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Electricity Policy Division

Department of Communications, Climate Action and Environment

By email to 

20 December 2017

Response to Public Consultation on the OREDP Mid-term Review

We are pleased to respond to the Public Consultation on the OREDP Mid-term Review. Please treat our response as confidential and commercially sensitive.

Yours sincerely

*sent by email, requires no signature



Chief Development Officer

Element Power Ireland



Element Power Ireland

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Introduction

Element Power is a global renewable energy company that develops, acquires, builds and operates utility-scale wind and solar power projects. EPI has constructed and operates a portfolio of approximately 100MW, with another 120MW in construction in 2017 and has approximately 1GW of wind farm projects in development in Ireland. EPI has an established track record in wind energy in Ireland, with its Irish team based in Tullamore, Co. Offaly and Cork. This team has previously developed over 17 wind farms in Counties Clare, Cork, Kerry, Donegal, Limerick, Galway, Offaly, Waterford, Tipperary and Tyrone. EPI has now started to actively develop a number of potentially suitable offshore wind farm sites and view offshore wind energy as a key part of meeting future post 2020 renewable energy targets.

EPI believes that as a developer of wind energy it plays an important role in helping address some of Ireland's most significant challenges including:

- Climate change;
- EU and Ireland's legally binding obligations to limit greenhouse gas emissions;
- National renewable energy targets;
- Security of energy supply;
- Cost effective clean power production; and
- Increasing energy price stability.

EPI fully supports sustainable development and proper planning while recognising the requirement to take into account all potential environmental impacts. EPI's objective is to work closely with communities to provide clean, cost effective and sustainable energy alternatives to limit the harmful effects that climate change is now bringing to our lives, and limit the damage done to the domestic economy through the importation of expensive fossil fuels. EPI believe that Ireland's considerable offshore wind resource will have a central role to play in meeting these challenges.

As such, we have a strong interest in the OREDP and its implementation.



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Element Power Ireland (EPI) welcomes the opportunity to make this submission on the Department of Communications, Climate Action and Environment's (the "DCCAÉ") Public Consultation on the Mid-term review of the Offshore Energy Development Plan (the "OREDPlan") published in September 2017. The OREDPlan identifies the opportunity for the sustainable development of Ireland's abundant offshore renewable energy resources. It sets out key principles, policy actions and enablers for delivery of Ireland's significant potential in this area. The OREDPlan and its implementation is overseen by a Steering Group established by the Minister for Communications, Climate Action and Environment. As part of a mid-term review of the OREDPlan, focussed on progress to date and challenges arising, a draft document is now being launched for public consultation.

It is recognised that the Consultation is in relation to all renewable offshore energy sources. However, EPI, with its expertise in wind energy, will focus on offshore wind energy sources in this response.

Action 1: Put in place a robust Governance Structure for the OREDP

Question 1.

Do you have any suggestions or additional measures to support and enhance the governance structures of the OREDP?

EPI would support the establishment of a specific Offshore Wind Working Group to oversee the development of offshore wind in Ireland.

Despite the significant future potential resource from oceans, EPI would consider tidal and wave technologies as being emerging/non-mature technologies in respect of which there would be separate actions. However, EPI does not consider offshore wind to be an emerging technology and therefore a separate dedicated working group should be set up with immediate effect to enhance the progress relating to commercially viable offshore wind and to begin harvesting Irish offshore wind resources.

Action 2: Increase Exchequer Support for Ocean Research, Development and Demonstration

Question 2.

Do you think that the Exchequer support for Ocean Energy RD&D has been sufficient?

EPI is of the view that there has not been sufficient R&D support for offshore wind development in Ireland. Ireland has one of the best offshore wind resources in Europe and Ireland should be a leader in the R&D sector for offshore wind and in particular dealing with specific challenges faced by offshore wind in Ireland such as having a limited electrical demand from an Island grid system.

Question 3.

Has the distribution of the Exchequer support been appropriate and can you suggest alternative areas that require additional Exchequer support?

EPI notes that the offshore wind energy sector is a well-established commercial technology. Therefore, it is EPI's view that there should be a greater form of support to enable the commercial offshore wind sector to develop in Ireland and grow to significantly contribute to the Irish energy production.

Action 2.1: Atlantic Marine Energy Test Site (AMETS)

Question 4.

Do you think sufficient progress has been made on the development of the Atlantic Marine Energy Test Site in County Mayo?

EPI supports the development of the Atlantic Marine Energy Test Site (AMETS) but would be of the view to add floating wind technologies to be tested at the site.

EPI is also of the view that duplication of efforts at AMETS and WestWave sites should be avoided and a potential of a collaboration should be examined. A joined-up approach on running the different test sites would be welcomed.

Action 2.2: Galway and Cork Test Sites

Question 5.

Do you agree that significant progress has been made on the Galway Bay Marine and Renewable Energy Test Site and that it is having a positive impact on the development of the offshore renewable energy sector in Ireland?

As noted above a joined-up approach and collaboration between test sites and commercial companies would be welcomed.

Action 2.3: Integrated Maritime Energy Resource Cluster

Question 6.

Do you think that there is a positive impact from the development of the MaREI Centre and Lir National Ocean Test Facility?

EPI welcomes the foundation of the MaREI as there is a requirement for increased collaboration involving the public sector, the academic institutions, start up companies and established market players to develop a strong ocean energy sector in Ireland which will create future jobs and contribute to Ireland's energy network. A great example of collaboration is Eirwind. Eirwind is an industry-led research project, co-designing the opportunity around the sustainable development of Ireland's marine resources, using offshore wind as the catalyst for innovation and impact.



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The Eirwind Industry-led research project is a collaborative initiative with several industry partners, supported by the MaREI Centre, to help accelerate opportunities towards the development of offshore wind in Ireland.

The objective of the Eirwind project is to identify areas where the location of offshore wind farms, or other offshore renewable energy sites including solar energy, is advantageous from a technical and commercial point of view, while mitigating against potential conflicts or negative impacts, creating the potential for colocation or development of supplementary business opportunities.

Action 2.4: Prototype Development Fund

Question 7.

Do you believe that the PDF is a suitable funding structure for the sector?

Question 8.

What if any improvements would you suggest?

EPI suggests a reassessment of structure and procedure of the Prototype Development Fund to be reassured that applications are processed faster and funds are fit for purpose.

Action 2.5: Additional Exchequer Support Requirement

Question 9.

Do you have any suggestions for additional Exchequer support required for the development of the offshore renewable energy sector in Ireland?

There should be additional exchequer support for the development of the supply chain technology around offshore wind energy. For example, the Harland and Wolf facility in Belfast has now become a key part of the UK offshore sector. A similar approach could be taken in the Irish context that would lead to hubs being formed for both Irish and UK parts of the Irish Sea.

Action 3: Introduce Initial Market Support Tariff for Ocean Energy

Question 10.

Do you have any suggestions on how to enhance or further implement support tariffs for this sector?

The recent RESS consultation indicated that the scheme would be based on a technology neutral approach which EPI supports as it ensures that the lowest cost to the consumer is supported. However, it is important the RESS scheme is put in place in 2018 and clearly allows for offshore wind projects to partake in the first rounds. It is likely that the early rounds will consist mainly of onshore wind energy but as can be seen in the recent UK CfD round it is likely to offshore wind projects will continue to become more competitive and win later rounds of the RESS scheme. It is a critical signal for offshore wind developers to see the clear route to market in the RESS scheme so that there is confidence to invest in the high development expenditure required for offshore wind development.

Action 4: Develop Renewable Electricity Export Markets

Question 11.

Do you think that Ireland should develop offshore renewable energy resources to export electricity?

Yes, EPI is of the view that it is impossible to develop our offshore renewable energy resources without exporting a portion of the electricity generated by these resources. EPI believes that the key aspect to a successful offshore renewable energy development market is a strong grid system. As there is only a limited grid connection capacity in the Irish Grid relative to the potential offshore wind energy resource in Irish waters, Ireland will have to develop infrastructure to export electricity at times when there isn't sufficient demand on the Irish system. If Ireland does not develop further interconnection with the UK and in turn the wider European grid network then it is likely that there will be almost no offshore development in Ireland since the existing and medium-term future development of onshore wind will be the limit of what renewable electricity can be put on the grid.

EPI is indeed actively involved in developing the Greenlink interconnector. The Greenlink is planned to be a subsea and underground cable interconnector (with associated converter stations) between



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the existing electricity grids in Ireland and the UK. The project will provide a new grid connection between Great Island transmission substation in Wexford and Pembroke transmission substation in south Wales.

Greenlink will have key strategic importance as it will provide significant additional interconnection between Ireland, the UK and continental Europe. It will also provide additional transmission network capacities, reinforcing and meshing the existing electricity grids in south Wales and south-east Ireland. The construction and development of Greenlink will deliver increased energy security, energy trade and interconnection between the UK and Ireland.

Once operational the interconnector will enable a flow of electricity between the Irish and Great British energy markets.

Question 12.

Do you have any suggestions on further measures that can be taken to support the implementation of this action?

EPI is of the opinion that support of interconnection projects such as Greenlink by the working group and the department will be necessary for the development of offshore wind energy in Ireland.

Action 5: Develop the Supply Chain for the Offshore Renewable Energy Industry in Ireland

Question 13.

Do you think that significant progress has been made, to develop the supply chain for the offshore renewable energy industry in Ireland?

No. The uncertainty created by not having a licencing process and support scheme for offshore wind energy has led to no significant development or offshore renewable energy projects over the last decade. This will continue to be the case until the Marine Area and Foreshore (Amendment) Act and the RESS scheme (currently under consultation) are put in place. The supply chain will not progress until the development of projects commences.

Question 14.

Do you have any suggestions on how to further implement this action?

A deadline should be confirmed as part of this OREDP review on the enactment and a timeframe for a consenting and support scheme structure.

Action 6: Communicate that Ireland is Open for Business

Question 15

Do you think that Ireland has been presented at home and abroad as open for business in offshore renewable energy?

EPI is of the opinion that Ireland has been not presented as open for business in offshore renewable energy due to the fact that there has been no consenting process and no support scheme in place.

Also, it appears that the IDA has not used the huge renewable energy resources that Ireland has as a key selling point for FDI despite the fact that many of these FDI companies are committed to 100% renewable energy and are actively seeking opportunities to commit their energy demand with renewable sources.

Question 16.

Do you have any suggestions on how to further implement this action?

EPI is of the opinion that the enactment of the Marine Area and Foreshore (Amendment) Act into law and the implementation of a consenting system should be made priority.

EPI suggests a deadline in Q1 2018 as part of the OREDP review for issuing the act on the department and a clear timetable for the formation of the planning and consent structure.

This will provide sufficient signals to the offshore wind industry to commit the significant development costs to advancing sites through the development stage and deliver projects ready for construction in the mid 2020s.

Action 7: Explore Potential for International Collaboration

Question 17.

Does the progress section capture all the relevant information and activities that have taken place for this action since publication in 2014?

EPI is of the opinion that Ireland will see international collaboration commence in offshore renewable energy once the consenting process and support scheme are in place.

Question 18.

Do you have any suggestions on how to further implement this action?

EPI is of the opinion that the consenting process and support scheme should be finalised early in 2018.

Action 8: Introduce a New Planning and Consent Architecture for Development in the Marine Area

Question 19.

Do you think that sufficient progress has been made on the action to introduce a new planning and consent architecture for development in the marine sector?

No. The progress on the Marine Area and Foreshore (Amendment) Act and the consenting system is not moving as fast as it should. EPI believes that the renewable energy industry is concerned with the potential for even further delays.

Question 20.

Do you have any suggestions on how to best implement this action?

EPI is of the opinion that the enactment of the Marine Area and Foreshore (Amendment) Act into law and the implementation of a consenting system should be made priority and it needs to be confirmed when the enactment will happen. EPI suggests a deadline in Q1 2018 as part of the OREDP review for issuing the act on the department and a clear timetable for the formation of the planning and consent structure.

Action 9: Environmental Monitoring

Question 21.

Does the progress section capture all the relevant information and activities that have taken place for this action since publication in 2014?

Question 22.

Do you have any suggestions on how to further implement this action?

EPI suggests that a review of the gaps in the seascape/ coastscape and landscape assessment should be undertaken and these gaps should be addressed. This would benefit the identification and selection of potential development areas.

Action 10: Ensure Appropriate Infrastructure Development

Question 23.

Does the progress section capture all the relevant information and activities that have taken place for this action since publication in 2014?

EPI believes that the key aspect to a successful offshore renewable energy development market is a strong grid system.

Question 24.

Do you have any suggestions on how to further implement this action?

As there is only a limited grid connection to the Irish Grid an interconnector is necessary. An interconnector such as Greenlink (where EPI is actively involved with) will have key strategic importance as it will provide significant additional interconnection between Ireland, the UK and continental Europe. It will also provide additional transmission network capacities, reinforcing and meshing the existing electricity grids in south Wales and south-east Ireland. The construction and development of Greenlink will deliver increased energy security, energy trade and interconnection between the UK and Ireland.



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Conclusion

We welcome this consultation and hope the level of engagement into this process to date will increase as we are falling far behind other European countries with the development of our offshore resources which is very frustrating considering the abundance of resources within Irish territories. It is critical that the Marine Area and Foreshore (Amendment) Act is put into law and the consenting and support systems are implemented as these actions dictate the future of the Irish Offshore Renewable Energy Sector. The other key challenge to offshore wind energy development to overcome is the lack of capacity in the Irish Grid. Ireland has the potential of having one of the highest wind energy penetrations in the world by 2020. The development of interconnection will be a key requirement to facilitate offshore wind. EPI want to highlight the need to work on developing strong interconnection. The Greenlink interconnector can be key in facilitating the development of offshore wind in Ireland.

Element Power would be happy to engage further and/ or to meet if this is considered useful to provide further clarity and background to our response.