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Offshore Wind Grid Development Consultation  
Energy Division Department of Communications, Climate Action and Environment  
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**Oriel Windfarm Limited: Submission on Grid Development Policy for Offshore Wind in Ireland**

Dear Sirs,

Oriel Windfarm Limited (Oriel) welcomes the opportunity to make a submission in response to the *Consultation to Inform a Grid Development Policy for Offshore Wind in Ireland*.

Offshore wind is a crucial component of Ireland's emissions reduction targets as outlined in the Climate Action Plan (CAP). Specifically, the target of at least 3.5 GW of offshore wind generation capacity by 2030. For Ireland to meet this CAP target, offshore wind generation capacity will need to scale up rapidly and in turn contribute to a meaningful reduction in emissions from electricity generation.

Oriel shares the Government's view that a policy framework for the delivery model for offshore grid in alignment with the National Marine Planning Framework (NMPF) must be put in place to be able to meet the ambitious CAP target.

The establishment of this grid connection policy should recognise the need to enable the 'Relevant Projects' to develop in the short term while transitioning into an enduring connection process for future projects. Relevant Projects provide a valuable opportunity for Ireland to rapidly deliver larger scale offshore wind generation capacity and to enable the development of the longer term 'enduring projects' in Ireland.

A developer led approach to grid infrastructure development using the existing 'contestable' development route to consent and construction is the most appropriate for the delivery of the 'Relevant Projects'. Any alternative approach is likely to add significant delays to development timelines and would create considerable uncertainty for Relevant Project developers. This position could in turn lead to reconsideration of, and potential delay in delivering these projects (noting that offshore developers have already faced a ten-year hiatus in delivering their projects).

Oriel's full submission is provided in the **Appendix** to this letter. The submission is structured as follows:

- Sections 1-2 provides further background details about Oriel and the Project.
- Section 3 provides answers to the questions raised in the consultation paper.

## **APPENDIX: SUBMISSION ON CONSULTATION TO INFORM A GRID DEVELOPMENT POLICY FOR OFFSHORE WIND IN IRELAND**

### **1. About Oriel**

- 1.1. Oriel is a privately owned Irish renewable energy company. It is the developer of the Oriel Wind Farm (Project), located in the North Irish Sea off the coast of County Louth. The Project will generate clean, renewable energy capable of powering over 300,000 homes, enough for every home in Louth, Meath, Cavan, Monaghan and Fingal. The Project will deliver significant economic and environmental benefit both locally and nationally.
- 1.2. In October 2017, Parkwind NV, a European offshore wind farm developer, recognized in the industry for its technical and business expertise as well as its shareholders' commitment towards a sustainable future, agreed a significant investment to become a strategic partner in Oriel. In January 2019, ESB also invested in Oriel, creating a strong partnership with operational experience and financial backing.
- 1.3. Parkwind has successfully developed, constructed and currently operates four offshore windfarms located in the Belgian concession zone in the North Sea. These windfarms substantially contribute to the 20/20 European targets on sustainable energy. Parkwind is currently developing an offshore windfarm located in German waters, close to the Island Rügen. The wind farm located in Germany is planned to be operational in 2023.

### **2. Project Background**

- 2.1. Oriel was granted a Foreshore Licence in October 2005 from the (then) Department of Communications Marine and Natural Resources, giving permission to carry out a technical work plan to investigate the suitability of an area to the East of Dundalk Bay for the construction of an offshore wind farm. This work included technical site investigation and the completion of an Environmental Impact Statement (EIS), and Natura Impact Statement (NIS).
- 2.2. In February 2007 Oriel applied for a Foreshore Lease under the Foreshore Act. The (then) Department of Environment, Heritage and Local Government issued a draft Conditional Offer of a Foreshore Lease on 18 November 2010, which included a draft form of Foreshore Lease. Subsequently, the government took the decision in 2012 not to provide policy support for offshore wind, which resulted in the Oriel project being put on hold.
- 2.3. In May 2020, Oriel qualified as 'Relevant Project' for the purposes of the forthcoming MPDM legislation as described above, which the Department of Housing, Planning and Local Government (DHPLG) and Department of Communications, Climate Action and the Environment (DCCA) are currently advancing in parallel to this Grid Development Policy.
- 2.4. Relevant Projects will receive the first Planning Interests under the MPDM legislation, once enacted. As you will be aware, a Planning Interest is required prior to a project applying for planning permission.
- 2.5. Oriel is in ongoing discussions with the DHPLG, DCCA, and An Bord Pleanála with a view to progressing its application.

For the 'Relevant Projects' a developer led contestable approach allows for optimisation of the infrastructure needed to connect these projects.

For future 'enduring projects' the design driver of cost competitiveness in the RESS auction system combined with developers experience in delivering offshore infrastructure will avoid the potential for stranded assets and excess costs to the consumer.

**5. With respect to key driver (v), compatibility with Relevant Projects, which of models 1,2,3,4, or variant of these, delivers the most satisfactory results? Which features of the model, or variant, are the most influential for your given choice?**

Relevant Projects should not be jeopardized. A developer led approach to grid infrastructure development using the existing 'contestable' approach to consent and construction should be maintained. Any alternative approach is likely to add significant delays to development timelines and would create considerable uncertainty for Relevant Project developers. This position could in turn lead to reconsideration of, and potential delay in delivering, Relevant Projects (noting that offshore developers have already faced a ten-year hiatus in delivering their projects). Such delays will make it increasingly unlikely that 2030 targets can be met, let alone interim targets under the clean energy package.

This is particularly the case for the Oriel project which holds a grid connection contract with Eirgrid. As part of this contract, Oriel and Eirgrid have discussed a connection method which details the infrastructure required to connect to the existing transmission network. This has enabled Oriel to undertake significant development work including environmental assessment, construction feasibility assessment, design and land access agreements for all key elements of the onshore connection infrastructure.

**6. With respect to key driver (vi), social acceptance, which of models 1,2,3,4, or variant of these, delivers the most satisfactory results? Which features of the model, or variant, are the most influential for your given choice?**

Robust consultation with the public and interest groups is of fundamental importance and independent of each of the models. State agencies as well as private developers will need to undertake consultation regardless of the grid delivery model.

In any chosen model for both relevant and enduring projects it will be necessary for both Government and Industry to work with coastal communities to ensure that there is a coexistence approach to development. Engagement with these communities is necessary to ensure that they benefit from the opportunities provided by the development of a new industry in rural areas that have often been passed over for economic development opportunities.

**7. With respect to key driver (vii), facilitating the timely development of offshore wind capacity to achieve the 2030 target, which of models 1,2,3,4, or variant of these, delivers the most satisfactory results? Which features of the model, or variant, are the most influential for your given choice?**

Development timelines for offshore wind projects are considerably longer compared to onshore. In the case of the 'Relevant Projects', some of these projects have been in development for over 15 years and are now at a significantly advanced stage (e.g. the Oriel Wind Farm). Any major change to the policy for connection of these

The Irish offshore bathymetry has resulted in a geographic spread of future offshore projects along the coastline. This limits the opportunity for shared grid connections by projects and is different to countries such as the Netherlands and Belgium which has offshore bathymetry that enables projects to be clustered and promotes a more centralised grid delivery approach.

Some of the key constraints to identifying suitable connection methods for projects include access to a suitable landfall location, a suitable onshore cable route and a viable location for connection to the existing grid. In areas where it is not possible to have multiple connections coming ashore and accessing the grid due to onshore constraints, consideration could be given to common hubs for adjacent projects. This approach would however require careful design to ensure that one project is not dependent on another.

**11. Are there any further considerations which might reduce the cost to the consumer?**

By progressing the Relevant Projects with a developer led approach to grid infrastructure development using the existing 'contestable' approach to consent and construction, the financial and planning risk of the connection infrastructure will be borne by developers, reducing risk to the TSO and costs to the consumer. These projects are being delivered by entities with significant experience of offshore grid infrastructure which will enable them to leverage their expertise and supply chain relationships to deliver at lowest cost. Cost competitiveness is key to the success of these projects and will be a focus of design.

**12. Currently, developer compensation is not provided for delayed delivery of grid connections to renewable generators connecting to the network. Should developer compensation arrangements be provided for delivery of offshore grid connections to renewable projects? Similarly, who is best placed to bear the outage risks under the various options?**

The commercial risk of delays to the delivery of grid connections works should not be unfairly applied to the developers of either the Relevant Projects or later Enduring Projects.

Outage risks should be borne by the asset owners. Service obligations will also be required to ensure that adequate maintenance and timely repairs are undertaken to guarantee the availability of transmission infrastructure that will be critical to project viability.

Any model that is brought forward should be assessed in terms of a projects ability to secure finance. For example, the Offshore Transmission Owner (OFTO) system in the UK provides clarity on the responsibilities of the parties involved in the development, ownership and operation of offshore grid connection infrastructure. If outage risks are not clearly identified and appropriately allocated this may increase the cost of capital available to projects, which would have a knock on impact to consumer costs, in a worst case it could also limit the ability of projects to raise the finance needed to construct.

**13. Are there any further drivers which should be considered when assessing a grid delivery model suitable for offshore wind development in Ireland?**

As mentioned in the above, any *model that is brought forward should be assessed in terms of a projects ability to secure finance.*

We would seek clarity as to how the structure for ownership and O&M of the offshore transmission assets as set out in Option 1, Option 2 and Option 3 is compatible with EU unbundling regulations and existing domestic