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## EDF Renewables Submission to the DECC's Offshore Wind Phase Two Consultation

### Introduction

EDF Renewables (EDFR) is part of one of the world's largest electricity companies and our investment and innovation is bringing down costs for consumers and delivering significant benefits for communities. We operate in more than 20 countries around the world. We develop, construct and operate wind farms (onshore and offshore), solar and battery storage projects, and have more than 25 years' experience in delivering renewable energy generation.

We have recently opened an office in Dublin and are already in advanced discussions in relation to an onshore wind development pipeline of almost 1 GW with aspirations for far greater growth in Ireland across all technologies. This ambition is illustrated by our investment in 50% of the Codling Offshore Wind Park Development, off the East Coast of Ireland and the development of a solar portfolio which now has projects under construction.

EDFR welcomes the opportunity to engage with DECC and to respond to this consultation on Offshore Wind Phase Two. This EDFR response fully supports the views as set out in the CWP response (CWP is the joint venture company that is developing the Codling Offshore Wind Park).

### Policy Context

Ireland's abundant offshore wind energy resource can make a major contribution to our future low carbon electricity needs. We welcome the enactment of the Maritime Area Planning (MAP) Bill in December 2021 which marks a significant step in the roadmap to Offshore Development in Ireland.

We believe that, in the overarching context of the Climate Emergency, an accelerated pace of offshore wind development is now required to decarbonise the system. The revised Programme for Government (PfG) which was published in June 2020 increased the ambition for offshore wind to 5

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GW by 2030 and has, for the first time, indicated the Government's ambition for 30 GW of floating offshore wind energy.

The revised Climate Action Plan 2021 (CAP)<sup>1</sup> has increased our 2030 renewable electricity targets to 80%, has set out new electricity sector emissions reduction targets of 62% - 81% from 2018 levels and is aiming to complete the phase-out of coal and peat-fired electricity generation, among other targets. Realising the full potential of the Irish renewable energy sector is one of the central elements of the CAP and it includes a suite of actions to decarbonise the electricity sector and increase the quantity of renewable generation, to meet our 2030 targets.

It is clear that offshore wind, in particular, will play a key role in delivering a net zero electricity system. It should be noted that an SEAI Energy in Ireland 2020 Report<sup>2</sup> found that in 2019, electricity generated from renewable sources amounted to 11,780 GWh, already accounting for 37.6% of gross electricity consumption (compared with 33% in 2018). Wind was the largest renewable energy generator, furthermore, wind energy was the second largest source of electricity generated in 2019 after natural gas.

This Offshore Wind Phase Two Consultation is important, as the success of the Phase Two Projects will determine the degree of success for the Government's ambitious target of 5 GW of offshore renewable energy by 2030. The final criteria for Phase Two Projects should allow for maximum competitiveness, for an even playing field for project developers and should ideally lead to the realisation of the most deliverable projects.

#### EDF Renewables Positions

In this EDFR response to the consultation on Offshore Wind Phase Two, we would like to highlight the following points:

1. Commitment to the Codling Project

EDFR is a joint shareholder in the Codling Wind Park (CWP) and, as such, we would like to underline our interest in and commitment to this project. We would also like to take the opportunity to reiterate our support for the response to this consultation submitted by CWP.

We agree with CWP's key positions which are summarised as follows:

- That as stated by DECC, the focus of Phase Two and ORESS 2 should be on offshore wind projects which have a feasible and credible route to meeting the 2030 5 GW target.
- That offshore projects can be categorised as follows:

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<sup>1</sup> <https://www.gov.ie/en/press-release/b0e43-the-climate-action-plan-2021-securing-our-future/>

<sup>2</sup> <https://www.seai.ie/publications/Energy-in-Ireland-2020.pdf>

- Phase One projects – as currently understood.
  - Phase Two projects – additional offshore wind projects which can feasibly support the 2030 5 GW target.
  - Projects connecting to other jurisdictions – these will connect to the electricity network of another jurisdiction, so while needing a MAC would not be connected to the Irish grid network and not participate in the ORESS auction.
  - Private Wire projects – these will connect directly and solely to demand on the Irish mainland, while needing a MAC would not be connected to the Irish grid network and not participate in the ORESS auction.
- That from these, only those described above as Phase One and Phase Two should be able to enter the ORESS 2 auction, as they would directly supply renewable electricity the Irish Grid, and therefore the consumer who pays for this through the PSO Levy.
  - That we believe that DECC needs:
    - To run the ORESS 2 auction by end 2025 to meet EU DG Comp requirement and ensure delivery of projects in a timely manner.
    - That the outcome of ORESS 2 will provide the balance of generation necessary to take the total of ORESS 1 and ORESS 2 to at least 5 GW.
      - This means sufficient projects will need to ready to enter ORESS 2.
      - This means projects will need to deliver by 2030.
    - Confidence that projects qualifying have financial credibility to be complete by 2030 – the proposed longstop date.
    - Confidence that projects qualifying have development capability to be complete by 2030 – proposed longstop date.
  - That what developers will need is confidence in the process to ensure that there is early clarity in outcomes, to prevent development resources being expended unnecessarily. This includes confidence that potential connection capacity will be realised on time.
  - That in order to support the 2030 timelines, Phase Two and ORESS 2 processes will need to be advanced quickly. For projects with no advance development work, full project development will take no less than 8 years.
  - That while there are currently calls to increase the 5 GW target for 2030, this is not a realistic proposal at this time as there is no clear means to increase the grid capacity to enable this. We agree with CWP that Irish Government and EirGrid must start to prepare route maps beyond 2030 to 2035 and 2040 in order to avoid a hiatus in the offshore wind industry.
  - As well as providing this response to this DECC consultation, we also support the response submitted by Wind Energy Ireland (“WEI”) on behalf of its members.

## 2. Most Favourable Option

We share the CWP view that either Option A or B could be feasible, however, there should be pre-qualification. These seem to be similar, however with the main difference being that Option A seems to be on a first come first served basis (which suggests the optimal projects for certain sites may not be selected) while option B includes some competition in assessing which would be the best projects for the sites. We recognise the concern that at least in the first step Maritime Area Regulatory Authority (MARA) may be overwhelmed with applications, so we agree with the CWP recommendation that a pre-qualification stage is run to limit the applicants to those that have a realistic prospect of meeting the 2030 goals.

Options C and D could be very complex to manage, be costly to the developer sector and could result in an excessive amount of resource to be needed by the government and its agencies to process.

We agree with the CWP view that there are several assessment criteria that should be used in a competitive MAC process. While there should be competition for the MAC, this competition should not be in the form of a seabed levy auction. As a first step, there should be a pre-qualification to ensure that only projects which meet some pass/fail criteria are allowed to move to the main MAC competition. The outcome of the MAC competition must be that the best projects are selected. This should consider at least the following:

- Alignment with SOEF
- Ability to meet MAC criteria for financial assessment
- The extent of work carried out already
- Ability to present a credible schedule to meet the timescales of ORESS 2
- Developer credibility
- Level of project development
- Evidence of being able to achieve the auction goals
- Evidence of potential for connection
- Evidence of advanced onshore site acquisition

*Deployment Security* – In our view a deployment security is not required. The premise of the security is that it will help to discourage developers that do not have a project which can credibly achieve operation by 2030 from taking up MACs or engaging in the ORESS 2 process. DECC and MARA should undertake pre-qualification processes which will ensure that only credible projects can proceed. Such prequalification processes should be run regardless of the final design of the MAC application process and ORESS 2 auction. This will help to reduce workload on the departments and prevent the waste of development resources.

On being awarded a MAC, it is anticipated that developers will have to pay a development levy to secure the site. Additionally, the developer will be expected to post a Bid Bond to enter the ORESS

2 auction, and if successful in the auction a Performance Security. The feasibility of all projects, in addition to having made sufficient development progress, will require a route to market. Should a project not have a reasonable route to market following the ORESS 2 auction, it is likely that such a project would stop given the timeframe left till the proposed withdrawal of MACs ahead of the Enduring Regime.

### 3. Grid

*Overall 2030 Plan* - EDFR is deeply concerned about the fundamental viability of this overall Offshore 2030 Plan. The current grid cannot support 3.5 GW of offshore wind energy, let alone 5 GW. The reinforcements identified in EirGrid's Shaping our Electricity Future (SOEF), at a very minimum, must be delivered on time to give Ireland a chance of meeting its target. The challenge ahead for the grid and the system operators (SO's) is the single biggest barrier at present for Ireland's 2030 targets. We believe that major investment in the grid, both on- and offshore, is urgently needed. We would urge DECC to work closely with EirGrid to facilitate this step-change in ambition.

*Offshore Grid and Connections* - An Offshore Grid Steering Committee must be set up to bring together Industry, EirGrid, CRU and DECC to ensure the successful implementation of the new offshore grid model, to develop technical offshore grid standards and to rapidly process grid offers. Successful implementation will include regular engagement with EirGrid for projects and providing developers with comprehensive technical specifications for offshore equipment.

*Parallel Planning* - It will be critical to have parallel planning of onshore transmission system reinforcements alongside the development of the Phase One and Phase Two Offshore Projects in order to ensure that the electricity generated from offshore wind can be exported once the offshore projects connect to the transmission system. Grid capacity is a primary barrier to the realisation of the Government's ambition for 5 GW of offshore wind by 2030, and it is only by enabling EirGrid and ESB Networks to progress the development of the grid that offshore wind can be delivered at minimum cost to the consumer and maximum efficiency.

*Holistic Review* - We recommend that the SO carries out a holistic review of the entire grid, both on- and offshore, in terms of technical capabilities and financial investment requirements needed to meet the future requirements of the grid and manage the increasing volumes of renewable electricity flowing through the system.

*Complete Coastal Study* - We support the Wind Energy Ireland (WEI) recommendation that an updated version of EirGrid's East Coast Study is carried out immediately and expanded to the south and west coasts to include all projects that can deliver for 2030 and identify optimal connection points. The work through to 2030 should be focused on resolving current issues, which include:

- Constraint and curtailment of generation, which will both most likely become worse.

- Enabling projects that are ready for build-out to connect and addressing the lack of grid capacity for the existing pipeline.
- Building the foundations of the network that will be required beyond 2030. This most likely means building some backbone infrastructure projects and the introduction of new and innovative technologies which enable smart use of the grid.

#### 4. Irish Supply Chain:

It is important to maximise the opportunities for the Irish supply chain in the development and deployment of offshore wind. We would welcome the opportunity to discuss this key issue in more detail following on from this consultation.

#### 5. Innovation Technologies

EDFR supports the inclusion of Floating Offshore Wind as an innovation technology in the eligibility criteria for participation in all phases of offshore wind development in Ireland. The details of how best to bring forward this and other potential innovation technologies needs careful consideration, alongside the requirements for delivering large scale fixed foundation offshore wind as an established technology. We recommend further consideration of the issues and options arising.

*Hybrid connections:* This proposal would allow an existing fossil plant to share its connection with an offshore wind plant. On the face of it, this would seem reasonable, however, there are potential issues:

- The existing grid codes do not support it.
- As we understand it, this does not bring any additional grid capacity as EirGrid's 2030 SOEF has already accounted for this.
- It is not clear that access to such a connection would be open to all developers rather than just the incumbent.
- There are potential distortions to the market arrangements like this could bring.

We recommend that, before proceeding, the inclusion of hybrid connections is reviewed again, taking into account the issues listed above, to confirm that the inclusion of hybrid connections will deliver an overall benefit.

#### 6. Adequate Resourcing and improved Staff Retention

Developing 5 GW of offshore wind energy by the end of 2030 will place an enormous burden on the relevant Government departments, An Bord Pleanála, NPWS, EirGrid, ESB Networks and the CRU. They must be adequately resourced to deal with the scale of the challenge ahead.

There is an urgent need to recruit new planning inspectors, board members and an external panel of experts to ensure that applications can be processed rapidly enough to enable Ireland to reach our 2030 targets. Both the DHLGH and DECC will need additional resourcing to ensure sufficient expertise and efficient marine planning and consenting processes are in place going forward. We also recommend that resources are provided to the statutory consultees to ensure proper consultation and to prevent challenges on nature conservation grounds creating lengthy delays. We would encourage the establishment of a coordinated scientific research and data collection programme to support the marine spatial planning and consenting processes.

Based on current experience, it is highly likely that onshore planning constraints such as under resourcing, could lead to long onshore planning decision timelines. This will severely impact offshore project delivery timelines, which will almost certainly delay offshore development. If the traditional application and consent decision route is followed, this may result in projects failing to achieve consent due to onshore planning delays. If a project takes 18-24 months to get planning consent and another 18-24 months to survive a judicial review, the chances of that project being connected by 2030 are extremely slim. There is also a need for an environmental and planning court to ensure a swift, effective judicial review system. We believe that offshore projects should not be penalised by factors outside of their control, such as planning delays and we urge the Department to support the key agencies (namely ABP) in this area to ensure that there are appropriate levels of staffing, funding and training in place.

We recommend that the SOs would be sufficiently resourced, in terms of the development and operating spend required for the design and consenting of grid reinforcement solutions, and the capital spend required for new network build to deliver the multiple workstreams which will be required. Incentives must also be put in place for the SOs, to ensure they are progressing the required grid solutions in a timeframe that will allow the delivery of our offshore targets. We are concerned that if these resources or incentives are not provided for by the CRU in the SOs' cost recovery mechanisms and regulatory framework, then the SOs will not be able to deliver the necessary grid infrastructure. It is therefore vital that the DECC, works together with the CRU, in supporting the approach of developing grid reinforcements, based on the strength of the renewable pipeline, via adequate funding and incentivisation of the SOs in frameworks such as annual Price Review.

Finally, we recommend that a resource roadmap be developed for offshore wind, with significant marine experience a primary focus, with a view to reducing the average planning decision timeframe by ABP for an offshore wind project down to 1.5 years.

## 7. Greater Ambition

We acknowledge that consultation focuses on the offshore target of 5 GW for 2030, and we would support an increased Government ambition for a 2050 timescale, to take account of the further

offshore wind developments required to deliver Net Zero. A higher national capacity target is therefore recommended.

The consultation assessment of offshore potential is limited and is shaped by an assessment of the existing grid capacity. We believe that a strategic approach would be more effective, in which the assessment should commence by identifying the best offshore wind sites first and then assessing the constraints on these, to determine what the practical sequence of development will need to be.

It is noted that the current target of 70% RES-E as set out in EirGrid's 2030 Roadmap "Shaping Our Electricity Future (SOEF)", does not reflect the level of urgency required between now and 2030 to decarbonise the system and realise the full potential of renewable energy. This is not enough, and we believe that EirGrid needs to set a higher ambition. The current 2030 horizon is only 8 years away, and the sector needs 2035 and 2040 visibility. EDFR proposes that as part of the final SOEF roadmap, a pathway for delivery of a net-zero power system is developed, building on the 2030 plan, to outline how the grid needs to evolve and ensure that any final roadmap is consistent with longer term policy objectives. We would urge the Department to support this higher EirGrid ambition. EDFR will continue to align with the Irish Government's current targets which will increase renewable electricity production by wind and solar up to 80% by 2030.

#### Conclusion

In conclusion, we would like to thank the Department of the Environment, Climate and Communications for the opportunity to engage on this matter.

Should you wish to discuss any of the issues raised in our response or have any queries, please contact Stella Burke on [stella.burke@edf-re.ie](mailto:stella.burke@edf-re.ie), or me.

Yours sincerely,



Head of Development Ireland