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Senior Executive Officer
Forward Planning Section,
Land Use Planning & Transportation Dept,
South Dublin County Council,
County Hall
Tallaght,
Dublin 24,

HW Planning
5 Joyce House,
Barrack Square,
Ballincollig,
Cork
P31 KP84

Re: Submission to the Proposed Material Alterations to the South Dublin Draft County Development Plan 2022-2028 – Amendment Ref. 13.1, 13.2, 13.3.

www.hwplanning.ie
info@hwplanning.ie
+353 (0)21 487 3250

Dear Sir/ Madam

Directors:
Harold Walsh
Conor Frehill

We act on behalf of IDA Ireland, the national agency responsible for the attraction and retention of foreign direct investment (FDI) into Ireland. We wish to make the following observation to the proposed Material Alterations to the South Dublin Draft County Development Plan 2022-2028.

Company Reg. No.
486211

As the enclosed Briefing Note prepared by our client indicates, data centres are recognised as a significant growth area in Ireland, one which they consider central to their role in attracting and supporting largely technology-oriented FDI organisations to this country. The importance of this sector is also acknowledged in Section 9.3 of the Draft Plan which states that:

Dublin is one of the fastest growing data centre markets in Europe with a significant element of this growth in South Dublin County. It is recognised that the requirement for data centres is increasing with social and technology needs such as 5G, smart cities and artificial intelligence. Technology is constantly evolving with cloud computing now shifting to edge computing and a need for smaller data centres closer to cities and end users.

Space extensive land uses generally have a higher carbon footprint, whether because of transport related uses or the large amounts of energy demanded by them. The Development Plan will encourage, through its policies, high energy users to demonstrate ways to reduce or negate reliance on fossil fuels and to redistribute energy for other end users where such potential exists.

Prior to the Proposed Material Alterations, data centres were considered 'Open for Consideration' in 'REGEN', 'Major Retail Centres' and 'Enterprise and Employment' as detailed in Chapter 13 of the Draft Plan. However, Proposed Material Alterations Ref. 13.1, 13.2, 13.3, will result in data centres being 'Not Permitted' in any of these 3 zoning classes. These Proposed Amendments create a contradiction between Chapter 9 and Chapter 13, where despite Section 9.3's recognition for the need for data centres, the zoning policy in Chapter 13 indicates that they would not be open for consideration in any zoning objective in South Dublin.

As such, and if adopted, the proposed alterations will have the effect of completely prohibiting the development of this type of land use. We consider that the following proposed Material Alterations to the zoning objectives in:

- Table 13.4 relating to REGEN,
- Table 13.8 relating to Major Retail Centres,
- but most importantly to Table 13.10, relating to Enterprise and Employment,

as proposed by the Elected Members, conflict with EDE7 Objective 1 and 2 of the Draft Plan and are contrary to ministerial guidelines governing the preparation of Development Plans and to national and regional policies in relation to data centres. As originally proposed the Core Strategy of the Draft South Dublin County Development Plan provides adequate information demonstrating how the Draft Plan is consistent with the National Planning Framework and the Regional and Economic Strategy as required by Section 10 of the Planning and Development Act 2000. If adopted with the Proposed Amendments we consider that the Development Plan could be considered to be contrary to Section 10 of the Planning and Development Act, 2000.

Submission Request

It is requested that the proposed Alteration to Table 13.10 specifically, which states that data centres are 'Not Permitted' in Enterprise and Employment zoned lands, be omitted and that the table be reverted to having data centres as 'Open for Consideration'.

The rationale for this request is set out as follows.

Conflicting Policies and Objectives within the Draft Plan

As noted above, Section 9.3 of the proposed Alteration to the Draft Plan recognised that the requirement for data centres is increasing with social and technology. In this context Section 9.3 goes on to outline Policy EDE7 Space Extensive Land Use which Objective 1 sets out:

To ensure that, insofar as possible, space extensive enterprise is located on lands which are outside the M50 and which do not compromise labour intensive opportunity on zoned lands adjacent to public transport.

Furthermore Objective 2 requires that applications for Space Extensive Land Uses demonstrate *inter alia* the appropriateness of the location, strong energy efficiency approaches, commitment to maximising of on-site renewable energy generation and sign up to the climate neutral data pact.

However, notwithstanding the above, the zoning policies contained in Chapter 13 as they stand preclude the provision of data centres in any zoning class in South Dublin.

The Proposed Alteration is Contrary to National and Regional Policy.

We submit that the proposed Material Amendment is contrary to National and Regional Policy, which, as set out below, both support the balanced development of data centres.

The Government Statement on the Role of Data Centres in Ireland's Enterprise Strategy (2018) identified the strategic role that data centres play in achieving Ireland's digital economy ambitions. It also notes the direct and indirect employment and economic benefits that arise from their development. It recognises the challenges they pose in relation to sustainable power supply and sets out measures to mitigate these via a plan-led approach.

The Commission for the Regulation of Utilities (CRU) published '*Direction to the System Operators related to Data Centre Grid Connection Processing*' (CRU/21/124) in 2021. This acknowledged the value of allowing the data centre market to continue to develop and grow in Ireland, while also recognising the role that they need to play in the stabilisation of Ireland's electrical grid. It requires the System Operators (SOs) to apply the following assessment criteria on a case-by-case basis, in determining whether a connection offer should be made to an applicant data centre:

- The location of the data centre applicant with respect to whether it is within a "constrained" or "unconstrained" region of the electricity system, and
- The ability of the data centre applicant to provide flexibility in their demand by reducing consumption when requested to do so by the relevant SO in times of system constraint.

Regional Policy

The Guiding Principles of the Eastern and Midlands Regional Spatial and Economic Strategy in relation to Economy and Employment (Section 6.3) set out to:

'Align to national strategy and approach for data centres – right location for use and energy demand'.

Regional policy Objective RPO 8.25 in relation to Communications Networks and Digital Infrastructure states that Local Authorities shall:

'Support the national objective to promote Ireland as a sustainable international destination for ICT infrastructures such as data centres and associated economic activities at appropriate locations.'

These policies are supportive of the promotion of data centres in appropriate places and subject to compliance with assessment criteria. However, we consider the exclusion of data centres from consideration in any land-use zoning class undermines the rationale behind the EDE7 Objectives and is not in line with the national and regional policies in relation to data centres. Therefore, the Proposed Amendment could be considered to be contrary to Section 10 of the Planning and Development Act, 2000.

The Proposed Alteration is Contrary to Development Plan Guidelines. –

We submit that the proposed Material Amendment is contrary to the Development Plan Guidelines for Planning Authorities 2007, these being the key ministerial guidelines governing the preparation of such plans. Section 1.1 of the Guidelines underlines that the primary function of the planning system is to support the sustainable development of land. Development Plans are the principal vehicle for all local planning decisions. Section 1.6 of the Guidelines states that all

Development Plans should create a clear strategic framework for public and private sector investment in infrastructure and for development in the area, having regard to both national and regional plans and policies. As noted above, the complete exclusion of zoning provision for data centres, which are acknowledged as strategic infrastructure that underpin the development of the technology sector in Ireland, is not in line with these Guidelines.

The proposed Material Amendment is also contrary to the Draft Development Plan Guidelines for Planning Authorities 2021. Section 4.6.2 of the Draft Guidelines relates to Economic Strategy and states that:

'If the development plan process is to be effective and responsive to the wider objectives of society, account must be taken of the relevant drivers of change. The inputs of specialist agencies and representative bodies working in the economic development sector are therefore relevant. The development plan must be informed by the policies, objectives and relevant strategies developed by agencies such as IDA Ireland, Enterprise Ireland and Údarás Na Gaeltachta, as well as local Chambers and business representative groups.

Examples of synergies between the activities of development agencies and land use policies might include:

- » *ensuring the requirements of specific sectors are being addressed in land use terms, i.e. both local start-up businesses and foreign direct investment;*
- » *new, emerging technologies/industries and any specific land use planning implications that may arise.*

As the accompanying Briefing Note prepared by IDA Ireland emphasises, the requirement for 'emerging technologies' such as data centres is in response to 'drivers of change' as outlined in the policy above. Data centres play an important strategic role in underpinning Ireland's advancement in the area of technology. They allow both Irish and FDI businesses to develop significant online markets and activities. It is IDA Ireland's contention that further development of data centres is a pre-requisite to supporting the long-term development of the technology sector and related employment. Therefore, we consider the proposed amendments are contrary to the Economic Strategy element of the Draft Development Plan Guidelines.

Conclusion

Our client has a track-record of working in close partnership with South Dublin County Council and recognises the large contribution that the Planning Authority has made over the years to supporting enterprise development. However, IDA Ireland considers the exclusion of data centres from consideration in any zoning class in the Proposed Material Amendments to the Draft Plan is short-sighted and will undermine the future development of the technology sector and other related employment sectors in the county.

As noted in the attached Briefing Note, IDA Ireland acknowledges the recent direction from the CRU. IDA Ireland considers the assessment criteria proposed in the CRU direction, the careful balancing of location and energy usage, the ability of the data centre operators to provide

flexibility in their consumption demand are designed to address current energy demand issues. In its current form we consider the Proposed Material Amendment to the Draft Plan, in prohibiting the development of data centres, is contrary to national and regional objectives. In not providing for the infrastructure requirements of IDA Ireland the FDI sector the amendments are contrary to the Draft Development Plan Guidelines for Planning Authorities.

The proposed Material Alterations, (Amendment Ref. 13.1, 13.2, 13.3) specifically Amendment Ref 13.3, as proposed by Elected Members, will adversely impact the future growth of the Irish and FDI technology sector and inhibit IDA Ireland's ability to attract FDI organisations to South Dublin in the future.

It effectively prohibits the development of data centres by materially altering the permitted use matrix for REGEN, Major Retail Centres, and significantly Enterprise and Employment zoned lands. We consider that the proposed amendments are contrary to national and regional policies which support the development of data centres, in particular RPO 8.25. They are also contrary to Section 10 of the Planning and Development Act, 2000 and with ministerial guidelines governing the preparation of Development Plans, specifically Section 4.6.2 Draft Development Plan Guidelines for Planning Authorities in relation to Economic Strategy. We conclude that the proposed amendment constitute an unreasonable and unsound basis for amending the Draft Plan. Based on the contents of this submission, we request that the proposed alterations be omitted.

Please do not hesitate to contact us if you have any queries.

Yours Sincerely



Harry Walsh
HW Planning

Enclosures

- IDA Ireland Briefing Note on data centres



**IDA Ireland Briefing Note on Data Centres for South Dublin
County Council.**

April 26, 2022.

Introduction

Before discussing data centres, IDA Ireland would like to recognise the large contribution that South Dublin County Council has made over the years to supporting enterprise development. The Council's support has helped establish many new businesses, of various sizes and activities, which have led to the creation of numerous jobs, benefitting local communities.

In this submission, IDA Ireland intends setting out its views on why data centres should continue to be considered for planning permission. Data centres have an increasingly important role to play in economic development, local business establishment and job creation.

Strategic Value and Role of Data Centres

IDA Ireland would like to make the following points with respect to the strategic importance and significance of data centres:

- Data centres underpin the country's technology sector, which is increasingly cloud based. Ireland's technology sector accounts for €52 billion (16%)¹ of gross value add in the Irish economy and employs 140,000¹ people, equivalent to 6% of total national employment and representing 40% growth over a five-year period.
- Data centres should not be viewed on their own as a separate economic activity. They should be assessed in the context of the total economic value that they bring, the entire jobs they support along the value chain, and their role in underpinning the evolving data economy, which will increasingly drive innovation, productivity, competitiveness and overall economic activity.
- Data centres are effectively 'digital factories' that enable the export of software and digital services. Decisions to invest in data centres and complementary business activities are closely linked and are not made in isolation of one another. Data centres lead directly to other job intensive activities (e.g. site reliability engineering, software engineering and product development, digital sales, customer experience, technical support) and additional global business services.
- The largest FDI (Foreign Direct Investment) technology companies, with data centre infrastructure in Ireland, most of which is in Dublin, employ approximately 20,000 people² and are responsible for very substantial economic value when payroll taxes, exports, corporation taxes and other expenditures such as capex and materials and services' inputs in the Irish economy are taken into account.

As an example of the contribution of one large data centre operator, in a recently published economic report by Amazon Web Services (AWS), it was reported that for the period 2011 to 2020, AWS investments in Ireland sustained 8,700 jobs and enabled over 550 suppliers to grow their companies here. It was also estimated that in 2020 alone, based on experience gained in Ireland, AWS spent €228 million with Irish contractors on data centres outside Ireland.

The construction of data centres itself has created a valuable indigenous industry, knowledge and expertise, with associated annual exports estimated by Enterprise Ireland at over €2 billion.

- Data centres provide vital infrastructure for developing both Ireland's and Europe's digital economies and for strengthening and advancing Ireland's position as a strategic international location for IT services. If Ireland is to maximise the benefits of technology advancements

¹ Source: CSO 2021.

² Source: IDA Ireland 2022.

brought about by, for example, 5G, AI, the internet of things, and virtual reality, Ireland will need to continue to facilitate sizeable data centre growth.

- The recently published National Digital Strategy (NDS), ***Harnessing Digital - The Digital Ireland Framework***, makes notable reference to data centres being:

‘more than ever, a core infrastructure enabler of a technology-rich, innovative economy, which makes Ireland a location of choice for a broad range of sectors and value-added activities, such as business collaboration, online commerce, banking, and supply chain management’.

Data Centres and Electricity Consumption

IDA Ireland acknowledges that data centres are large consumers of electricity, but would point out that data centres:

- Are far more energy efficient than the inhouse servers that they are replacing.
- Require renewable energy.
- Enable more wind-based electricity to be utilised, by reducing ‘waste power’ (due to the balanced nature of data centre power demand).
- Will underpin the future development of the country’s offshore wind electricity sector, as data centres will be very valuable and sizeable customers for offshore wind electricity generators, that will make huge financial commitments and invest billions of euros in high-risk projects.

CRU Direction

IDA Ireland also acknowledges the recent direction of the Commission for Regulation of Utilities (CRU) on electricity grid connections for data centres, but notes the significant action plan the Regulator has put in place to ensure that there is sufficient power available out to 2030 (e.g. over 2,000MW of new gas-fired electricity generation capacity, up to 300MW of emergency power capacity, and advancing of regulatory works for two new electricity interconnectors).

IDA Ireland believes that, with respect to the CRU direction on data centre development, the draft development plan proposal on data centres could in fact be counterproductive. If the proposal proceeds into firm policy, it may position the South Dublin region, and by extension, Ireland, as hostile to new digital developments for several years to come, and possibly well beyond the 2028 timeframe.

‘The Bigger Picture’

When assessing data centres, IDA Ireland would emphasise the necessity of ‘considering the bigger enterprise picture’, which is that:

- Further data centre establishment offers Ireland the opportunity to continue to advance its world-class leadership in technology and digital, allowing businesses, FDI and Irish, to innovate, evolve, and develop very significant online markets and activities, internationally and domestically.
- Ireland, in the long term, has the potential to supply ample renewable electricity, plus associated green hydrogen, to a very large data centre sector, arising from the vast resources of offshore wind (5GW of electricity potential, off the East and Southern coasts, as outlined in the National Programme for Government). Some appreciable momentum has been made, of late, in progressing the offshore wind power generation objective (e.g. commitment to fast track maritime consents for specific projects off the East Coast).

Data Centre Developments

Modern data centre operators are at the forefront of implementing new innovative technologies, in particular in the generation, use and storage of renewable electricity. These include new cooling technologies, better energy efficiencies, and timing data processing with peak power availability. The use of waste heat for district heating projects, an objective of the South Dublin County Council development plan, is also being considered. These developments are all positive and demonstrate the contributions by data centres in overcoming current challenges. The opportunity to work with operators, in implementing new technologies, may confer a first-mover advantage for any region that successfully pilots and implements such technology.

Conclusion

Dublin is a leading international location for data centres, recognised globally for its modern data centre infrastructure and cluster. Within Ireland, Dublin is home to over 90% of the country's data centres. A strong tech base, sound latency characteristics, with good international connectivity, supported by the T50 network, are just some of the primary reasons why Dublin is viewed as a world-leading location for data centres.

The challenge in power availability is temporary and is being addressed by the CRU through its direction to system operators, and by the system operators themselves. EirGrid has set out its 10-year investment plan through its Shaping Our Electricity Future strategy, which will strengthen and future proof the electricity grid in Dublin and across Ireland. The Government has set out ambitious renewable generation targets (80% by 2030), which data centres fully support; data centres require renewable electricity. In addition, the Government, through the Department of Enterprise Trade and Employment (DETE), is in the process of updating its Data Centre Policy Statement.