



[18<sup>th</sup> February 2022]

Submitted by email to [preconsenting@decc.gov.ie](mailto:preconsenting@decc.gov.ie)

## Consultation Response to Maritime Area Consent Assessment for relevant projects

Ocean Winds welcomes the opportunity to respond and provide feedback on the **Consultation for Maritime area consent assessment for relevant projects.**

### About Us

Ocean Winds (OW) is the result of a joint venture announced in 2019 by EDP Renewables (EDPR) and ENGIE and is a global leader in the offshore renewable energy sector. Both companies share the vision in which renewables, particularly offshore wind, play a key role in the global energy transition and supports the establishment of Offshore Renewable Energy deployment in Ireland and the significant contribution this will make to decarbonising the economy and reaching 2030 targets and beyond.

EDP has been a leader in the energy transition for well over a decade, investing over €20bn in renewables in Europe and North and South America. As a result, it is now the world's 4th largest onshore wind player, with 20GW of installed capacity in wind, solar and hydro whilst recognising that there is much more to do. EDP's strategic plan for 2021-25 is to invest €24bn and double our wind and solar capacity by 2025. It is a bold and ambitious commitment, which presents an unprecedented acceleration of growth in renewables building on our track record as a leader in the energy transition. As part of that new plan, EDP expects to be totally coal-free by 2025 and all green by 2030 (moving production from 74% renewables as of today to 100% in 2030).

ENGIE is a global energy player, focused on renewable energy and low carbon distributed energy infrastructures. ENGIE is headquartered in Paris and employs more than 170,000 persons worldwide. Through its core electricity business, ENGIE is the world's leading independent producer with a total of 105GW of capacity installed, of which 32GW comes from renewable generation. ENGIE is targeting an annual renewable deployment rate of 4

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6GW per annum in order to reach a total renewable installed capacity of 80GW by 2030. In the UK, ENGIE has historically been present across the whole value chain of the energy sector and currently employs 17,000 people to operate inter alia a renewable and pumped storage generation business, a B2B energy supply business and energy services business.

In 2019, all the existing and pipeline offshore wind projects portfolio of both companies were included in the new Ocean Winds company, with a total of 1.5 GW under construction and 4.0 GW currently under development. Ocean Winds aim to reach 5 to 7 GW of projects in operation or under construction and have 5 to 10 GW under advanced development by 2025. The Ocean Winds business mainly targets markets in Europe, the United States and in selected locations in Asia.

OW projects in France include developments offshore of Le Tréport, Yeu and Noirmoutier islands and Dunkirk. It is also part of a consortium selected by the French government to develop and install two offshore wind farms with a total capacity of approximately 1,000 MW.

In Scotland OW has been developing the Moray East Offshore Wind Farm in the Moray Firth, which is final stages of commissioning and has a capacity of 950MW, with completion aimed at 2022. The Moray West Wind Farm Project, adjacent to Moray East has an expected future output of 800MW, was awarded the required consents and is at the stage of refining engineering and evaluating a route to market in advance of commencing construction. In January 2022 OW was awarded the rights to develop new offshore wind generation capacity in the outer Moray Firth in Scotland, as part of the ScotWind process run by Crown Estate Scotland.

OW also had a pioneering role in the development of floating offshore wind, through a project off the coast of Portugal, WindFloat Atlantic, which represented the first floating offshore wind turbine in the Atlantic Ocean and has continued to support the development of floating offshore wind e.g., by developing further pilot projects in France and Portugal and securing floating offshore wind projects in the USA and Korea. Other OW international projects involved development of offshore wind projects in France, Poland, the USA and Korea. In January 2022 OW and the Banque des territoires reached Final Investment Decision (FID) on a 30-MW floating wind pilot project off the French coast.

OW is committed to bringing this experience and development approach to the Irish offshore market.

## **Ocean Winds in Ireland**

Offshore wind is set to play a crucial role in driving Ireland towards its 2030 RES-E target of 80% and delivering on the 5GW by 2030 ambition set out in Programme for Government: Our Shared Future, and Climate Action Plan 2021: Our Shared Future. Ocean winds is delighted to be part of this ambition and to contribute to these targets.

OW is currently progressing the development of two bottom fixed projects in Ireland: Réalt na Mara and Celtic Horizon. These projects are located on the east and southeast coast. **These projects collectively would contribute approximately 1.9GW to 2030 targets and OW is developing both these projects to this timescale.** Ocean Winds have submitted a Foreshore Licence Application for both projects with the Department of Housing, Local Government and Heritage and is progressing site investigations and preparatory work. Commencing with these projects OW has made a longer-term commitment to Ireland to be part of the programme to achieve both 2030 targets and net zero by 2050.

## **Consultation Feedback**

OW welcomes the Department consultation and the progression of the assessment criteria. We once again support the Departments commitment to Ireland Offshore targets to achieve 5GW of installed offshore wind generation by 2030 and that this target will be primarily met through development of offshore renewable energy (ORE) in Ireland eastern and southern coastal regions. The establishment and progression of the new Maritime Area Regulatory Authority (MARA) is critical to achieving this 5GW post the phase 1 projects and OW welcome the statement within the consultation document that this is the highest priority for the Government. While we appreciate these criteria are issued specifically for how applications for Phase 1 Maritime Area consents will be assessed we would like to make the following comments:

*Q: To what extent do you consider that the guidance sets out a **technical capability assessment** process that is effective, efficient, and transparent. Are there any specific aspects of the guidance that you consider require further clarification?*

OW would provide the following comments:

- Is essential that clarity is provided that parent companies are contemplated as a supporting entity within the consultation paper and that the parent company can demonstrate the ability to meet the technical and financial criteria.
- Clarification should be provided if the target capacities as set out are referred as gross or net capacities (ownership pro-rata) and if the target capacities can be achieved in a cumulative way. Many offshore projects are delivered as part of a consortium, so clarity is required in this regard.
- We consider that the proposed 12 months experience criteria at development and construction stage for a project greater than or equal to 100MW is a low threshold considering the challenging 2030 delivery deadline and the scale of development involved for offshore wind projects. We would consider it necessary to demonstrate several years' experience in the delivery of large scale commercial offshore projects. The 12 months experience threshold seems to misalign with the 10-year team experience requirement to demonstrate commitment to the project. We consider at least 4 to 5 years of continuous development experience of an offshore wind farm greater than or equal to 200 MW capacity and at least 2 years (24 months) of continuous offshore construction experience of an offshore wind farm greater than or equal to 200 MW capacity.
- We would welcome that there is a requirement for MAC Applicants to demonstrate a commitment to the Project by way of a providing experienced team members. The criteria also outline 10 years' experience in Irish planning system which we believe is also important, however no clarity is stated if this relates to renewable energy development in Ireland. OW would advocate that this experience is demonstrated in onshore renewable energy

delivery. Consideration should also be given to inhouse capabilities within an organisation.

- It is stated that applicants need to demonstrate that their proposed project can delivery to 2030 targets. Clarification is sought on how delivery timelines presented by projects will be assessed.

*Q: To what extent do you consider that the guidance sets out a **financial viability assessment** process that is effective, efficient and transparent. Are there any specific aspects of the guidance that you consider require further clarification?*

### **Financial Assessment Guidance**

- Confirmation is required that Supporting Entity covers parent company. In many cases offshore wind projects will be relying on Parent Companies.
- We would request in relation to Current Assets/Current Liabilities ratio, it should be clear if reference is given to last financial year (audited) or the time of application. We would recommend last financial year.
- Regarding the financing arrangements proposed, we would propose that Cash Flow Resources and company debt ratings should not be included and parent companies guarantee considered.

### **MAC Work Programme**

- It is stated within the consultation *"that specific consideration related to the achievement of events such as attainment of milestones or the application or attainment of consent/license/permission within specific timeframes may also form part of the legal conditions of a MAC"* clarity is required on these milestones and the terms of the proposed MAC.

### **Stakeholder Engagement**

- While we appreciate that information only is sought from Phase 1 developers in relation to stakeholder engagement for Phase 1 projects and this aspect is not been assessed, however as *stated, while applicants will not be*

*assessed in these areas for Phase 1, they may be considered as assessment areas for future rounds". More clarity for future phases will be required regarding for this assessment criteria.*

### **Levy Framework**

- Similar to the approach in Scotland we would consider a cap on development levy in the event planning and /or grid delays that are outside the control of the developer emerge. In addition, Ireland is an emerging market so consideration should be given to a lower levy framework.
- In addition, we would seek clarity that Phase 1 projects which are unsuccessful in ORESS1 and may compete in ORESS2, it is important that the levy framework across phase 1 and phase 2 is equal to ensure a level playing field across all projects.

### **Term**

- We would consider more than 30 years would be required. Consideration needs to be given to development time, construction, operation, and decommissioning. OW would consider a term of >40 years more appropriate and more in line with our experience. Based on mature markets example Scotland and UK seabed leases >50 years are proposed.

As stated above we welcome the consultation on Phase 1 projects and the urgent need to progress offshore industry in Ireland if we are to achieve our target 5GW by 2030, however given the timeline required for the development of offshore projects clarity for around assessment criteria associated with Phase 2 projects is also required. It is key to start to look beyond the Phase 1 projects and facilitate engagement in support of the 5GW target. The sequential approach and subsequent timeline will lead to delays of Phase 2 projects beyond the 2030 horizon. We look forward to the future consultation and engagement for Phase 2 projects and Ocean Winds is available to discuss any aspect of our response or provide more detail with the department if required.

Kind Regards

Ocean Winds