

DCEE releases consultation on the implementation of the EU Net Zero Industry Act into RESS

The recently published consultation document on the implementation of Article 26 of the Net-Zero Industry Act (NZIA) into Ireland's Renewable Electricity Support Scheme (RESS) outlines the Department of Climate, Energy and the Environment's proposals for adapting national renewable electricity auctions to meet new EU mandates.

As explored in our earlier [article on NZIA](#), Article 26 compels Member States to apply non-price criteria, such as supply chain resilience, sustainability, cybersecurity, ability to deliver, and responsible business conduct, to at least 30% of auctioned capacity or 6 GW annually, beginning in January 2026. This article evaluates the consultation, policy choices, scoring methodology, areas targeted for feedback, and critical challenges associated with its implementation in the Irish context.

Structure and Policy Rationale

The consultation is anchored in the European Union's strategic objective to fortify manufacturing capacity and autonomy for net-zero technologies. Article 26's requirements were enacted to ensure that European auctions do not focus solely on lowest price, but support long term industrial resilience, innovation, and sustainability. The consultation details Ireland's initial plan for implementing Article 26 wholly across all RESS auctions from 2026 onward, dismissing partial or phased application to a portion of auctioned capacity on the grounds of streamlining and maximising participation in the delivery of renewables. The scope extends to both onshore wind and solar PV (and variants of the same), with other technologies excluded due to the absence of mature projects and policy precedent.

The policy choices reflect a balance between regulatory compliance and maintaining simplicity for auction design. Three mandatory pre-qualification criteria; responsible business conduct, cybersecurity, and ability to deliver, will serve as prerequisites for auction participation. These requirements are rooted in compliance with EU directives, security of supply, and adherence to good governance, but are structured to minimize barriers for entry, particularly for small and medium enterprises. The Department proposes that evidence of compliance may be provided after contract award, using self-declaration at the initial bid stage and verified documentation prior to commercial operation. This approach is intended to prevent unnecessary exclusions while ensuring accountability throughout project delivery.

Scoring Methodology and Auction Design

In recognition of Article 26's non-price dimension, the award criteria will focus on resilience (supply chain diversification) and a singular sustainability dimension, namely Energy System Integration (ESI), instead of environmental performance or innovation. ESI is selected for its perceived impact on grid stability and dispatch down, which have posed operational issues in prior RESS auctions. The inclusion of resilience is mandated, assessing the degree to which key

project components are sourced from countries outside a high-dependency Commission list. The scoring framework for both wind and solar projects enumerates specific components that must avoid origin in such third countries to maximize resilience points.

The proposed weighting for auction evaluation is designed to comply with EU guidance: price must carry 70–85% of total scoring (i.e., the residual factor not assigned to non-price criteria), while non-price factors receive 15–30%, with resilience fixed at 5%, ESI (10-25%) and evaluation corrector factor (0-10%, whether as part of ESI or as a separate criterion). Installations under 10 MW may be excluded if no projects above this capacity are entered.

For ESI, only temporal flexibility is assessed, measured by project features such as hybridization (integration of a secondary renewable generation source) and inclusion of storage. Storage is prioritised in the scoring due to its policy value for grid flexibility. Locational factors are omitted due to their assessment complexity, but stakeholder input is solicited on whether this exclusion should persist. Another key consideration pertains to the Evaluation Correction Factor (ECF), which historically adjusted bid prices to support policy objectives (e.g., technology balancing, system benefits) but now could be applied as part of an explicit non-price criteria under the ESI or be removed and addressed via separating technologies into distinct pots.

With respect to the technology configuration, the consultation presents three main implementation options: single-pot auctions (all technologies evaluated together, with or without ECF), dual-pot auctions (separate technology evaluation, potentially removing the need for ECF), and single or dual pots with variations in ESI weighting. Each scenario is mapped in scoring tables, demonstrating the impact on award rankings based on sample project data. The consultation seeks views on the most suitable approach, weighing simplicity, comparability, and the risk of technological bias.

Each eligible bid that complies with the three mandatory pre-qualification criteria will be given a composite score that will be the sum of the price factor, resilience and ESI (and ECF if used). Bids will be ranked on composite score for award. The strike price to be paid to the awarded projects will be the bid price submitted by the applicants.



Consultation Issues and Implementation Challenges

The Department's request for stakeholder feedback spans a wide array of topics, from the overall scope and timing of Article 26 application, to the clarity and proportionality of evidence requirements, and specific scoring systems for resilience and ESI. Respondents are asked to evaluate whether alternative sustainability dimensions should be reserved for future consideration, how best to structure auction pots, and whether locational elements, grid-forming technologies, or revised compensation mechanisms for unrealised available energy should be included. Concerns about administrative burden, confidentiality, and remedies for non-compliance due to force majeure are also raised.

A central challenge identified is verification and compliance. The self-declaration mechanism, while practical for initial participation, may introduce risks of misaligned project delivery versus commitments made at bid stage. The Department proposes periodic compliance checks and the potential revocation of RESS support where commitments on resilience and ESI are not met, emphasizing the need for robust evidence such as customs documentation and manufacturer origin statements. Ensuring continuous compliance throughout a project's operational lifetime is essential, as is the management of replacement components in accordance with initial declarations.

Another challenge relates to the impact of non-price criteria on auction competitiveness and market diversity. The weighting structure and the choice to emphasise ESI and resilience could incentivise hybrid renewable-storage projects and supply chain diversification but might disadvantage participants unable to evidence compliance, especially SMEs. The omission of environmental performance and innovation, while justified by practicality and the desire to minimise barriers, could be revisited based on stakeholder needs or evolving policy goals.

Conclusion

The consultation provides a sense of the initial plan for integrating Article 26 of the NZIA into Ireland's RESS initiatives. The success of the final design will depend on addressing stakeholder responses, practical evidence protocols, and the ability to adapt criteria as the renewable energy market develops and as EU policy priorities shift. Crucially, implementation of the NZIA should not slow down the rate of RESS auctions or overly complicate such auctions. Ireland has made good progress with five RESS auctions having taken place – this momentum must continue. It is important that stakeholders submit their views and the closing date for submissions is 21 November 2025.



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