www.gov.ie/en/department-of-climate-energy-and-the-environment/publications/national-policy-statement-on-electricity-interconnection-2023/

[13] https://assets.gov.ie/static/documents/c491032e/DECC_Climate_Action_Plan_2025_Main_Report_-_Final_Web.pdf

1) **Material change:** If any information received before the FPA decision suggests that the project no longer aligns with the conditions under which it was initially granted a cap and floor regime, the CRU may decide to conduct an IPA review. This includes changes to key project parameters such as project costs, timelines, the connection date and location, project configuration, commercial arrangements and regulatory support in GB. The developer must formally notify the CRU in writing of any material changes, providing a clear rationale and outlining the impact on project costs and delivery.
2) **FPA timing**: MaresConnect Limited is expected to confirm the timing of the FPA submission in writing to the CRU at least 3 months before the anticipated submission date.
3) **Annual reports:** MaresConnect Limited must submit annual progress reports from FPA against a number of key development milestones, including but not limited to development work, permitting and consents, procurement, financing, operational management plans and costs, project managements, and other relevant aspects.
4) **Policy, regulatory and market changes:** MaresConnect Limited must notify the CRU if there is a change in policy that is likely to materially impact the costs or expected revenues of the MaresConnect interconnector. This includes, but is not limited to, GB and wider European policy.

# 4 Next Steps

The CRU will continue to engage with MCL until they are in a position to submit their Final Project Assessment submission.