

Programme for Government 2025: Energy and Infrastructure Highlights

The newly elected Irish Government recently ratified Ireland's Programme for Government 2025, *Securing Ireland's Future* (the "Programme for Government").

The Programme for Government outlines the Government's objectives and commitments for the next five years in key areas including infrastructure, transport, housing, climate, energy, public services and the economy.

We have set out below an overview of some key developments for infrastructure and energy stakeholders.

INFRASTRUCTURE

Following on from Budget 2025, which was characterised by its significant investment in infrastructure, the Programme for Government confirms that stable, long-term, effective delivery of essential infrastructure remains a key priority for the Government as outlined below.

Structural Reforms

A dedicated Infrastructure Division will work with stakeholders, and advise the Government, on strategic project selection (eg, major transport projects), project prioritisation, and efficiency. The Programme for Government emphasises a commitment to establishing a sustainable pipeline of infrastructure projects with continued medium and long term investment.

A new Cabinet Committee on Infrastructure, chaired by the Taoiseach (the Irish prime minister), will be tasked with progressing infrastructure delivery and efficiency.

National Development Plan (the "NDP") / Infrastructure Investment

The NDP (which forms part of Project Ireland 2040) remains the Government's long-term strategy for the development of Ireland's infrastructure. An early review of the NDP will be completed in July 2025 (the "NDP Review") to facilitate increased public sector investment to address infrastructural deficits.

The Programme for Government confirms that windfall tax receipts (including funds from the Apple Escrow Fund, estimated at €14.1 billion) will be used to address

strategic gaps in infrastructure. The Programme for Government also outlines the Government's continued commitment to fund the Infrastructure, Climate and Nature Fund (ICNF) and the Future Ireland Fund (FIF) – both of which aim to ensure the continued long-term availability of resources to invest in infrastructure and climate objectives.

Transport

The Programme for Government indicates that NDP funding will be reviewed to enhance the delivery of existing strategically important transport infrastructure commitments and new public transport projects.

Rail

- In respect of rail infrastructure, the Programme for Government confirms the Government's commitment to existing rail projects contained in the NDP.
- Developing additional track capacity, electrification, increased line speeds, new routes to expand commuter and intercity rail services, and further investment in light rail for cities will all form part of the NDP Review.

- A new five-year Infrastructure Manager Multi-Annual Contract which will be implemented in 2025 aims to increase funding for the protection and renewal of the rail network however further details in respect of this contract are awaited.
- The Government will commission an independent feasibility study into continuing the MetroLink (Ireland's largest ever PPP project) from the City Centre to South West Dublin.

Roads

- The Programme for Government suggests that funding for new roads and the maintenance of existing roads will be increased as part of the NDP review in July 2025. There will be distinct budgets for new road construction from 2025, ensuring sustained investment in the road network.

Sustainable Transport

- To accelerate the transition to electric and sustainable transport, the electrification of rail and bus fleets will continue.
- A National EV Infrastructure Strategy, and new National Sustainable Aviation Fuel Roadmap will be developed.

Housing

A new national housing plan (to follow on from the Housing for All Programme) is planned to be introduced, underpinned by a multi-annual funding commitment to facilitate the building of over 300,000 new homes by the end of 2030.

- The Government is aiming to build 12,000 new social homes per year as part of its social housing programme.
- To reduce project delivery delays, a single stage governmental approval process for all standardised social housing and affordable housing projects will be introduced which is a deviation from the four-stage pre-Capital Works Management Framework construction programme to achieve funding approval.
- Relatedly, the Programme for Government supports the large scale delivery of strategic water projects by Uisce Éireann (Irish Water). These projects are considered critical to ensure the delivery of Ireland's housing priorities.

Connectivity

The roll-out of high speed broadband under the National Broadband Plan will continue with the installation of high-speed fibre broadband to 1.1 million people, including homes and businesses by 2026.

ENERGY

The Programme for Government reaffirms many of the renewable energy targets of the previous Government. It also focuses on energy and decarbonisation, and recognises the interconnectedness of those topics with the growth of the Irish economy and Irish climate commitments. This update contains highlights from the Programme for Government for stakeholders in the energy sector.



Grid

- Investment in the electricity grid to update power generation systems will be prioritised.
- The publication of the long awaited Private Wires Policy Framework will be expedited.
- Statutory timelines will be introduced for grid connection agreements (presumably in line with EU legislation on this matter).
- New electricity interconnectors will be developed and rolled out so Ireland can be a net exporter of electricity to both Europe and the UK.
- The European Green Deal will be implemented thereby improving European grid connectivity.

Decarbonisation and Renewable Energy

- To ensure a dependable schedule of renewable energy auctions and continued timely delivery of renewable energy projects, the Programme for Government commits to holding at least one Renewable Electricity Support Scheme (“RESS”) auction per year.
- Funding models for RESS and the Public Service Obligation (PSO) levy will be explored in order to reduce electricity bills for households and businesses.



Offshore Wind

- The Programme for Government reaffirms that at least 5GW of offshore wind will be delivered by 2030. This will be facilitated by the commitment to prioritise publishing the Designated Maritime Area Plans (DMAPs) and adequately resourcing relevant state agencies.
- Emphasis is placed on investing in Ireland’s port infrastructure to facilitate offshore renewable energy development.
- The recommendations of the Shannon Estuary Economic Taskforce (which outlined recommendations to deliver approx. 30GW of offshore wind energy through the Shannon Estuary by 2050) will be progressed.



Renewable Energy – Onshore Wind, Solar, Biomethane and Batteries

- The Government remains committed to achieving 80% of Ireland’s electricity generation from renewable sources by 2030.
- The Programme for Government also reaffirms that 9GW of onshore wind and 8GW of solar renewable energy will be delivered by 2030.
- A policy will be developed to address repowering and to extend the life of existing onshore windfarms.

- The Programme for Government re-emphasises the target to produce up to 5.7 TWh of biomethane in Ireland by 2030 and also commits to offering financial incentives pursuant to the National Biomethane Strategy.
- The Government will advance battery development in order to reduce grid dependence. National planning guidelines to develop battery and solar energy will also be developed.
- Green energy industrial parks will be co-located with renewable energy generation in regional areas in order to attract large scale investments.

Data Centre Policy

- The ‘central role’ which data centres play in contributing to economic growth is recognised against the backdrop of increasing use of AI. The need to ensure efficient grid usage by data centres and to prioritise waste heat capture for district heating systems and other local uses is emphasised.
- The Government will enhance renewable energy usage by data centres.
- Investment in critical infrastructure and the electricity grid will be scaled up to support continued foreign direct investment in data centres.



COMMENTARY

The Irish Government notes that it has invested over €65 billion in capital infrastructure over the past five years. The Programme for Government signals the Government's continued commitment to the efficient delivery of strategic infrastructure to meet the current and future needs of Ireland's growing society whilst ensuring the continued growth of the Irish economy. The emphasis on ensuring sustained long-term delivery of projects across key sectors such as transport and housing amongst others will be welcomed by infrastructure stakeholders.

For energy stakeholders, the reaffirmation of renewable energy targets will be welcomed by industry – as will the commitment to upgrade Ireland's grid infrastructure. Energy stakeholders can expect to see the continued growth of the existing renewable energy sector and significant development in offshore wind in particular during the Government's five year term.

Matheson's integrated cross-disciplinary Energy & Infrastructure team (including specialists in project development, construction, financing, planning / environmental, real estate, M&A and procurement) is the largest grouping of its kind in the Irish legal market. If you have any questions on the Programme for Government, or energy and infrastructure projects in Ireland, please get in touch with the contacts listed below or your usual Matheson contacts.

Contacts



Garret Farrelly

Partner

+353 1 232 2704

garret.farrelly@matheson.com



Conor Blennerhassett

Partner

+353 1 232 2704

conor.blennerhassett@matheson.com



Owen Collins

Partner

+353 1 232 2410

owen.collins@matheson.com



Jessica Branigan

Senior Associate

+353 1 232 2359

jessica.branigan@matheson.com



Caragh McCool

Associate

+353 1 232 2117

caragh.mccool@matheson.com

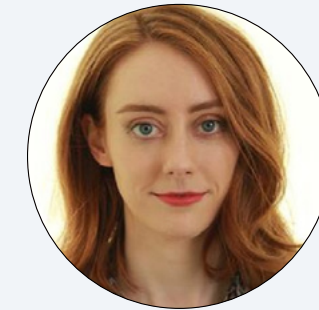


Patricia Einfeldt

Associate

+353 1 232 2096

patricia.einfeldt@matheson.com



Alison O'Brien

Solicitor

+353 1 232 2811

alison.o'brien@matheson.com



James Woodhouse

Solicitor

+353 1 232 2342

james.woodhouse@matheson.com



Coiré McCrystall

Solicitor

+353 1 232 2319

coire.mccrystall@matheson.com



Junaid O'Balogun

Solicitor

+353 1 232 2724

junaid.obalogun@matheson.com

This Matheson LLP ("Matheson") material contains general information about Irish law and about our legal services. This material is not intended to provide, and does not constitute or comprise, legal advice on any particular matter and is provided for general information purposes only. You should not act or refrain from acting on the basis of any information contained in this material, without seeking appropriate legal or other professional advice.

Copyright © Matheson