

# **Consultation Response to DECC Phase Two Consultation Document**

**Western Power Offshore Developments Limited**



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## 1. Summary of our response to the Phase Two consultation

Western Power Offshore Developments Limited (“WPODL”) has prepared this response to the DECC Offshore Wind Consultation document published in December 2021 and consent to the publishing of the WPODL name and submission on the DECC website.

It is understood that Phase Two must deliver the remainder of the 5GW target unfulfilled by the Phase One projects and that it is crucial that these projects are delivered by 2030. The key focus of our response to this consultation is to highlight some of the key selection criteria of the Phase Two projects, which we believe will enable the maximum competition from projects to deliver by 2030, and provide the best outcome for the sector, the State and consumers.

Key topics covered within this document and in the suggested responses to the consultation are:

1. Project viability and consenting risk
  - The Phase Two MAC criteria should include factors likely to disfavour projects located where environmental sensitivities or visual impact challenges may result in planning challenges, delays or refusals.
2. Project delivery and programme
  - The Phase Two MAC process should favour projects which can demonstrate 2030 deliverability based on a clear track record of at-risk development activity with long-lead items such as aerial surveys and site investigation surveys well progressed in advance of the MAC process.
3. Proximity to grid infrastructure
  - The Phase Two MAC criteria should prioritise projects located in areas that EirGrid determines will have grid capacity, taking account of capacity absorbed by the Phase One projects.
4. Stakeholder engagement
  - Public acceptance will be critical if Phase Two projects are to be delivered by 2030. The Phase Two MAC process should favour projects that have genuinely engaged with stakeholders including local fishery bodies and local communities.

## 5. Fixed bottom technology

- The Phase Two MAC process should be designed exclusively for fixed bottom projects because only fixed bottom windfarm projects can be assured of being operational by 2030. Any floating wind component could be for smaller-scale or demonstration projects but should not be counted on as a way of meeting the 2030 targets and should not take precedence over fixed bottom projects in terms of grid capacity.

## 2. Glossary of terms

ABP	An Bord Pleanála
CAP	Climate Action Plan 2021
CPPA	Corporate Power Purchase Agreement
GCA	Grid Connection Assessment
LCOE	Levelised Cost of Electricity
MAC	Maritime Area Consent
MARA	Maritime Area Regulatory Authority
ORESS	Offshore Renewable Energy Support Scheme
SOEF	Shaping Our Electricity Future
WPODL	Western Power Offshore Developments Limited

### 3. East Celtic Offshore Wind Park


WPODL is an Irish company established to develop the East Celtic Offshore Wind Park project. Its principals have been developing Irish utility-scale onshore windfarms for over 15 years including projects that are currently constructed and operational as well as one project which is consented and currently at pre-construction stage.

WPODL has been actively developing East Celtic Offshore Wind Park since 2020. The project has been planned from inception with a view to being operational by 2030 and this has led to a number of key design choices including the planned use of fixed bottom turbines.

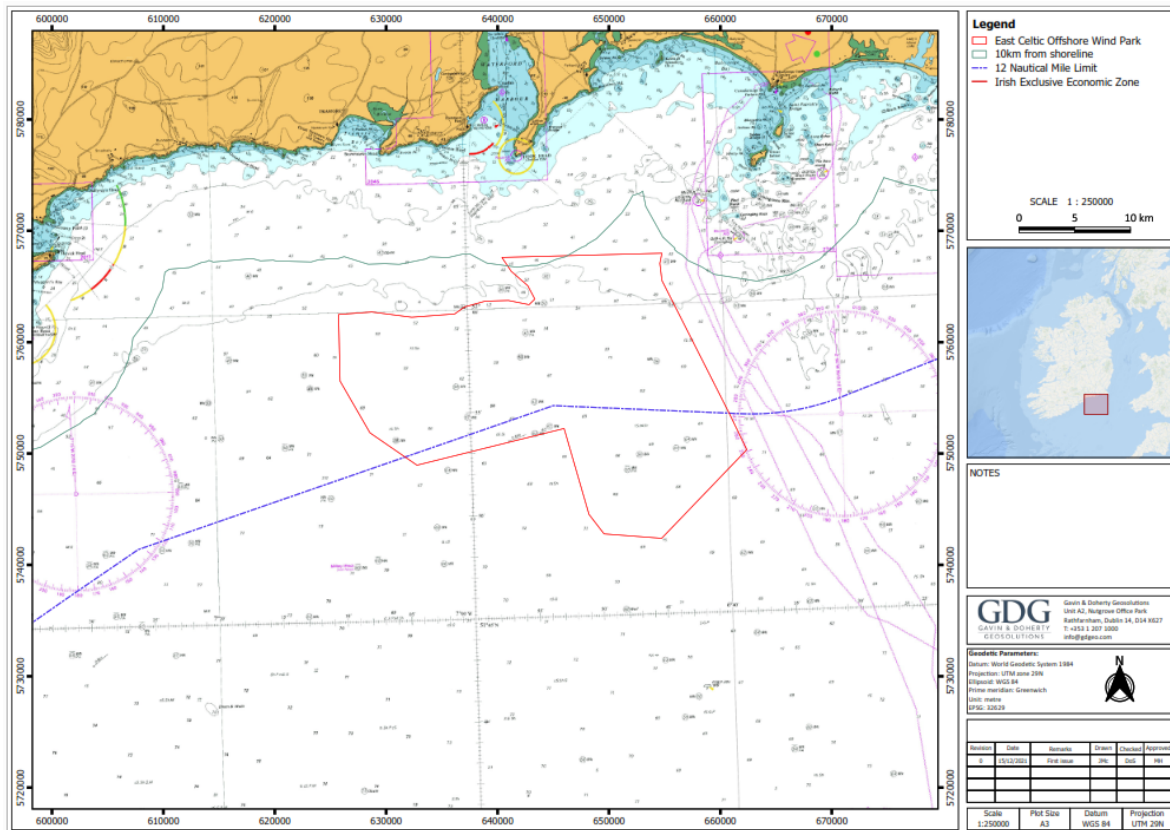
The project location was selected following a comprehensive site selection exercise which began with an analysis of Irish coastal locations that would be suitable for fixed bottom turbines. A range of screening criteria were used including bathymetry, public wind data, seabed topography, metocean conditions, potential generation capacity, proximity to grid and outlook for grid network capacity, minimum distance to shore (to avoid unacceptable visual impact), avoidance of environmentally sensitive areas, fishing activity, shipping traffic, public avian data, existing communications cables and other utilities, shipwrecks, and other criteria.

The survey area is situated in the Celtic Sea off the coasts of County Wexford and County Waterford and is approximately 553 km<sup>2</sup> in total with the development area generally more than 10km from shore.

#### Key attributes of the East Celtic Offshore Wind Park site and project

 Selected from study of Irish marine resources	 Turbines 10-35km from nearest land	 Avoids environmentally sensitive areas	 Suitable for fixed-bottom turbines	 Strong wind speeds maximise energy yield
 Close to Greenlink interconnector	 Phase 1: 42 turbines 840MW	 Survey area over 500 square kilometers	 Foreshore licence application underway	 Preparing for extensive consultation

The site location is illustrated below (outlined in red) together with the 12 nautical mile boundary (blue line) and a contour 10km from shore (green line).



A foreshore licence application was made in March 2021 and aerial surveys commenced in April 2021. Over a programme of several years the project team will be undertaking detailed studies within the area including bird and marine mammal surveys, seabed investigations, and wind speed measurements. These studies and surveys will inform the project design and the environmental assessments which will form part of the consenting process.

WPODL is developing an outreach programme to consult with, inform, and get the views of parties who may have an interest in the project. The outreach programme will include Irish state bodies with roles spanning the environment, aviation, shipping and fisheries. We will also include coastal communities, fishing bodies, tourism bodies and many other groups.

The current estimate of the potential MW output of the project is in the region of 1.5 GW to 2.5 GW with an initial phase of 840MW. This will evolve during the planning and consenting process and is subject in particular to detailed design informed by our planned site investigations and feedback from our outreach and consultations.

The project therefore has the potential to make an important contribution to Ireland's efforts to meet the challenge of climate change and contribute to meeting the current Irish government target to have at least 5 gigawatts of offshore wind capacity in operation by 2030.

East Celtic Offshore Wind Park will also drive important economic benefits in the South-East region of Ireland throughout its economic life as an employer and as a customer of Irish suppliers as well as by reducing future Irish energy costs and improving future Irish energy security of supply.

The project will take several years to bring through the design and consenting stages and is being planned with a view to commencement of operations prior to 2030.



## 4. Alignment with CAP targets for 2030

Phase Two MAC award criteria should prioritise projects that can clearly demonstrate deliverability by 2030 to meet the objectives of the Climate Action Plan 2021.

The East Celtic Offshore Wind Park is well aligned with the CAP target for 2030 and key aspects of the project and how WPODL has progressed it to date have been designed with a view to meeting the 2030 targets.

- WPODL has accelerated important long-lead items so that East Celtic Offshore Wind Park can be developed by 2030 as a leading Phase Two project. For example, offshore projects will typically gather 2 to 3 years of bird and marine mammal data. WPODL has accelerated this long-lead item by commencing aerial surveys of bird and marine mammals in early 2021.
- East Celtic Offshore Wind Park is well located in relation to grid infrastructure. It lies close to the Greenlink interconnector and to two major 220kV substations and in a region identified by EirGrid as having 990MW of capacity for the purposes of the CAP.
- WPODL has already commenced stakeholder engagement and has appointed a fisheries liaison officer to assist in relation specifically to local fishing interests.
- East Celtic Offshore Wind Park will use fixed-bottom turbines because floating wind turbine technology is less developed and less likely to be capable of deployment at scale by 2030. In addition, fixed bottom turbines are likely to have a lower LCOE and therefore to be more competitive in bidding into ORESS. Current project design assumes 20MW turbines and a three-phase build-out.

### 4.1. Project delivery and programme

WPODL submitted a formal foreshore licence application in early 2021. A pre-application meeting has been held with DHLGH and the project is expected to proceed to consultation shortly.

In the meantime, WPODL has accelerated important long-lead items so that East Celtic Offshore Wind Park can be developed by 2030 as a leading Phase Two project. These include:

Key activities undertaken and in progress:
Foreshore licence application
Aerial bird and marine mammal surveys
Fisheries Liaison Officer appointment
Stakeholder management plan and start of engagement
Project definition and initial visual assessments
Ground model development
Export cable and landfall assessment
Stakeholder engagement
Metocean analysis
EIA scoping
Supply chain and pre- procurement

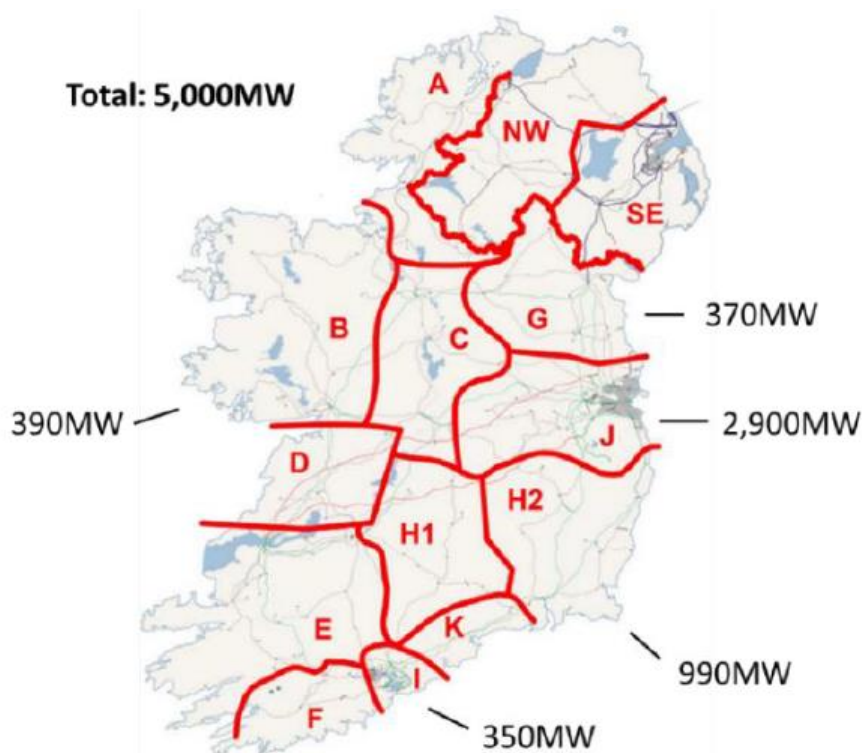
WPODL intends to continue with site investigation surveys and other critical path activities prior to competing in the Phase Two MAC award process in order to ensure that East Celtic Offshore Wind Park will have the best chance to commence operations by 2030.

#### 4.2. Proximity to proposed grid infrastructure

Proximity to the grid and grid capacity will heavily influence a project’s ability to deliver power to the grid by 2030 and the DECC consultation paper identifies grid capacity scarcity as a key factor in Phase Two MAC awards.

East Celtic Offshore Wind Park lies in area H2 as illustrated in figure 1 of the consultation (reproduced below) with identified capacity of 990MW – the second highest area after Dublin. It also lies close to the connection point of the Greenlink interconnector and beside an area identified by EirGrid for future grid upgrades. It is the best location on the South Coast from a grid capacity point of view and should rank highly in the MAC assessment process on that criteria.

The likely connection point to the grid for East Celtic Offshore Wind Park is expected to be either Great Island 220kV substation (where Greenlink interconnector will connect), or Cullenagh 220kV substation.



### 4.3. Stakeholder engagement

WPODL recognises that stakeholder engagement is an integral aspect of successful offshore wind project delivery. We believe this is crucial to build relationships with stakeholders, inform the design of our project and to satisfy legislative requirements such as the Public Participation Directive.

For this reason, we have already begun our stakeholder engagement activities for this project.

- WPODL developed a detailed Stakeholder Management Plan in 2021 specific to the East Celtic Offshore Wind Park to fully understand the requirements and timelines and to identify the relevant groups and bodies with whom we need to engage such as fisheries and community groups as well as the relevant state and environmental bodies.
- WPODL has already appointed a fisheries liaison officer and is starting to engage with local fishing interests to start informing them about the project and listen to their feedback.
- WPODL will be broadening its stakeholder engagement shortly by engaging with statutory and non-statutory consultees and stakeholders and this will continue as the project progresses.

Positive and proactive communications with all stakeholders helps achieve a successful outcome for all parties while reducing the critical path timeline to meet the CAP 2030 targets.

## 4.4. Fixed bottom technology

Phase Two phase projects should be selected on the basis of their ability to contribute to delivering CAP 2030 targets. Utilising expertise from the Oil and Gas industry, fixed bottom offshore wind installation is maturing and is now becoming very competitive. Although there are many parameters that may help floating wind to outperform fixed bottom wind in the future, we believe that Phase Two should maintain focus on fixed bottom wind to give Ireland the best chance in reaching 5GW by 2030.

Among the challenges yet to be fully overcome by the floating wind industry are:

- Floating offshore substations are more challenging to design than fixed bottom offshore substations. Offshore substations are significantly heavier than turbines, have a different weight distribution and have a number of subsea cable connections making them challenging to design as a floating element. There are no full-scale prototypes of floating offshore substations developed at this stage for a commercial scale windfarm (DNV Article: Floating Substations, 2021).
- Also discussed in the above-mentioned article is that the installation of cables to a floating offshore windfarm is more challenging than static subsea cables and the HV GIS and power transformers currently available have not yet been designed to account for the repetitive accelerations that will endure on floating offshore substations.
- The maintenance of floating offshore wind farms is more complex and insufficient data has been gathered to inform the maintenance and operational cycles.

The East Celtic Offshore Wind Park is being designed for fixed bottom turbines in waters ranging from 45-70 metres in depth. A transportation and installation supply chain analysis for jacket foundations for 20MW turbines in these depths has been carried out which supports this design approach.

WPODL believes that its design approach will result in a project that can contribute to meeting the CAP 2030 target at a competitive LCOE in the ORESS process.

## 5. Comments on the four consultation options

The consultation outlines four options but acknowledges that other variations or other options may be considered. Some comments on the four options are set out below:

### Option A – Non-competitive MAC award followed by ORESS 2

- We understand that under Option A non-overlapping projects that align with realisable grid capacity as identified by SOEF (or EirGrid’s latest roadmap) will be awarded a MAC on a non-competitive basis, assuming they meet certain minimum criteria. This would appear to permit multiple projects that compete for the same grid capacity to obtain MACs and proceed to ORESS and planning stage.
- Option A relies on use of a deployment security to discourage non-viable applications. The scale and conditions applying to this deployment security remain to be determined and as noted in the consultation it may be difficult to strike the right balance to encourage the right number and type of project to meet the 2030 targets. It is unclear if it is intended that the deployment security would continue after ORESS and whether it would be called in the event of failure to obtain planning.

### Option B – Competitive MAC award followed by ORESS 2

- Competitive MAC award based on criteria which include an assessment of work carried out in advance of MAC, such as site investigation surveys and stakeholder engagement.
- Optional addition of deployment security to discourage non-viable applications.
- This option favours projects such as East Celtic Offshore Wind Park which have advanced long-lead items in order to be better able to bid accurately into ORESS 2 and to be able to proceed to the planning application stage as early as possible. This in turn improves the likelihood of these projects being successful in helping to meet the 5GW by 2030 target.
- Projects that obtain MAC may fail at ORESS 2 or fail to obtain planning permission. To the extent that they have successfully competed against other projects at MAC stage that could have been successful at ORESS 2 and planning, this creates a risk of underutilisation of the 5GW of grid capacity identified in EirGrid’s SOEF. We assume the competition element under Option B at MAC stage would relate to available grid capacity but that there would be overallocation by reference to grid capacity to allow for project attrition. Given the risks of

attrition at planning stage we would suggest the overallocation would need to be quite significant.

#### Option C – ORESS 2 prior to MAC

- Because projects will lack site exclusivity it will be difficult to commit the level of resources to site investigation studies that would be expected for a proper ORESS 2 auction bid. This may lead to speculative ORESS 2 bids or generally higher bids into ORESS 2.

#### Option D – Enhanced ORESS 2 prior to MAC

- Under this option the ORESS 2 process would incorporate some of the criteria that might be expected at the MAC stage and will also serve to allocate grid capacity.
- As per Option C, projects may have difficulty committing the level of resources required for site investigation studies expected for a proper ORESS 2 bid.
- Because planning consent will come at a later stage there is a risk that this process will not efficiently optimise for the best projects.

## 6. MAC criteria related to planning risk

The consultation envisages that Phase Two projects will not require planning consent to bid into ORESS 2 and in that scenario a project that is successful at ORESS may subsequently fail to obtain planning permission within a timeframe that allows for it to be constructed and operational by 2030 or at all. This presents a risk to the achievement of government targets.

- Projects overlapping environmentally sensitive areas or having the potential for negative visual impact are more likely to be subjected to challenge, delay or planning refusal.
- Projects linearly following the shoreline in order to minimise turbine depth may have a visual impact across a wide arc of view from shore which may be perceived as unacceptable.
- Projects that are located close to shore may bid successfully into ORESS because they may have lower construction costs compared to projects further offshore. However, such projects may face greater public opposition, may have unacceptable visual impact on their own or cumulatively, or may impact unduly with activities such as fishing.
- Considering the number of projects identified in Phase One along the East Coast (NISA, Dublin Array, Codling, Arklow), there is an increased risk that any Phase Two project along the east coast will risk either a negative planning decision or a judicial review on the basis of cumulative impacts.

The consultation appears to suggest a number of ways of disfavouring non-viable applications such as the use of deployment security or weighted criteria.

In the view of WPODL a deployment security (e.g. in the form of a financial bond that may be called by MARA if the project does not meet certain milestones) does not address this issue as it places weight on the financial capability of the applicant rather than on the project viability and consenting risk.

While the definition of what constitutes a Phase Two project is separate from the planning process, WPODL believes that some consideration must be given in the MAC assessment criteria to project viability and consenting risk, especially if the MAC award will be competitive and particularly if it will be tightly linked to the quantum of available grid capacity. The issue is less important if Option A is chosen where the MAC award is non-competitive or if Option B is chosen but a substantial overallocation of grid capacity is factored into the MAC competition per node/region to allow for attrition at both ORESS stage and at planning. However, WPODL suggests that some criteria are

adopted to favour projects more likely to obtain planning consent or to disfavour projects with attributes that are generally likely to make planning consent challenging.

Criteria which could be used as part of the MAC weighted assessment of projects include:

- Minimum distance from shore.
- Average distance from shore.
- For turbines with a certain distance, maximum angle of visual impact from shore.
- Proximity to any Phase One project.

WPODL believes that East Celtic Offshore Wind Park should rank highly on criteria such as these. Extensive work has already been undertaken in two areas relevant to reducing the planning risk: (i) site location and (ii) visual impact. The project is located far from shore in the Celtic Sea and remote from Phase One projects. The site boundary has been selected for this site following an intensive national constraints exercise that has shown this site to suit particular development metrics, including reduced environmental impact, minimal fisheries impact, optimum wind speeds and excellent project economics. The site location is ideally suited for offshore wind and reduces cumulative impact by being remote from any of the Phase One projects. Furthermore, an extensive visual impact assessment exercise has been conducted and this will inform the detailed design of the project.



## 7. Response to consultation questions

### 1. Which is your preferred option and why of

a. The above options.

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

**Response:** It is understood that the options in the documentation are non-exhaustive and that there are several variations of each option. WPODL has a preference for Option B, which follows the same sequencing as Option A, with a change from a pass/fail assessment of MACs to a competitive process. Under this option, MARA would open a window for MAC applications and assess the submissions against each other on the basis of pre-determined weighted criteria.

WPODL agrees with Option B as it considers that it is the best approach for a competitive assessment for the Irish seabed for Phase Two. It allows projects such as East Celtic Offshore Wind Park to be rewarded for work prior to MAC which advances long-lead items and improves the likelihood of deployment by 2030. Such work will reduce timelines to delivery and ensure the CAP targets are met for the sector, the State and its consumers.

Option B (and Option A) is also closely aligned with Phase One and therefore the industry should have gained experience with the process prior to the Phase Two process developing, allowing for some lessons learned and efficiencies to be passed on.

Whilst Option B is our preferred option, there are some areas in which WPODL has some concerns.

- Firstly, it is important that the assessment criteria are published as soon as possible and that the process is not overly complex or onerous on either the State or developers.
- It is also vital that the criteria prioritise projects which have advanced work at-risk prior to MAC as these are the projects which are more likely to deliver by 2030.
- The criteria should also take account of factors which may make a project unsuccessful at planning stage such as proximity to shore or to a Phase One project. The intention here should be to disfavour projects with characteristics that given them heightened risk of failing to obtain planning permission. Criteria that might be used could include (i) minimum distance from shore (as a way of ranking projects and/or as a way of excluding projects too close to

shore), (ii) average distance from shore (as a way of ranking projects and/or as a way of excluding projects that are linear close to shore), (iii) for turbines with a certain distance, maximum angle of visual impact from shore, (as a way of ranking projects and/or as a way of excluding projects likely to have unacceptable visual impact) or (iv) proximity to any Phase One project (as a way of ranking projects and/or as a way of excluding projects likely to have unacceptable cumulative impact).

- The competitive element to Option B should take account of the risk that projects successful at MAC will subsequently fail due at ORESS or planning stages. Therefore there should be a significant overallocation of MAC awards by reference to available grid capacity at the node/region.

WPODL believes that adding an auction for seabed levies will not result in a more competitive process and risks escalating costs and causing further delays.

WPODL's second preference would be Option A which is non-competitive and overly relies on a deployment security to discourage unviable applications. On the other hand Option A avoids the risk of rejecting viable projects at the MAC stage in favour of other projects which may not succeed at planning.

WPODL does not agree with Option C or Option D as those options require ORESS 2 bids prior to full site investigation under site-exclusive MACs.

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?

**Response:** WPODL does not believe that a deployment security would be effective in allocating MAC awards to the best projects. Assuming that the deployment security is set according to a metric such as a fixed rate per km<sup>2</sup> then all applicants who are technically and financially credible and meet whatever other minimum criteria are required are likely to have no difficulty providing the deployment security. The security therefore would represent an additional cost to projects unsuccessful at ORESS 2 stage. It could have the effect of favouring projects close to shore with a low LCOE but high planning risk.

If this security is required, then WPODL would suggest that it should be based on area rather than capacity. Also, the requirement should be to have the security in place within a short period after notification of the decision to award a MAC and that failure by the bidder to procure the deployment security within that timeframe would cause the MAC to be forfeited (in the case of Option A) or allocated to the next bidder by merit (in the case of Option B where a deployment security is required in that case).

We would suggest that consideration be given to whether the security is intended to continue after ORESS and if so on what terms - in particular whether it would be callable in the event of a failure to obtain planning permission in time to permit COD by 2030.

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:** WPODL believes that the assessment criteria and ranking of applicants under Option B should include the following:

- Prove deliverability by 2030 through presenting works undertaken to date (SI studies, engineering activities, supply chain and pre-procurement activities, stakeholder and community engagement). This criterion should be heavily weighted and encourage projects that have undertaken early investment in the project and can demonstrate that they have clearly understood the critical path and have taken action to reduce this.
- Proving consistency with the National Marine Planning Framework and EirGrid's SOEF. This will enable a more streamlined rollout of projects.
- Assuming MACs are competitively awarded within grid regions or at grid nodes, some consideration of planning risk will need to be part of the criteria to disfavour projects with heightened planning risk due to environmental factors (e.g. within or crossing an environmentally protected zone) or visual impact factors (e.g. too close to shore, too great a linear extent along shore) or cumulative impact (or close to a Phase One project).
- Financial and technical capabilities are critical and will also need to be featured within the assessment criteria.

WPODL would suggest that a seabed levy not feature in the criteria as it does not consider projects that are most capable of delivering by 2030 and rather gives undue weight to a monetary amount.

For reasons outlined above WPODL does not believe that a development security assists in the efficient allocation of projects.

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?

**Response:** WPODL believes that Phase Two represents an opportunity to move forward with the new offshore wind policy. Phase One represents a group of historically advanced projects and is, to a certain extent, a clearing mechanism to progress those projects which have been a long number of years in the system. Those projects are key to early offshore wind deployment and to developing industry confidence in the Irish offshore wind sector as well as in developing supply chains for deployment of offshore wind in Ireland. Phase One projects have been supported, and rightly so, by the MAC process for Phase One projects. However, to the extent that a Phase One project is unsuccessful at ORESS 1 or at planning stage, there is no compelling reason to allow such projects to automatically retain their MAC for Phase Two, particularly where:

- They would be effectively taking grid capacity from other potential Phase Two projects.
- Their ORESS 1 bid was uncompetitive due to specific characteristics of their site.
- Their planning consent was refused due to specific characteristics of their site.

There may be a number of reasons why a project was unsuccessful during Phase One and they may not be as competitive in terms of scale compared to projects underway and already aiming for Phase Two delivery. Allowing Phase One projects to retain their MAC may mean that there may be fewer better placed projects that will be successful due to the 5GW and grid constraints.

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?

**Response:** WPODL are confident with our timeline for the project to meet the 2030 delivery date and do not foresee the need for MACs to extend into the Enduring Regime. However, some considerations or exceptions may be required in the case of judicial reviews or grid availability delays. For example:

- Should a project that receives a Phase Two MAC but has its planning application delayed by judicial review keep its MAC? WPODL would think that it should and that appropriate safeguards are brought into the planning system to avoid undue delays to final planning determinations.
- Alternatively, if such a project loses its Phase Two MAC should it be subject to the Enduring Regime requirement to be in a DMAP if it is still waiting for planning consent?

WPODL would also agree that this approach should incentivise deployment and discourage hoarding and that it should discourage MAC applications in Phase Two from projects unlikely to deliver by 2030.

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?

**Response:** WPODL believe that the Grid and MAC offers should remain as a bilateral discussion similar to the Phase One process and that they should be run concurrently or within a short time of each other.

WPODL agrees that providing provisional grid offers to competing projects makes sense and that the full offer should be tied to auction success (or CPPA) and development consent, as is proposed in the consultation. The provisional grid offer should inform developers of their allocated grid node should they be successful in ORESS/CPPA and in obtaining planning consent and should provide costings which can inform their ORESS bids. This should also allow them to progress work on the export cable route, on landfall options, and on onshore cable route planning.

Allowance could also be made for smaller phases or projects which would make it possible for two projects to develop into one grid node.

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?

**Response:** WPODL believe the optimum route would be to submit ORESS 2 offers that clear the auction for a given grid node (or local group of nodes) only. This would safeguard and ensure that the maximum available capacity will be utilised towards the 5GW 2030 target. If instead projects were to be required to clear a national auction, then that would risk underutilising local grid capacity.

WPODL firmly believes that projects should demonstrate alignment with grid capacity identified by EirGrid's SOEF. The South coast will benefit from two interconnectors and from the planned upgrades by EirGrid and the Greenlink interconnectors to the UK is anticipated to connect at Great Island which would be a potential grid connection point for East Celtic Offshore Wind Park.

In response to question 7b, WPODL does not believe any nodes or regions should be reserved for non-ORESS routes to market, given the scale of the projects.



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?

**Response:** WPODL understands that the purpose of over-allocating is to allow for project attrition at later stages. For example, under Option B, MACs may be competitively awarded by reference to grid capacity but may later fail at ORESS 2. Alternatively, a project may succeed at ORESS 2 but later fail or be delayed in obtaining planning. If there is insufficient overallocation there will not be enough successful projects to absorb available grid capacity. Presumably the concept of reserve projects is that projects with inferior ORESS 2 bids would be placed on reserve so that if higher ranked bids fail at planning for example the reserve projects might be called up in their place. Some difficulties we envisage with this include:

- Reserve projects would be unlikely to be able to maintain momentum, retain skilled staff and commit development expenditure without certainty that they can progress.
- Reserve projects would likely need to be compensated to go beyond ORESS. Alternatively reserve projects may be effectively stalled until called forward at which point they may be unable to progress fast enough to meet the 2030 targets or the ORESS longstop date.
- Skilled staff resources are currently scarce internationally in the sector and may not be available to continue servicing reserve projects.

WPODL suggest that by re-visiting the order of ORESS 2 versus planning consent the risk of 2030 targets not being met could be greatly reduced.

- Projects would compete for MAC only where they overlap spatially and only planning approved projects would bid into ORESS 2.
- Projects successful at ORESS 2 would utilise the available grid capacity in accordance with their ranking at ORESS 2.
- Optionally, unsuccessful projects could be allowed to bid into later ORESS rounds as additional grid capacity becomes available. This would potentially provide a pipeline of planning-approved post Phase Two projects which could be brought forward in a timely manner

Along with a more simplified process, an advantage of this sequencing would be that it would give developers a better understanding of project constraints and costs at the point of the ORESS auction.

In order to allow time for planning consents, it would likely be necessary to apply to extend the State Aid provisions to allow ORESS 2 to be run in 2026, on the basis that there would be more accurate and competitive ORESS achieved.

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?

**Response:** WPODL does not believe that the proposed in Option D is likely to be practical, principally because of the scheduling of the ORESS auction prior to site exclusivity.

One issue is the impact on bid prices. As projects bidding into the early ORESS auction would not have site exclusivity at that stage, developers would be less likely to have carried out full site investigation to inform an accurate ORESS bid. We anticipate that this may drive up ORESS bid prices.

A second issue is whether the process would efficiently allocate among projects. This option, which uses a complex optimisation to allocate early ORESS awards, is subject to the risk that later planning refusals or delays will result in the ORESS allocations being sub-optimal with the risk that grid capacity is underutilised, and 2030 targets are not met. WPODL believe that Option D is particularly susceptible to the trade-off between ORESS and planning where projects close to shore may be successful in ORESS due to a low LCOE but may later fail at the planning stage due to visual impact or environmental issues. For this reason, WPODL expects that Option D may not allocate efficiently.

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?

**Response:** WPODL believes that each offshore project should be treated and assessed on its own merit. There should not be any advantage to owners/operators who have existing connections or existing thermal generation plants. This would give an unreasonable advantage over a third-party developer.

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?

**Response:** WPODL believes that floating wind has enormous potential particularly off the West coast. However, the technology is not as developed as fixed bottom technology and its LCOE is expected to be higher. Therefore, to ensure alignment in meeting the 2030 targets, floating wind projects should be part of the Enduring Regime post 2030 and in the meantime Phase Two should be exclusively for fixed bottom wind.

An exception to this might be if it was wished to include an additional allocation beyond 5GW for research or demonstration floating wind projects or for one or more smaller floating wind projects. It might be necessary to provide a separate ORESS category for these given their expected higher LCOEs. While floating wind is not expected to contribute meaningfully to the 2030 targets, such an additional technology specific allocation beyond 5GW might encourage development of floating wind projects which could be brought on at scale post 2030.

Some other areas where there could be advantages in providing special allowances for innovative technologies to mitigate grid capacity constraints such as:

- Offshore green hydrogen production and similar technologies.
- Co-location of heavy electricity users such as data centres.

## 8. Summary and conclusions

As discussed within the responses above, WPODL would prefer Option B. This option is considered the best approach for a competitive assessment of Phase Two projects and will favour projects such as East Celtic Offshore Wind Park that have proactively carried out long lead work to shorten the time from MAC to operation before 2030.

WPODL strongly believes that a critical factor in defining the criteria for Phase Two projects should be deliverability pre-2030 and that to determine the likelihood of a project being commissioned before 2030 requires some assessment of its ability to achieve planning permission from ABP. While the definition of what constitutes a Phase Two project is separate from the planning process, some consideration must be placed on the credibility of the project achieving planning permission and thereby going on to be grid connected in due course. For example, issues such as negative visual impact due to proximity to shore or linear extent along shore, and excessive cumulative impact due to proximity to a Phase One project should receive some weighting.

We expect that East Celtic Offshore Wind Park will be a leading Phase Two project:

- Alignment with CAP targets – accelerated work on long lead items and scheduled start of construction in 2027 and generation in 2029.
- Alignment with expected grid capacity – 990MW in area H2 per EirGrid SOEF report.
- Good planning characteristics – reduced visual impact due to site location and extent and c.10km distance from shore as well as lack of cumulative impact.

WPODL is proactively advancing the East Celtic Offshore Wind Park, as described in this document. WPODL has accelerated important long-lead items so that East Celtic Offshore Wind Park can be developed as a leading Phase Two project. Extensive work has been undertaken on this project in two areas relevant to reducing the planning risk: (i) site location and (ii) visual impact. The site boundary has been selected for this site following an intensive national constraints exercise designed to avoid environmentally sensitive areas, areas with challenging ground conditions, areas likely to give rise to unacceptable visual impact, and a range of other criteria. By carefully selecting the site location, WPODL has sought to maximise the potential of the site to be successfully brought through the planning and consenting process in time to contribute to the 2030 targets.

## 9. References

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