Phase Two Consultation
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OFFSHORE WIND PHASE TWO CONSULTATION

We welcome the opportunity to respond to the above consultation.

Cork-based renewable energy developer, DP Energy and Iberdrola Renewables Ireland, part of Iberdrola, one of the world's largest utilities and leading wind energy producers, have developed a united response to this consultation focused on offshore development in light of their joint venture (JV) to develop three offshore wind projects off the coast of Ireland. Iberdrola have entered a JV agreement with DP Energy for the mutual development of the Irish offshore sector generally and taken a majority position in a 3 GW pipeline of offshore wind projects. The projects involved in the DP Energy - Iberdrola deal have been in development since 2016 for two of the projects and include the Inis Ealga Project Marine Energy Park off the coast of Co. Cork, and the Clarus Offshore Wind Farm off the coast of Co. Clare – both based on floating wind technology. Further development on the East coast, the Shelmalere Offshore Wind Farm, will be based on fixed foundation technology.

These three potential 1 GW projects are expected to be operational by 2030 and will significantly contribute to Ireland's Climate Action Plan targets.

DP Energy and Iberdrola Renewables Ireland welcome and support the Government's plans to develop and implement an efficient mechanism for the delivery of Phase Two Offshore Wind developments.

We have reviewed the details of the Phase Two Offshore Wind consultation document and set out in the attached Annex A our full response to the

consultation questions. We would like to highlight the following three points from our response:

- Timely establishment of the new Maritime Area Regulatory Authority (MARA) is essential to enable Phase Two Offshore Wind project to contribute towards the 5 GW (at least) of offshore wind by 2030 target.
- Any competitive Maritime Area Consent (MAC) process for Phase Two projects should consider the viability of a proposed project and the ability of an applicant to deliver by 2030, to avoid speculative applications that may limit resources to determine genuine applications. The competitive process rules and basis of decision-making on MAC applications must be set and communicated in advance.
- We consider that any Phase Two MACs awarded should be retained into the Enduring Regime after 2030 to avoid a cliff-edge which presents significant risk to developers.

If you have any questions in relation to our response, please do not hesitate to contact us.

Yours sincerely,

Senior Planning & Environmental Policy Manager

ScottishPower Renewables, on behalf of Iberdrola Renewables Ireland

Email:

Yours sincerely,

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ANNEX A – CONSULTATION RESPONSE

Question 1. Which is your preferred option and why of:

a. The above options?

b. The above options, variations of same, and other possible options within the parameters outlined in this paper, particularly sections 3 and 4?

SPR Overall Response: Each of the options under review in this consultation require the timely establishment of the Maritime Area Regulatory Authority (MARA) for Phase Two offshore wind developments to obtain a MAC. Whilst the current timelines suggest that MARA will be operational in Q1 2023, we urge this to be brought forward to ensure sufficient time for projects to secure development permission and a route to market in order to meet the 2030 targets. Swift determination of provisional grid connection agreement applications must also occur. 2024 was outlined as the indicative timeline for Phase 2 GCAs by DECC within their Fifth Industry Forum held on the 4th February. Phase 2 projects need line of sight of grid connection costs and methodology well in advance of this timeline given that preparations for the environmental impact assessment and the development permission application are being progressed at risk.

Option B is the preferred option as we believe it provides the most certainty on obtaining a MAC, development permission, a route to market and grid connection agreement within the most reasonable timeframe to meet the 2030 targets. This process should grant the MAC owner exclusivity of the seabed at the earliest stage. Introducing a competitive MAC process will help deter speculative projects (which are highly unlikely to contribute to the 5 GW by 2030 target) that may otherwise block resources which could be allocated to more deliverable projects. The competitive MAC process needs to progress as soon as possible after MARA is established. However, in advance of this stage, we would support running a pre-qualification process to ensure those projects applying for a MAC are viable and can deliver by 2030. By following this approach, this will also provide an opportunity for developers to carry out site investigation work ahead of the ORESS2 auction.

Option B will also ensure already constrained resources are focused and prioritised on the greatest deliverability by 2030 deliverable projects. The MAC assessment criteria should be set at an appropriate level which provides sufficient deterrent to speculative applications, but not at such a high level which impacts timelines and may negatively impact competition. We would propose that the assessment criteria focus on both financial and development deliverability by 2030. It is essential that the rules by which the competitive process will be undertaken are set upfront to ensure a fair and effective competition.

The design of the ORESS support scheme is to provide long-term certainty, removing price risk over an extended period. The more certainty that can be provided for both investors and developers, the fewer the risks are that will have to be factored into the financial model of a project. Lower risk and reduced uncertainty will have a downward effect on costs and bids and ultimately benefit the consumer. By allowing Phase Two projects to enter ORESS2 whilst Development Consents are being determined but following award of a MAC through a competitive process, will help provide more certainty to developers and investors, as well as Government that projects will be delivered by 2030.

It is noted that unless supported by significant escape clauses and potentially highly structured merit orders, it will be difficult to run a meaningful auction until the planning outcomes of the Phase One projects are understood.

Question 2. Option A proposes that a deployment security is required for to apply for a MAC in Phase 2.

a. How should the security be calculated and what rate should apply? If the security was to be calculated on the basis of planned capacity, what rate should apply?

b. Should the security be required to be in place prior to application for a MAC or post-issuing of a MAC? If post-issuing, what is a reasonable timeframe?

c. Under what terms should this security be drawn down?

d. The security, as proposed, expires with the securing by a project of a route to market. For projects successful at ORESS 2, this is also the stage when the auction performance security is due be put in place. Would it beneficial for the deployment security to be rolled over towards the RESS performance security? How best this be managed?

e. What other terms should apply to this security?

SPR Overall Response: We recognise that this question is focused on Option A, however the consultation also proposes a deployment security is required for Option B. We are not supportive of deployment security being required for any option as we don't believe any form of financial security, other than the costs associated with accessing and retaining the lease, at such an early stage is appropriate. At the point of applying for a MAC, project developers are not necessarily aware of the effectiveness of the site and therefore it would be inappropriate for developers to assign financial security to commit to deploy at such an early stage. This could put unnecessary risk onto developers thereby reducing competition, potentially increasing consumer cost and reducing deployment, which in turn could jeopardise reaching the necessary target of at least5GW by 2030.

Question 3. Option B proposes a competitive MAC process.

a. What assessment criteria should be used in this process? What should the weighting of this criteria be?

b. Should a seabed levy auction be included in this assessment? What weighting should the auction result have?

c. Should a deployment bond be maintained under this option? Why, or why not?

a.

Recent and relevant examples of competitive seabed leasing processes in other jurisdictions include ScotWind and UK Round 4. Both presented pre-identified zones that could be suitable for development following extensive consultation, refinement of areas and preparatory work by the leasing authorities.

Option B is our preferred option for Phase Two projects, which must provide exclusive seabed rights to a MAC owner at an early stage. We believe a similar, albeit weighted and competitive, assessment process, as that being consulted on for Phase One[1], should be used for Phase Two, as well as a pre-qualification and a suitable total capacity allocation. This will help determine quickly which developers can deliver the 5 GW by 2030. A fair assessment and weighting process should be made available to Phase Two project developers in advance of submitting a MAC application, with the rules of the competition and decision-making clearly set out upfront.

The Phase Two MAC assessment criteria should be based on merit and include consideration of the following:

- Consistency with the National Marine Planning Framework.
- Consistency with the latest plans from EirGrid e.g. Shaping Our Electricity Future and future revisions.
- Financial and Technical capabilities.
- Preparatory work, such as site investigations and stakeholder engagement undertaken.
- Seabed levy auction price put forward by the developer.

It is essential that Government departments are sufficiently resourced to determine MAC applications and subsequent development consents, as well as delivering the ORESS2 auction in an efficient and timely manner which is required if the 2030 offshore wind targets are to be realised.

For the timely delivery of Phase Two and to avoid processing an unmanageable number of MAC applications, a pre-qualification exercise could be undertaken in advance of the MARA being established.

b.

Yes, we believe a seabed levy auction should be included within the competitive MAC assessment process. We consider that any seabed levy auction should have a maximum cap and be in conjunction with a competitive assessment process for MAC applications. This will mean the most deliverable and sustainable projects are taken forward, as opposed to the most money a developer is able to put forward. The benefits of a capped seabed levy were clearly demonstrated through the ScotWind leasing awards which considered a range of assessment factors, enabling a more even playing field between developers. Successful ScotWind parties agreed to pay up to £100,000 per square kilometre, upfront for a 10-year option fee.

c.

We do not consider the introduction of development bonds at the MAC application stage suitable. Projects that are not viable for delivery by 2030 should be identified through a pre-qualification process and not be awarded a MAC.

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[1] gov.ie - Offshore Renewable Energy: Maritime Area Consent (MAC) Assessment for Phase One Projects (www.gov.ie)

Question 4. All of the above options assume that Phase One projects retain their MACs for Phase Two.

a. Is this the correct approach? Why?

b. Would requiring Phase One projects that are unsuccessful in securing a route to market, within a specified timeframe, to re-apply for MACs result in a better outcome for the sector, the State and consumers? Why?

c. If Option D was selected would this require unsuccessful Phase One projects to relinquish their MAC before ORESS 2? If so, should these projects be given any preference such as a right of first refusal if they match a winning bidder's terms for their MAC area?

a.

For the ORESS1 regime to be competitive, at least one Phase One project with a MAC must be unsuccessful in obtaining a route to market through the auction.

Whilst we see the rational for Phase One project retaining their MACs for Phase Two, we caution against an approach that may allow projects which had been unable to meet milestones and obligation associated with Phase 1 and ORESS1 with a preferential route to the ORESS2 process. Not only would this approach risk introducing misaligned incentives into the ORESS1 process, but it would potentially insulate projects from the market, policy and regulatory changes that may occur prior to ORESS2.

b.

A fair and transparent process , which ensures that MAC retention is not automatic and is based on agreed criteria must be in place should Phase One projects retain their MACs if unsuccessful in securing a route to market. It is worth noting that failure to secure a winning bid within ORESS1 would not necessarily be because the project is immature or financially unviable, but simply because another project bid lower.

Also, we note that DECC has consistently confirmed (both within industry workshops and publicly) that projects unsuccessful in ORESS1 would be eligible to bid into at least one subsequent auction.

If this approach is adopted, it would be considered reasonable for Phase Two projects to retain their MACs into the Enduring Regime after 2030.

c.

Phase One and Two projects are essential to reaching the 2030 targets set by the Government. If Phase One projects lose their MAC for Phase Two, this will jeopardise reaching 5GW of Offshore Wind by 2030. Therefore, we are not in favour of Option D which would result in unnecessary MAC re-application processes that will detract from delivering viable projects by 2030.

Question 5. To incentivise swift deployment, discourage speculative hoarding of the marine space, discourage MAC applications by projects incapable of delivering by 2030, and facilitate the coherent transition to a plan-led Enduring Regime, it is proposed that all MACs awarded in Phase One and Phase Two will expire prior to the Enduring Regime, should the holders of these consents be unsuccessful in securing a route to market.

a. a. Is this the correct approach? Why?

b. Would this approach incentivise deployment and/or discourage hoarding of the maritime space?

c. Would this approach discourage MAC applications in Phase Two from projects with poor pre-2030 deliverability?

No, we don't believe that this is the correct approach. There needs to be a level of flexibility to enable Phase One and Phase Two projects to retain their MACs, if for example, there were delays which were outside the MAC holder's control. This potentially creates a cliff edge for developers and increases risk, particularly for financial investment. As highlighted above, there needs to be a level of flexibility to allow MACs to be retained for projects as part of the transition to the Enduring Regime.

There is a high degree of uncertainty around the newly established maritime planning regime in Ireland, and timescale surrounding the future phases of development and therefore in order to meet the targets by 2030, we believe it is important to be flexible in order to allow for maximum deployment.

We recognise the intention of this approach, however, believe this proposal again adds further risk to developers and investors and could have a negative impact on competition.

Question 6. What are your views on providing provisional grid offers to projects in the case where all projects receiving such an offer will not be able to obtain a full grid offer?

a. How can and should the award of full grid offers be tied to the auction results?

b. Should allowance be made for projects that do not effectively compete in the auction but share a preliminary connection offer with projects that do to remain eligible for a CPPA route to market?

SPR Overarching Response: Provisional Grid Offers are essential for projects that are seeking to reach COD by the end of 2030. Formalising the connection method via a Provisional Grid Offer (or GCA) is welcomed, noting that developers will be advancing Development Consent applications, environmental surveys and ORESS bid prices based on their understanding of their grid connection. The Shaping of Our Electricity Future (SOEF) document published in 2021, highlights the need for additional grid capacity in Ireland to facilitate new connections, reduce constraints and curtailments.

The challenge with no grid offer is that, it does not provide the developer with any incentive to invest any further in a project, with no estimate of connection capacity and date of connection. We welcome the idea of providing provisional grid offers, to allow developers to proceed with all necessary steps to achieve COD by 2030.

Phase 2 projects are working to the same delivery timelines as the Phase 1 projects to reach 2030 project energisation. To facilitate these timelines, it is essential that Phase 2 projects can have open and transparent communication with EirGrid, at a detailed project design level. Many ongoing discussions in relation to the offshore project design e.g. the development of new functional specifications, are applicable to both the Phase 1 and Phase 2 projects, and any workshops relating to same should be open to both parties. We would urge DECC to coordinate further with CRU and EirGrid in enabling this invaluable engagement with Phase 2 projects to occur as soon as possible.

a.

ORESS2 eligibility criteria include evidence that certain Development Consent milestones have been achieved – increasing confidence that ORESS2 winners can utilise the capacity. Policy needs to support the development of offshore projects and reduce risk accordingly. This will enhance developer and supply chain confidence, ultimately resulting in lower energy costs and reduced project attrition. As Grid Capacity is regional, developers with planning consents in a particular region should be awarded a full grid offer when successful in the auction. This will allow for further development of projects, reduce risks for the developer and ensure project completion on time to achieve the RES-E targets by 2030. It also needs to be mentioned that, connection offers are assumed to be firm in this context.

b.

The Provisional Grid Offer validity period needs to provide an appropriate period to investigate the CPPA route or to support developers seeking to compete in a future ORESS auction. Provisional Grid Offers may result in scope overlap as EirGrid will be unable to identify winners at this point. In effect, these offers could be reasonably generic, in that the connection method could be utilised by the project that is successful in securing a route to market by a given date.

This provides greater certainty for developers which will help inform their ORESS bids and introduces a competition for valuable grid capacity. Key to this approach is the prequalification criteria, which can be used to ensure that finite resources are not overwhelmed in the process, prioritising those projects with the greatest chance of reaching COD by 2030.

Question 7. What are your views on auctioning capacity at particular grid nodes or regions in ORESS 2?

a. How should this operate? Should successful projects be required to submit ORESS 2 offers that clear both the overall auction and the auction for a given grid node or region?

b. Should any nodes or regions be reserved for non-ORESS routes to market?

SPR Overarching Response: The term 'auctioning capacity' requires clarification. We consider this to be deemed as firm access at a grid node. Competition for valuable capacity is useful, however the competition guidelines should be based on the readiness of the projects and clearly defined as part of the auction. Given the requirement to align with EirGrid's SOEF Roadmap, all offshore projects not in Phase 1 will be competing for any capacity remaining after the facilitation of Phase 1. This will present several projects up for competition for the Phase 2 process.

The guidelines should be clearly defined for pre-qualification and be designed to achieve the desired connected capacity by 2030. This ensures that grid capacity is allocated to projects which can realistically meet the target of COD by 2030.

There is also need for EirGrid to evaluate its Transmission Development Plan or their next revision of the Shaping our Electricity Future study, if there are more projects which pre-qualify for connection. This could be through additional grid development and/or through HVDC connections and interconnections to create more grid capacity. 2030 is just a stepping stone in Ireland's climate goal to ultimately reach net zero emission, and early consideration of the transmission infrastructure needed to facilitate this needs to be considered now.

a.

It is recommended that competition between projects targeting the same grid node or region is addressed via the ORESS 2 auction, where development permission (or submission) is an eligibility criterion. This will increase the likelihood that available capacity will be utilised. In an unlikely scenario, should no winner be identified via the auction in a particular region, additional time may be given to facilitate developers seeking an alternative route to market (e.g. CPPA) or indeed to consider competing in a future auction.

In this approach, projects that are then successful in ORESS 2 have then achieved both development consent and a route to market. At this point, the TSO can then, with confidence, allocate grid capacity via the issuance of a Grid Offer. To maintain delivery in a post 2030 enduring regime, it is recommended that EirGrid start to develop a longer-term solution, identifying nodes/regions that are consistent with their longer-term grid development strategy.

To streamline the work and meet the required connection targets, it is important that EirGrid provides clear information regarding available grid capacity at different network nodes. This will provide transparency to the developers regarding the volume of capacity they are competing for. The selection criterion could also take technology and connection types into account, where EirGrid could benefit from selecting a particular technology which provides additional grid services to better tackle limited grid capacity issue.

b.

Reservation of network nodes for non-ORESS route to market will be complex to design and implement, and as such is not recommended.

Question 8. In order to utilise grid capacity realisable by 2030 in totality, most options require the award of greater capacity in ORESS 2 than is realisable by 2030, and establishing reserve projects on grid orders of merit, possibly grid region.

a. What are your views on grid orders of merit? How best could reserve lists be established in a robust manner that does not give rise to legitimate expectations by reserve projects?

b. How should grid orders of merit be established? Is using ORESS 2 bidding order, possibly by grid node/region, an appropriate methodology?

c. What obligations should be placed on reserve projects and what, if any, compensation should be provided?

d. How should reserve projects be serviced so that they can readily progress if required?

e. How should reserve projects be held to the terms of their ORESS 2 offer?

SPR Overarching Response: EirGrid's SOEF currently does not indicate any large-scale grid development outside of the Dublin region. This poses both uncertainty and challenges for Offshore developers, where selection of technology and investment to further the whole development process faces many uncertainties.

Allocating grid capacity on the order of merit, could be an approach if EirGrid clarified what basis will the merit be measured and allocated on. This could be the type technology, additional grid services, integrated hybrid technologies. However, this could still lead to significant uncertainty on part of the developer. The main challenge being lack of any indication from EirGrid's side to develop additional grid capacity to facilitate more connections. This will make order of merit allocation a complex process, where a clear merit allocation criterion will need to be agreed upon by various stakeholders and developers. This could be a very complex methodology and may not result in the desired outcome.

A.

ORESS2 bidding order could possibly be a suitable order. However it will not address the key issue with Grid Capacity and congested connections, which will require a technical solution, along with market-based solutions. The order of merit could potentially be established based on technical and hybrid solutions that help address the grid congestion issues.

b.

Reserved projects could be compensated, through offsetting some of the development costs during the reserved period, regardless whether the projects ultimately to the merit order or not. This will add to the cost of the whole process, however without compensation the projects may not have any incentive to progress with development plans, given potentially there could be a large number of projects on the reserved list.

c.

There may be service level agreements put in place, however with no certainty of progress to the merit order, there could be only a limited number of steps and agreements that can be provisionally enabled. Large service contracts will carry high level of liability for the developer and may not be possible to be placed.

d.

There should be some indexation allowance for higher costs due to an unknown freeze period.

e.

There is no clear advantage with enabling grid orders of merit. It will only make sense if the reserved projects have a high-level certainty to achieve the required delivery timelines. In case there are higher number of reserved projects, that will also send a clear indication to other developers not to pursue their development plans, as they may never qualify for the order of merit. This could be a risky trade off, in terms of having enough developers competing and allocating firm grid connection to developers.

Industry is of the view that this is an overly complex solution driven by the uncertainty created by appointing winners too early. There is currently no incentive for these project developers to continue to invest or maintain project plans in the hope that a higher merit project falls away. In fact, it is unclear how long it might take for a preferred project to relinquish their capacity, or under what scenarios this would be acceptable.

The use of transition projects would become more palatable to developers if there was a better understanding of the longer-term grid strategy and associated capacity opportunities. The order of merit and reservation could include preferred technologies, hybrid and storage solutions, will would help address the key challenges around grid capacity.

Ultimately, to meet the RES-E targets there is need for more grid capacity which can only be enabled through more grid development, all other measures will only partially help with the key challenge of lack of grid capacity. If there is a certainty around grid development, then more projects reserved lists can be incentivised to continue with development plans to be ultimately placed in the order of merit.

Question 9 Option D outlines an auction with mutually exclusive offers and multiple bidders specifying the same MAC area and/or connection point allowing multiple bidders to specify the same MAC area and/or grid node/region and using ORESS 2 results to allocate the MAC area and/or grid node/region capacity.

a. What are your views on the feasibility of this option? What are your views on the feasibility of solving the auction using an optimisation approach?

As outlined in our response to question 4, we do not think that Option D, as set out in the consultation report, is suitable for Phase Two.

We consider Option D as having too many dependencies which may decrease the ability of developers to deliver projects by the 2030 target. For example, this option will increase the resources required at EirGrid to determine provisional grid connection agreements across projects that will not come to fruition. The dependencies are likely to increase the overall timeline for Phase Two projects.

Option D also seems overly complex, which would not be an efficient auction mechanism and significantly limit the ability of achieving the 2030 offshore wind delivery targets.

Question 10 Hybrid grid connections are defined in this paper as single grid connections which facilitate the connection of both an existing or proposed thermal generation plant and a proposed offshore wind project.

a. Do you support the facilitation of such connections, as defined? Why?

b. Are you aware of any other jurisdictions where such connections are permitted? Describe how hybrid connections are treated from a technical and regulatory perspective in these jurisdictions.

c. Are there potentially unintended consequences associated with permitting hybrid grid connections, such as potential impact on grid system services provided by the associated thermal plant or potential impacts on the reliability of the thermal plant?

d. How should proposed projects with hybrid connections be treated so as not to distort competition or afford undue competitive advantage to the incumbent owners and operators of the associated thermal generators?

e. Do you support the facilitation of such connections, if the definition was adjusted to, e.g. an existing or proposed onshore battery, solar or other generator?

SPR Overarching Response: Hybrid grid connections are defined in this paper as single grid connections which facilitate the connection of both an existing or proposed thermal generation plant and a proposed offshore wind project. We do not believe there is a requirement to have a separate definition for hybrid grid connection between a thermal generation plant and a proposed offshore wind project. We support WEI's recommendation the following definition should be adopted for hybrid grid connection. "*A hybrid grid connection should be defined as two or more generation units under the same connection agreement, with a combined installed capacity greater than the connection agreement MEC, dynamically sharing the MEC at the point of connection to the grid*."

a.

We support hybrid connections of all types, as defined in the consultation and suggested definition by WEI. Hybrid connections support the Grid in following ways which will prove beneficial to the overall Offshore connection strategy

a. Shared Grid Capacity: Hybrid connection enable sharing of available grid capacity and increase reliability of supply at a particular grid node. Long duration storage will also help better manage capacity challenges on the grid.
b. Reduce Constraints: Hybrid connections with BESS will help manage grid constraints and can potentially increase provision for grid flexibility services.
c. Increase Grid Services: Hybrid connections can provide multiple essential grid ancillary services such as enhanced frequency services, stability services (when combined with synchronous generator, condenser and/or grid forming services) and black start services.

b.

Hybrid grid connections in a broader sense e.g., co-located renewable energy sources and/or battery storage sharing a single grid connection, are operational and under development in several jurisdictions such as GB, Netherlands, USA, India & Australia. Hybrid connections are treated as a unit for ancillary services, when services are co-ordinated, in all other cases such as for balancing mechanism, mandatory services, and operational metering each unit is treated as a separate unit on its own.

c.

From a technical perspective, connecting offshore wind projects to the system via a thermal power station should have no additional impacts on the system beyond what would occur if an offshore wind farm was

connected to a similar location using a standalone connection. The technical implications are driven by locational issues rather than use of hybrid/non hybrid methodologies.

d.
Offshore hybrid connections do not distort competition but rather opens the use of additional grid capacity to allow a greater number of projects to be eligible to enter the auction.

However, the shared capacity will need to establish an order of access when both plants are in operation and thus will impact both generators' revenue streams. Additionally, system services could be procured at the same node from one or both generators dependent on system need and may result in need for greater clarification where one solution was preferred over the other. Ultimately, if there is a timeline established where thermal generation will phase out during the lifetime of offshore generation, it will create more opportunities for the connected renewable generation from the phase-out point in its commercial model.

e.
Yes, hybrid connections should be treated in the same manner irrespective of the technology used. For onshore assets, these types of connection are currently facilitated through connection optimisation provided for under ECP (combination, hybrid, technology change and capacity relocation).

For a hybrid connection where for example, an existing thermal plant wishes to use their existing connection agreement, it is assumed that this would not be facilitated through an existing connection Modification Application and that a fair and transparent grid application and offer process is in place to ensure that the incumbent owner is not unfairly advantaged in this scenario.

Question 11. Should any special allowances for innovation technologies be included in the Phase Two process?

a. What technologies should be provided with special allowances and why?

b. What allowances should be made? At what stage(s) of the Phase Two process? Should capacity be reserved in the MAC and ORESS processes for any of these technologies?

c. Should these types of projects also be required to deliver by 2030?

d. What level of offshore wind capacity could be deployed before and after 2030 that does not depend on the Irish grid for offtake? i.e. generation that is instead utilised for non-grid offtakes such as green fuel generation or export by cable to another jurisdiction?

SPR Overarching Response: We support the proposal for innovation technologies to be included in the Phase Two process, and as an offshore wind developer, we would specifically like to see a special allowance for floating offshore wind in the ORESS2 auction. We believe a similar approach to the Contracts for Difference (CfD) allocation round 4 scheme in GB, should be followed and that DECC should look to separate fixed bottom and floating offshore wind in the auction. In addition, providing a minimum allocation capacity for floating offshore wind for Phase 2 projects will help to promote sufficient deployment to accelerate to commercial deployment at scale. Technologies such as floating offshore wind have a key role in the long-term decarbonisation of the power sector and to the delivery of the 5 GW of offshore wind by 2030, and Ireland's further ambitions of reaching 30GW by 2050.. The potential for floating offshore wind is being recognised in other jurisdictions (Scotland and Wales) , including in the recent ScotWind announcements where 11 of the successful awards were for floating or mixed foundation technologies[2] and with The Crown Estate's ambitions of leasing 4 GW of floating offshore wind in the Celtic Sea[3]. This approach would demonstrate strong support for floating offshore wind in Phase 2 process.

By allowing floating offshore wind to compete in a separate category from fixed bottom offshore wind within ORESS, this will provide greater potential for floating offshore wind projects to successfully compete in auction rounds, unlocking the potential in deep water sites.

We believe this is the right approach to bring forward deployment of this technology, by providing the necessary route to market and policy framework to promote the development of floating offshore wind and enable supply chain investment and further learning. Whilst some of the supply chain associated with floating offshore wind will be similar to that of traditional fixed offshore wind, there will be a need to develop and invest in some areas, such as ports and manufacturing, to be able to deliver efficiently.

b.

There will be a need to develop and invest in some areas, such as ports and manufacturing, to be able to deliver efficiently.

c.

In terms of deployment, we recognise the significant contribution floating offshore wind projects will have on the delivery of net zero and as such SPR has committed to two of our three joint venture project with DP Energy utilise floating offshore wind technology, as well as two of our successfully awarded ScotWind lease areas. At least one of our Irish floating offshore wind projects will be deliverable by 2030 and be included within Phase Two.

There should be a stepping-stone mechanism for Phase Two floating offshore wind projects, which requires partial project delivery by 2030 and can then be scaled up to full capacity, to allow for

[2] scotwind-list-of-successful-project-partners-170122 (crownestatescotland.com)
[3] The Crown Estate develops proposals for floating wind in Celtic Sea, outlining 4GW opportunity | The Crown Estate

investments in supply chain (e.g. floater manufacturing and port infrastructure). These in turn will enable swifter deployment of floating offshore wind developments.

d.

As we have developed our renewables portfolio, we have increasingly looked at ways to integrate multiple technologies at our existing and new build sites. Through our offshore wind pipeline, we are considering opportunities to implement technology innovations, including green hydrogen and battery storage, for potential projects that might be developed from future leasing rounds or indeed interconnection.