



**Consultation Response to Phase Two
Consultation Document**

9th March 2022

Submitted by email to phase2@decc.gov.ie

Ocean Winds (OW) are developing a portfolio of Phase 2 projects in Ireland and therefore welcomes this opportunity to comment on the Phase Two process and the route to market options for our projects. OW also welcome the commitment to 5GW of projects by 2030 and looks forward to contributing to this target through the delivery of our Phase Two projects and the longer-term net zero target in Ireland. Given the timelines it is essential to look beyond the Phase One projects and facilitate engagement in support of the 5GW target. OW look forward to future engagement and is available to discuss any aspect of our response with the Department if required.

About Ocean Winds

OW is the result of a joint venture announced in 2019 by EDP Renewables and ENGIE and is a global leader in the offshore renewable energy sector. Both companies share a vision in which renewables, particularly offshore wind, play a key role in the global energy transition. OW strongly supports offshore renewable energy deployment in Ireland and the significant contribution it will make to decarbonising the economy, achieving the 2030 targets and beyond. The OW business mainly targets markets in Europe, the United States and operates in selected locations in Asia. Through this OW has developed valuable relationships we are committed to bringing this experience and approach to the Irish offshore market.

It is important to stress that OW have a strong development track record in the **UK** and have taken projects through development, construction and into operations. Bringing experience of this nature into the Irish market is essential to ensure that projects benefit from development in other jurisdictions, thereby accelerating the potential delivery of Phase Two projects. As the Department of the Environment, Climate and Communications focus on defining what the Phase Two criteria will likely include, we suggest that a clear focus needs to be given to the company experience of the developer in delivering offshore wind.

In Scotland OW has been developing the Moray East offshore wind farm in the Moray Firth, which is in the final stages of commissioning and has a capacity of 950MW. The Moray

West Wind Farm Project, adjacent to Moray East has an expected future output of 882MW and 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 as part of the **ScotWind** process run by Crown Estate Scotland the rights to develop Caledonia Offshore Wind Farm, a new 1000MW offshore wind project in the outer Moray Firth in Scotland.

OW projects in **France** include the development of Le Tréport, Yeu and Noirmoutier islands and Dunkirk (992MW in development with seabed exclusivity). This is part of a consortium selected by the French government to develop and install two offshore wind farms. 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.

In the US OW was awarded PPA from the Commonwealth of Massachusetts for its Mayflower Wind 400 MW project and recently was named a winning bidder for a lease area off the coast of New York and New Jersey as part of the **New York Bight auction**.

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. OW has continued to support the development of floating offshore wind 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 Poland and Korea. In March 2022 OW obtained its second **Electric Business License (EBL)** from the Ministry of Trade, Industry, and Energy of the Republic of Korea for a capacity of 450 MW (Korea Floating Wind).

Ocean Winds in Ireland

Offshore wind is set to play a crucial role in driving Ireland not just towards its 2030 RES-E target of 80% but also our transport (RES-T) and heating (RES-H) targets which rely heavily on electrification through electric vehicles and heat pumps. Delivering on the 5GW by 2030 ambition set out in Programme for Government and Climate Action Plan 2021 (CAP) is a huge task but OW welcomes the opportunity 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. These projects are located off the east and south-east coasts. These projects collectively would contribute in excess of 2GW toward 2030 targets and OW is developing both these projects to this timescale. OW 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 works. The commencement of these projects has resulted in OW making a long-term commitment to Ireland's energy portfolio and to be part of the programme to achieve both 2030 targets and net zero by 2050.

As evidenced throughout this response, OW is an experienced offshore development company, with an expert team capable of delivering our portfolio in Ireland. The team also continues to expand as we progress our projects, building additional internal capacity as well as leaning on the expertise of local firms in a variety of fields. The scale of our parent companies affords us access to the knowledge and resources required of large infrastructure projects such as offshore wind farms. We are committed to bringing our wider global experience for the delivery of projects in Ireland and to do so in collaboration with Irish supply chain providers and local stakeholders.

We have provided responses to the consultation paper below however we would like to highlight the following key points based on our experience:

- **Focus on the Developer:** To ensure Government and Climate Action Plan (CAP) targets are achieved before 2030, it is essential that developers with a significant track record in delivering offshore wind are given the opportunity to progress their projects. Developers that have previously taken projects through the pre-Final investment decision, construction and operation cycles in other jurisdictions will have the knowledge and experience to realise projects within the challenging timescales required of Phase Two. This offshore renewable experience should be complemented by experience developing renewable energy projects through the planning process and operating assets in Ireland. We would strongly recommend that the Phase Two selection weighting criteria are primarily focusing on the developer capabilities and the ability to deliver pre-2030.
- **Focus on the Site Location Relative to Grid Availability:** It is clear that the availability of grid along the east and south coasts is informing the Phase Two process. To satisfy our national demand, the emphasis needs to be on projects that can connect to the grid at the first available opportunity at points on the grid, which are already earmarked for upgrades. The delivery of the 2030 5GW target is dependent on the delivery of grid reinforcements outlined in Shaping our Electricity Future and must be delivered. It is essential that these reinforcement projects are

progressed at pace and EirGrid should be resourced to achieve this. ORESS rules must ensure that developers that are successfully progressing projects are not unduly penalised due to any external delay to the grid delivery and reinforcement requirements.

- **Focus on Programme:** OW believe that a successful consultation will focus on the establishment of a Phase Two framework that prioritises projects that can be delivered and connected to the grid before 2030 – achieving this target requires alignment with grid infrastructure, developers that have advanced critical path activities and developers with a prior track record in offshore wind construction.
- **Performance Security:** In our view the performance security should be decoupled from the development consent. In the event of a project being unsuccessful in achieving development consent, the project should not be at risk of losing its performance security. Given the timescales OW recognise the need for the Department to hold the offshore auctions without planning consent in place for projects. This is not in line with industry practice in other jurisdictions and present a significant financial risk associated with consent outside the developer’s control. Therefore, the terms and conditions must account for this.
- **Resourcing and timelines:** Currently the progression of Phase 2 projects is linked to the establishment and operation of the Maritime Area Regulatory Authority (MARA). Following the establishment of MARA eligible projects will be able to apply for a MAC. Any delay to the establishment of MARA places 2030 delivery timeline at significant risk. In addition, given the scale of delivery proposed for 2030 and the associated applications to An Bord Pleanála and EirGrid for development consent and grid connection respectively adequate resourcing is required within these and wider governmental organisations.
- **MAC Development Period:** OW appreciates that the work associated with OREAP II has commenced and the intention is to implement an enduring plan led regime in Ireland. This is essential to give confidence for long term development and supply chain investment, however more clarity is required on how this process will work and how it will transition with existing Phase 1 and Phase 2 projects. It is stated within the consultation document that MACs awarded in phase 1 and phase 2 will expire prior to the enduring regime should the holders of these consents be unsuccessful in securing a route to market. This cliff edge associated with MAC award is a very high risk for continued investment in Ireland. Consideration must be given to the award of MACs within a development timeline similar to the process adopted in Scotland. For example, in Scotland a ten-year option period is

associated with the lease and the developer is required to progress within this timeframe. A transitional arrangement must be in place for Phase 2 projects. Phase 1 projects that are unsuccessful in ORESS1 are given the opportunity to participate in ORESS2, however no opportunity is been provided to Phase 2 projects that potentially could have obtained development consent. OW would prefer a transitional measure, whereby Phase 2 Maritime Area Consent (MAC) holders may keep their MAC, especially where projects did not progress due to circumstances beyond the developer's control, such as insufficient grid capacity, or lengthy judicial reviews of associated infrastructure.

- **COD:** Given that it is currently proposed that MAC award will not occur until 2023, the delivery timeframe of 2030 is challenging, it is recommended that the reference to COD by 2030 should be amended to first generation or first power by 2030.
- **ORESS 2:** Regarding the options put forward within the consultation, irrespective of the selected option, we would strongly state that there must be fair competition between Phase 1 and Phase 2 projects in ORESS2. There should not be a circumstance where Phase 1 projects are participating in ORESS2 and their development levy for example is less than a Phase 2 project (owing to the application of a seabed development security (as proposed in Option A) and /or a development levy as determined in an auction type scenario (as proposed in Option B). We appreciate that Phase 1 projects retain their MAC, however we would recommend that any projects unsuccessful in ORESS1 should not be able to withhold grid and grid connection assessments should be reviewed in conjunction with Phase 2 MAC holders.
- **MAC Term:** As stated in our response to the relevant projects consultation the MAC term needs to be reviewed as a 30-year term is inadequate for projects of this scale. We would propose that a 40–50-year term is more in line with industry practice (for example the term in the Netherlands term is 40 years)

Consultation Response to Questions

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?

Response:

Option B is our preferred Option. Option B follows the same sequencing as Option A, but MACs would be awarded by MARA based on a competitive process. Under this option, MARA would open the MAC application window and then assess applications against each other based on pre-determined criteria relating to Government policy, such as consistency with National Marine Planning Framework and Shaping our Electricity future, the applicant (financial and technical capability), and preparatory works undertaken to date. A seabed levy auction is also listed.

Option B enables the Department to proceed with developers with a proven track record of delivery of offshore projects and can deliver to the 2030 target. MACs applications would only be accepted for projects aligning with the Shaping our Electricity Roadmap. Also, the process is closely aligned with what Phase 1 projects will go through, so the industry and DECC/ABP/EirGrid etc. should have some experience with this process by then, which should hopefully see some efficiencies gained.

Given the current pipeline, a competitive MAC process seems a sensible approach, and it should ensure projects with the best chance of delivery by 2030 receive seabed exclusivity. It is also essential for continued development investment that certainty around sea exclusivity is provided early in the development process.

OW would support a process where applications would be assessed against each other based on pre-determined criteria. However, we would recommend that the department focuses on technical capability and delivery to date to ensure greatest success of achieving 2030 targets. This option also provides the greatest clarity to investors and ensures that our planning system (An Bord Pleanála) and the grid operator do not become overloaded with speculative applications and ensure that projects are progressed in line with grid capacity and proposed grid reinforcement works planned to 2030.

Comments regarding Option B

The timescale for commencement of all options and Option B is the establishment of the regulatory authority MARA. Given the extremely tight timescales for offshore delivery by 2030 no delay beyond Q1 2023 regarding the establishment of MARA can occur and the department should consider options to proceed with Phase 2 applications in advance of the establishment. In addition, given the challenging deadline and that MAC will not be awarded until 2023 it is recommended that the reference to COD by 2030 should be amended to first generation or first power (2030).

As listed above our key concern is the proposal that MACs for Phase 2 projects will be processed by MARA and will expire prior to the enduring regime should the holders be unsuccessful in securing a route to market (ORESS or otherwise). This introduces a cliff edge scenario to investment in Ireland and creates a scenario where significant development expenditure is placed on projects that may have secured a MAC and secured development consent. These projects must be allowed to participate in ORESS3 (equivalent) or secure an alternative route to market.

In an option B scenario clear guidance must be given to the applicants on the scoring rating and that significant weighting is given to developers that can deliver pre 2030 and can demonstrate a track record in delivering projects of this scale and within this timeline. **The planned scoring criteria must be published at the earliest opportunity.** While the competitive MAC process is a sensible approach, it is important that this process does not add unnecessary delays, is not overly complex and does not add significant costs.

The proposal within the paper suggest that an overwhelming number of MAC applications will be received in Phase 2 and a seabed levy auction could mitigate some of this risk, or a pre-qualification. An auction for seabed levies also risks driving up costs, adding delays etc. Please note that a process that is solely awarded on costs will not guarantee that projects will be delivered by 2030. This is why EU common practice is including also qualitative criteria in auctions. A strongly weighted assessment criteria linked to developer track record and programme for delivery is recommended to prevent this scenario. Any additional levy auction will increase costs to the consumer. It would potentially increase strike prices in the ORESS 2 and consequently increasing costs to consumers...

Comments regarding Option A:

While the sequencing for Option A remains unchanged from Phase 1, we don't consider the inclusion of a development security in addition to pre generation levy is enough to discourage speculative applications with post 2030 deliverability. As stated above seabed exclusivity is essential for investor confidence in the next stage of project development. It is unclear from this option how exclusivity is determined and how projects are assessed in relation to deliverability to 2030 targets.

DECC mentions the possibility of determining the Deployment Security level via an auction as was carried out by the Crown Estate as part of Allocation Round 4 seabed lease. This auction saw huge fees paid for site areas, far above what was expected. This could drive up the cost of delivering offshore wind in Ireland, risk adding delays to already tight timelines, and risk projects' business cases.

It is not clear how the project reserve list would function in a fair and efficient manner. For example, would these projects need to continue development at risk post auction, with the hope that another project in their location would fail to receive consent? Would some guarantee be offered by Government? Would this compromise the integrity of the ORESS2 auction?

Given the uncertainty on attrition rates, this option may be required to reach the 5GW, but much more detail would be needed before a decision could be made.

Comments regarding Option C (Early ORESS2):

Option C positions the ORESS2 auction ahead of MAC application. Once a Phase 2 project secures a route to market through ORESS, CPPA etc., it can apply for a MAC, and then development consent. This option would see projects bid into an auction with only a provisional grid assessment (requiring alignment with Shaping our electricity future).

This option proposes a grid node/region order of merit which could be used to prioritise MAC applications. This option adds layers of uncertainty to an already risky process (with ORESS2 due to take place without planning in all options). For example, project post RESS would still need to go through the MAC, development permission and Grid offer processes. Given the potential for delays in all of these, certainty/sight on commercial operation date would be difficult to achieve. How this would all tie in with ORESS milestones would also need a lot of consideration.

Projects would have very little information to inform an accurate ORESS bid. This could be expected to drive up prices to ensure projects that can get a MAC and planning consent post ORESS will have a business case.

The capacity required to be auctioned in ORESS2 would need to be very large to account for attrition from both Phases, and attrition from ORESS2 could be expected to be high with projects competing in an auction so early. Also, the earlier the auction, the less sight there will be on the progress of the Phase 1 projects. The required capacity to be auctioned would be difficult to calculate.

This would also require a large project reserve list, and it is not clear how this would work, and it is unclear if projects successful in ORESS 2 would still not have site exclusivity via a MAC.

It is difficult to see this option operating successfully and it is not in line as seen as best practice across Europe.

Comments regarding Option D (Early ORESS2):

Option D uses the same principles as Option C, with the auction used to resolve competing requests for the same MAC area or grid nodes. Some major innovations are included in the auction process; however, applicants would specify their proposed MAC area and transmission connection point in the auction, but applicants could also bid several times, on different MAC areas and transmission points, and for different capacities.

The auction would then be solved by optimisation. In the event that multiple offers have specified the same area/transmission node, the auction will determine the most cost-efficient set of offers which can feasibly proceed. Each MAC area would then only be allocated once, and each connection point up to a maximum capacity.

This option adds a lot of complexity and administration to the bidding process which would likely drive-up bids even more than under Option C. The method of winner selection is complex and could cause issues/delays. EirGrid would offer provisional grid offers for the same connection point to multiple parties under this option. This would add further complexity to the process and add more work for EirGrid.

Q2. 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?**

Option A follows the same sequencing as proposed for Phase 1 projects, with Phase 2 projects being issued a MAC (on a pass/fail assessment as will be used for Phase 1) and provisional connection from EirGrid before applying for development consent and taking part in ORESS2 (without consent), and finally being offered a final grid connection once successful in ORESS and planning. Unique to option A is the requirement for a Deployment security in favour of MARA. This would be separate to a MAC application fee and/or decommissioning security.

OW is not in favour of Option A and is not in favour of a development security. Option A does not provide a clear path to seabed exclusivity.

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?**

Response:

Regarding the assessment criteria we would recommend that emphasis & weighting is given to the following:

- a) Developer experience
- b) Grid availability
- c) Deliverability to 2030
- d) Social Acceptability and Stakeholder engagement

a) Developer Experience

The success of Phase 2 is highly dependent on awarding MAC and subsequent grid capacity to developers who have the technical experience, expertise, and financial capabilities to deliver projects before 2030.

All of our team recognises the criticality of delivering projects pre-2030 and are working towards such. As evidenced by our work internationally OW has the personnel and experience required to deliver projects of this scale to challenging deadlines. We have also partnered with Irish firms who offer local knowledge and enhance our capabilities, further increasing the likelihood of successfully commissioning the offshore wind farms in time to contribute to the 2030 targets. Our team has access to both the financial and human capital required. **We consider that weighted criteria to an experienced team in the delivery of offshore projects is essential.** In our response to the Phase 1 consultation, we recommended that development and construction experience should be greater than the 12 months and 500 MW proposed in this consultation document.

b) Grid availability

The inclusion of Figure 1 in the Consultation Document which is derived from EirGrid's "Shaping Our Electricity Future" (SOEF) focuses on development along the east coast such that existing infrastructure is utilised in totality to achieve the 5GW target. OW believe this is a sensible approach but highlight that it only achieves 70% RES-E by 2030 and should be reviewed and updated by EirGrid to address the 80% target. The Department and EirGrid need to be looking beyond 2030 and that future development for 2050 targets will be hampered by lack of grid capacity.

Therefore, to facilitate the current 80% RES-E target (Government of Ireland, 2021), and post-2030 ambitions, several of the measures from the "technology-led approach" as well as from the "demand-led approach" must be used (EirGrid, 2021a). Incorporating these options would have a significant impact on the availability of grid capacity. Whereas, strictly following the capacities outlined in Figure 1 risks reducing the development pipeline

to the point where 80% RES-E is extremely difficult to achieve and much of the momentum now found in the offshore wind sector and required for post-2030 targets will have been lost.

Further, OW highlight that Figure 1 is a static image of the grid and that limiting offshore wind to the capacities and regions highlighted does not sufficiently account for the difference a blended approach with interim grid improvements, changing demand patterns, and advances in technology can bring. In the SOEF consultation, 96% of those who answered supported maximising the use of the existing grid and building new grid infrastructure to achieve our renewable ambition. Showing that stakeholders are very clearly aligned on this point (EirGrid, 2021a).

Notwithstanding the above comments, OW clearly recognise that the 2030 delivery timelines associated with ORESS 2 are ambitious and therefore a pragmatic view of the transmission network is required. This is evident by our project locations in our portfolio which are located to facilitate the generation led approach, thereby maximising the deliverability of our portfolio.

Mitigating Further Uncertainty in Grid Availability

As well as grid capacity being severely limited in places, there is additional uncertainty as the capacities provided in EirGrid Shaping our electricity future includes capacity that be awarded to Phase 1 (ca. 2GW) projects and hence, will not be available for Phase 2 (ca. 3GW). The unknown attrition rate and key locations of Phase 1 projects therefore places additional risk on the remaining Phase 2 projects. It is crucial that EirGrid issue GCAs to qualifying Phase 1 projects by the stated timeline of Q3 2022 or earlier if possible, allowing developers sufficient time to update their portfolios to reflect the new reality of grid availability (specific to Phase 2).

A revised study, developed in consultation with EirGrid with increased granularity should be produced. It would allow better planning of cable corridors and landfall locations, and therefore better integration with the grid. OW is willing to refine their project definition to best suit existing infrastructure, but will need information from DECC and EirGrid to do so, with potential benefits in terms of lower grid infrastructure costs, earlier commissioning dates, and greater shares of RES-E.

Alignment of Ocean Winds' Portfolio and EirGrid's capacity

It is essential that proximity to existing grid capacity factors into any decision made such that successful projects deliver power to the grid before 2030. OW are aware of this since project site selection and developed our portfolio accordingly. Allocating seabed and/or

grid capacity to projects whose power cannot be accommodated before 2030 would not only be detrimental to current development but will greatly hamper future development too. It would also tie-up much needed EirGrid resources, resources better employed on grid improvement projects that increase the overall capacity.

c) Deliverability before 2030

The importance of delivering Phase 2 projects before 2030 is emphasised throughout the consultation document and aligned with government strategy. This urgency is derived from the aspirations of the Climate Action Plan and OW share this view. Providing a programme demonstrating delivery to 2030 should be given significant weighting within Option B.

A key feature of the OW portfolio is that by focusing on mature technology, we can utilise the experience within the existing supply chain which greatly derisks the programme and removes any uncertainty associated with developing technology. Our decision to focus on a well-established technology pathway also allows OW to directly utilise our experience of developing and installing fixed bottom offshore wind projects in other jurisdictions.

Our portfolio will be developed in relatively shallow waters (40-60m) in areas of the seabed that are far less dynamic than alternative locations. This will allow for the use of monopile and jacket foundations, by far the most technologically mature options, reducing both project cost and complexity. It will also mean that installers will have much more relevant experience, again contributing to a reduced cost and complexity. Our increased distance from shore permits OW use the latest generation large turbines manufactured at scale, capable of producing more power at lower levelised costs without producing excessive visual impact.

Table 1 - Summary of Ocean Winds' sample project that it is significantly de-risked and will benefit from UK experience with similar projects

	Sample UK project	OW project example
Foundation Type	Monopiles/Jackets	Monopiles/Jackets
Turbine Size (MW)	10 - 15	16 - 20
Distance to shore (km)	8->100km	12.6
Farm Capacity (MW)	<500MW -> 3GW	1,600
Water Depths (m)	15 - 50	10 - 60

d) Social Acceptability & Stakeholder Engagement

We would support stakeholder engagement, preparatory works as part of the assessment criteria. We firmly believe that a successful project requires early and sustained engagement with the stakeholders. Our projects aim to bring sustainable investment to coastal/rural communities and long-term high-quality employment.

OW would not support the inclusion of seabed levy auction and or development bond. This has potential to drive up costs to the consumer.

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?

OW would be supportive of the industry view that Phase 1 projects retain their MACs for Phase 2 however OW does not support the proposals for Option C or D in a scenario where Phase 1 projects are given preference post auction results and we would question this acceptability in terms of fair competition in any auction type scenario. In the interest of fair competition, we would also request the Department to ensure development levies are equal among Phases 1 and 2 projects and that grid availability allocated to Phase 1 project is made available to all projects post ORESS1 auction results.

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. 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?

OW would strongly disagree with this approach. This in essence creates a cliff edge for Phase 2 projects. This approach will undermine investor confidence. Beyond Phase 1 and Phase 2 this is little clarity on the enduring regime. This detail is required to ensure continued investment in projects to reach our targets beyond 2030.

Given the nascent nature of this industry within Ireland it is essential that there is option for extension of MAC development term for projects that have been delayed due to circumstances outside of their control. For example, a developer who continues to progress a project cannot be penalised for a planning or grid delay outside their control. This type of remedy has been used in other jurisdictions to enable project delay risk to be mitigated.

In addition, a project that secured MAC and development consent should be provided with a transitional arrangement within the enduring regime.

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?

We would support the industry view and that the ORESS2 includes a regional element and identifies award projects within a grid area, facilitating execution of a full grid offer. We do not support the option to run a separate grid capacity auction.

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?

More clarity is required for this proposal however we would support the industry view that the ORESS2 includes a regional element within a grid area, facilitating execution of a full grid offer. We do not support the option to run a separate grid capacity auction.

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?

More clarity is required regarding the reserve proposal however we would support the industry view that the ORESS2 includes a regional element within a grid area, facilitating execution of a full grid offer.

It is unclear how this would the project reserve list would function in a fair and efficient manner. For example, would these projects need to continue development at risk post auction. Given the uncertainty on attrition rates, MAC term more detail would be needed before a decision could be made.

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.

OW would not be supportive of Option D and it is considered overly complex with no emphasis on deliverability to 2030.

Hybrid Grid Connections

Q10 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?

Response:

OW winds welcome innovative solutions such as hybrid connections but strongly feels that the “*holistic assessment*” discussed in the consultation document should be commissioned immediately in order to provide stakeholders with much needed detail around what is being proposed. There are clear potential benefits such as best utilising existing grid, eliminating curtailment of the co-located wind farm, and increased certainty for dispatchable thermal plant operators. However, realising the potential benefits by 2030 cannot happen until this assessment is completed and the studies must be completed such that all stakeholders can make informed decisions. We also feel strongly that the fundamentals of fairness and openness must not be circumvented. Stakeholders who currently hold significant grid capacity at thermal sites should not be allowed to repurpose said capacity to facilitate offshore hybrid connection without engaging in a competitive process.

We would propose that potential hybrid grid connection locations are identified, provisional rules for the auction process developed, consulted upon, and that each is subject to an auction open to all participants. We also stress that this be handled as a matter of urgency should DECC wish for hybrid connections to contribute to 2030 targets.

11. Innovation

OW is dedicated to the energy transition and agree that a variety of generation and other innovative technologies should be supported especially considering Ireland's long-term ambition. Innovating technologies as listed in the consultation document, floating wind, wave and tidal, solar/ wind /battery hybrid generation, green hydrogen, ammonia production, interconnector hybrid and other technologies including co-location have potential to support longer term renewable energy ambition and will be essential element of the longer-term strategy to delivery 30GW by 2050 and achieving net zero by 2050.

OW has a long-term investment view for Ireland and as OW has been operating Wind float Atlantic (30MW) in Portugal since 2019 we are ideally placed to contribute to longer term floating targets in Ireland. Floating wind is going to make a large long-term contribution to Ireland zero targets however given the focus on bottom fixed for Phase 2, ensuring maximum value for the Irish consumer while also balancing risk to ensure project deliverability by 2030 we would support the prioritization for the delivery of bottom fixed for the 2030 targets.

Significant challenges exist for the delivery of bottom fixed offshore wind in Ireland and therefore we would encourage that the immediate focus is addressing these challenges while in parallel promoting the development of other technologies via an appropriately sized innovation pot. We would support the allocation of an additional pot for innovation technologies however this needs to be in addition to the 5GW target for 2030. Presently in Europe there is approximately 141MW of pre commercial floating projects in operation in Europe compared to 24,671 bottom fixed. Worldwide there is approximately 152MW floating and 42,836MW bottom fixed deployed. Currently the world's largest floating wind project is approx. 50MW and consists of 5 turbines. Floating wind is a significant portion of the ScotWind & Celtic Sea leasing rounds and OW support these targets however these floating targets are building on a significant number of years of deployment and investment of bottom fixed technology within Scotland and UK. In these regions the regulatory and technical framework is in place, supply chain is more mature and port infrastructure investment is progressing. This is compared to a new industry in Ireland where our regulatory authority has yet to be established and port infrastructure for bottom fixed is still unclear. As stated in the Wind Europe blueprint for floating *"In the coming years as FOW projects come online, the industry will demonstrate their commercial viability of such projects. During this critical phase, a strong supportive regulatory framework is needed to capitalise on all past and ongoing R&I and pilot project investments"*. OW would support

this approach and the mechanisms required for providing support for R&I, pilot and innovation projects within Ireland.



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