

## 23 Receipts from the capping of electricity sales revenues

- 23.1** In October 2022, EU Council regulation 2022/1854 (the Regulation) was introduced as an urgent response to surging energy prices within the EU caused largely by volatile markets for fossil fuels due to the war in Ukraine.<sup>1</sup>
- 23.2** One part of the Regulation provided for an annual levy — referred to as a temporary solidarity contribution (TSC) — chargeable in respect of relevant activities of an energy company.<sup>2</sup> In Ireland, the TSC applied retrospectively to the years 2022 and 2023.<sup>3</sup> The TSC was collected by the Office of the Revenue Commissioners and paid over to the Exchequer.<sup>4</sup> TSC receipts totalling €271.4 million were collected in 2023 and 2024.
- 23.3** Separately, the [Energy \(Windfall Gains in the Energy Sector\) \(Cap on Market Revenues\) Act 2023](#) (the Act) gave effect to another part of the Regulation. The Act requires payments to be made into a special-purpose Market Cap Fund (the Fund) by producers, intermediaries or traders engaged in the sale of electricity (electricity suppliers).
- 23.4** The market cap liability was calculated in respect of revenues earned by electricity suppliers during the period 1 December 2022 to 30 June 2023 that exceed capped amounts set for different fuel sources. The capped amounts for each fuel source/type are set out in Annex 23A. The money in the Fund is to be used to finance measures in support of final electricity consumers to mitigate the impact of high electricity prices.
- 23.5** EirGrid is responsible for establishing and maintaining the Fund as well as being the collection agent for the payments from the electricity suppliers.<sup>5</sup> Electricity suppliers were required to submit a return to the Commission for Regulation of Utilities (CRU) containing their assessment of the payment due to the collection agent.
- 23.6** As a commercial State body, EirGrid itself is not under the audit remit of the Comptroller and Auditor General. However, EirGrid is responsible for keeping proper accounts for the Fund and is required to submit them for audit to the Comptroller and Auditor General. The first set of accounts for the Fund presented for audit relates to the period 17 November 2023 to 30 September 2024.<sup>6</sup>
- 23.7** While not specified in the Act, the Secretary General of the Department of Climate, Energy and the Environment (the Department) has assumed responsibility for signing the accounts and implementing Government policies appropriate to the Fund.

<sup>1</sup> [Council Regulation \(EU\) 2022/1854](#).

<sup>2</sup> [Energy \(Windfall Gains in the Energy Sector\) \(Temporary Solidarity Contribution\) Act 2023](#).

<sup>3</sup> The Government did not extend the TSC beyond the chargeable period of 2023.

<sup>4</sup> *Report on the Accounts of the Public Services 2024*, chapter 1, Exchequer financial outturn for 2024.

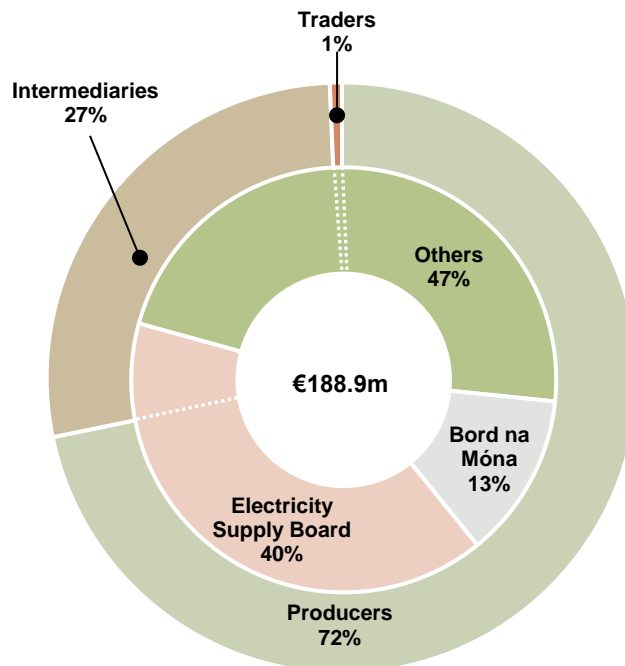
<sup>5</sup> EirGrid is a State-owned company that is responsible for the electricity grid in Ireland.

<sup>6</sup> The financial reporting date for the Fund (30 September) coincides with the EirGrid financial reporting date.

## Returns and payment

- 23.8** The statement on internal financial controls attached to the Fund accounts reports that the CRU is responsible for assessing the returns and ensuring the completeness of the returns received from the electricity suppliers.
- 23.9** The electricity suppliers were required to make a return to the CRU by 31 December 2023. A nil return was required if there was no assessed liability.<sup>1</sup>
- 23.10** A total of 236 returns with a calculated liability of €188.9 million were received. Fifty-six returns were not received by the deadline. The last return was received on 13 May 2024 and five returns were found liable to surcharges due to lateness.
- 23.11** Amounts totalling €188.5 million were received into the Fund as at 30 September 2024 (see Figure 23.1).

**Figure 23.1 Fund payments received and receivable 30 September 2024<sup>a,b</sup>**



Source: EirGrid and Commission for Regulation of Utilities

- Notes:
- a Includes €441,000 not received comprising adjusted surplus cap (i.e. return amount) of €412,000 and interest/surcharges of €29,000.
  - b Interest applies to late payments and surcharges apply to late returns. These amounted to €120,000.

### Other income

<sup>1</sup> Out-of-scope suppliers (e.g. gas generators) had to submit a nil assessment, while in-scope suppliers had to file a return explaining any payment due or why none was owed.

- 23.12** In February and March 2024, a total of €181 million was placed with the National Treasury Management Agency in the form of Exchequer Notes at a one-month rolling maturity. Interest capitalisation earned on the amount at a rate of 1% to the end of September 2024 was almost €1.2 million.

## Completeness of returns

- 23.13** The CRU used a spreadsheet to track the 236 returns received which it made available to EirGrid. The CRU engaged consultants to assist in assessing the accuracy of the returns. As at August 2024, high-level validity checks had been completed on all returns.
- 23.14** A spreadsheet recording issues identified during the checks is maintained by the CRU. At the end of February 2025, the tracker recorded 109 issues that had been identified, with 75% of them classified as open issues. Seven issues identify potential additional money owed by participants.
- 23.15** The CRU is in the process of conducting detailed assessments on the top four returns accounting for nearly 56% of the total payments made to EirGrid. The CRU carried out a prioritised sample of the remaining 232 returns. These prioritised returns, along with the top four returns, account for nearly 64% of the total payments made to EirGrid. As part of the assessment process, the CRU has issued requests for further information.
- 23.16** In the period July 2023 to June 2025, the cost of the consultants was almost €2 million. The CRU estimates further costs to the end of September 2025 of approximately €214,000, with work to continue beyond that date. The cost of the consultants is being met by an electricity levy collected from regulated entities.

## Fund disbursements

- 23.17** The balance of the Fund as at 30 September 2024 (the financial reporting date) was approximately €190 million.
- 23.18** Section 28 of the Act provides that the Minister for Climate, Energy and the Environment (the Minister) shall, with the consent of the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitisation, prescribe one or more schemes for the disbursement of monies from the Fund. Monies must be used as per the Regulation, to finance measures in support of final electricity customers that mitigate the impact of high electricity prices on those customers, in a targeted manner.
- 23.19** The Department has stated that, in August 2025, the Minister prescribed the existing Non-Domestic Microgen Scheme to receive a disbursement of up to €27 million from the Fund.<sup>1,2</sup> As at 15 September 2025, €3.9 million has been disbursed to the Sustainable Energy Authority of Ireland, which operates the microgen scheme. Up to then, the scheme had been funded from Vote 29 Climate, Energy and the Environment.

## Accountability

- 23.20** The Secretary General of the Department is the Accounting Officer for the Fund. The Accounting Officer relies on confirmation from EirGrid that an effective internal financial control system is in operation to ensure the accuracy and completeness of the financial statements. However, a service level agreement formalising the roles and responsibilities of the Department and EirGrid in the operation of the Fund has only been in place since 28 July 2025.

<sup>1</sup> Except for the repayment of any overcharges to participants, the Act does not provide for any other disbursements from the Fund.

<sup>2</sup> [Non-domestic microgen grant](#).

**23.21** Similarly, the Accounting Officer relies on the validation work of the CRU to ensure the completeness and accuracy of the returns submitted by participants. The Department stated that the CRU's responsibility for validating returns is defined in the Act and therefore, a service level agreement with the CRU was not required.

## Conclusions

**23.22** The Market Cap Fund was established by law in 2023 on an emergency basis with several entities assigned statutory responsibility for different elements of the Fund's administration and maintenance. The legislation did not create formal accountability for the financial statements of the Fund. This role has been assumed by the Secretary General of the Department of Climate, Energy and the Environment.

**23.23** EirGrid's main role was in collecting the levy amounts. Since the chargeable period has not been extended, that role is now largely over.<sup>1</sup> However, EirGrid remains responsible for the administration and management of the Fund and for the production of the accounts of the Fund. EirGrid has stated that it will take direction from the Department regarding the disbursement of monies from the Fund and will not be using any of the funds for its own purposes.

**23.24** As at the Fund's reporting date — 30 September 2024 — the balance in the Fund stood at €190 million. Most of the payments into the Fund had been received by the end of January 2024. In August 2025, the Minister for Climate, Energy and the Environment prescribed a scheme for the utilisation of some of the Fund resources. As of 15 September 2025, €3.9 million has been disbursed in respect of the designated scheme.

<sup>1</sup> Following CRU's validation checks, participants may be required to submit a revised return and pay additional monies to the Fund (or be repaid from the Fund).

### Annex 23A Applicable market cap per fuel source

Fuel source	Market cap €/MWh <sup>a</sup>
Wind energy	120
Solar energy	120
Geothermal energy	180
Hydropower (with or without reservoir)	120
Biomass	Max (180, ACP <sup>b</sup> plus 15)
Waste	180
Nuclear energy	180
Lignite	180
Crude petroleum	Max (180, ACP <sup>b</sup> plus 120)
Peat	Max (180, ACP <sup>b</sup> plus 15)
Hard coal	Max (180, ACP <sup>b</sup> plus 35)

---

Source: Commission for Regulation of Utilities

- Notes:
- a MWh is one megawatt of power produced for one hour.
  - b The market cap that applies to certain fuel sources depends on the 'allowable cost of production' (ACP), which is a bespoke value for each generating unit. ACP could vary as it reflects a generating unit's marginal costs.

