

Fitzgerald House


Phase Two Consultation
International & Offshore Energy Division
Dept Environment, Climate & Communications
29-31 Adelaide Rd, Dublin
D02 X285

9th March 2022

Re: Phase Two Consultation

To whom it may concern

Cork Chamber represents 1,200 members together employing 100,000 people throughout the city, metropolitan area and county. Our vision is to be a world-leading Chamber of Commerce, delivering on a progressive economic, social and sustainability agenda at the heart of a vibrant business community.

As such, we are determined to ensure that our 202-year-old Chamber continues to create a positive legacy. Our direction is guided by our formal pledge to uphold the United Nations Sustainable Development Goals five of which have been identified by the Chambers Ireland network.



Cork Chamber welcomes the ongoing development of all workstreams from MARA to ORESS and all of the supportive ongoing regulatory, resourcing and legislative work underway to support the immense potential offered by this sector.

This past week, the case for bringing autonomy to Irish energy production has been brought sharply to the fore as one of the knock on impacts of the tragic events unfolding in the Ukraine. Ireland and Europe more broadly is overly reliant on imported fossil fuel, which not only hinders taking the right steps in global politics but is also terminally damaging our environment. We can no longer afford to be reliant on aggressive dictatorships or on a form of energy generation that compounds the likelihood of climate disaster.

Furthermore, there is no doubt but that the announcement of the EU Commission on Tuesday March 8th to radically overhaul the structures relating to EU energy autonomy and security will have a profound impact on energy markets with positive implications for states well positioned to deploy renewables. RePOwer EU will be defining. Among other details, Commission Vice President Timmermans has said the EU could double biogas production, using agriculture and food waste to 35 bcm by 2030, and quadruple hydrogen use to 20 metric tonnes, which would reduce gas by 50 bcm.¹ Both areas can be Ireland's opportunity and hydrogen in particular is of relevance to ORESS.

In this context, and having just approved the progression of 11 gas fired power generators for base load stability, it ever more critical that steps such as this ORESS consultation enable Irelands energy independence, through the wide scale deployment of renewables and storage technology in a swift and sure footed manner.

Clarity of process is critical in the context of Ireland's increased climate and energy ambition and legally binding target of net-zero greenhouse gas emissions no later than 2050, and a reduction of 51% by 2030, as well as a target to increase the proportion of renewable electricity to up to 80% by 2030. We commend the consultation paper for providing a strong overview of the process and milestones underway alongside the options for consultation.

Finally, it is the view of Cork Chamber that 5GW should be seen as a minimum threshold target and that the overall target must be much more ambitious. The Celtic Sea alone has potential for 50GW of offshore wind.² The UK is set for 40GW by 2030, Germany for 40GW by 2040 and France for 40GW by 2050.

Funding and resourcing

At all times it must be remembered that Ireland became the second country in the world to formally declare a climate emergency in 2019 and that if action does not follow that declaration, the damage will not only be environmental but reputational. The required urgency must be reflected in the funding and resourcing of MARA, the Dept and an Bord Pleanála to deal with applications from both phase one and phase two. The pandemic has shown that the State can act in an exemplary manner in the face of emergency, and this experience in rapid scaling and utter commitment must be displayed once again.

The establishment of the Maritime Area Regulatory Authority (MARA) with the operational objective to regulate development in the Maritime Area from the first quarter of 2023 is wholly welcome. Following its establishment, MARA will be the Relevant Authority. However, resources will likely be a challenge for relevant Government departments, An Bord Pleanála, Local Authorities, National Parks and Wildlife Service, EirGrid, ESB Networks and the Commission for Regulation of Utilities (CRU). It is essential that there is no weak link that inhibits the pace of development.

¹ <https://www.ft.com/content/eac9498f-6a36-41a9-b577-fa37c0eeab76>

² <https://www.corkchamber.ie/wp-content/uploads/2021/02/Cork-Harbour-2025-Ready-to-Float-Offshore-Wind.pdf>

As noted in the consultation, until its realisation, the Department of the Environment, Climate and Communications (DECC) will perform this role for relevant projects alongside An Bord Pleanála. Both must be urgently resourced to deliver on the backlog of applicants that currently have nowhere to turn. For example, we understand that a ten-week process in the UK to apply for a foreshore licence for geo physical/technical work, can take as long as two years (104 weeks) in Ireland.

In its early stages, MARA and An Bord Pleanála will likely need to build capability and adequate capacity. Flexible resourcing will be required to ensure timelines are met. If required outsourcing to a competent third party should be considered. Resourcing is not an acceptable reason for stalling pace of progress. It is essential that capacity to process applications does not place a ceiling on our renewable energy potential.

Investor confidence

Investor confidence is critical to the success of the Irish market and the capital investment, green energy, and jobs associated with the offshore wind sector need to be supported. An effective ORESS is a vital component to ensure Ireland's regulation, planning, policies, timeframes, investment and supports offer best in class business certainty and clarity. Regulatory conditions should support and empower renewable energy projects as a form of foreign direct investment that helps us meet our climate change targets.

The market exit of Equinor, a global energy supermajor and partner in a \$2.3bn, 1.5GW Irish offshore wind project has exited the market due to dissatisfaction with Ireland's regulatory and planning regime for offshore wind must not be repeated³. The offshore wind industry must be enabled to deliver a stable and steady supply of green energy which is critical infrastructure and to meet the energy demands of manufacturing and foreign direct investment.

The timely processing of applications for relevant project status will go a long way to instil investor confidence. However, without certainty and action, future investment will not be sustained, and may in fact go elsewhere.

Readiness of the Supply Chain

A progressive regime for offshore wind presents an unparalleled opportunity for Cork and Ireland — to foster ethical energy solutions, a resilient economy and address the climate crisis. There are opportunities for business and employment in supply chain, turbine installation and construction and technical innovation.

Cork and Ireland must be ready to compete as a destination of choice for investment where competing projects in the UK, USA and Asia are already well underway. There are currently only three suppliers of offshore wind turbines worldwide and overall, the top three manufacturers represented over 90% percent share of deployed turbines. The supply chain and gearing-up for large-scale assembly and installation of offshore wind farms will be critical.

Only a few European seaports are currently suitable for floating wind manufacturing, assembly, and servicing however the UK Government are actively investing to ensure their Irish and Celtic Sea facing ports are placed to compete directly with Irish counterparts.⁴ The readiness of Ports for equipment delivery and assembly on and offshore can be further enabled and Cork and Ireland can be a de facto-floating offshore wind hub in the Celtic Sea, as vision set out in the Cork Harbour Ready to Float Offshore Wind report published in 2021.

In summary, we urge for a stronger Government vision and supports for supply chain capture including ports, services, R&D and manufacturing.

³ <https://www.irishexaminer.com/opinion/commentanalysis/arid-40763970.html>

⁴ <https://www.maritime-executive.com/article/uk-and-scotland-agree-to-two-freeports-with-wales-expected-to-follow>

Stakeholder Engagement and Public Interest

Engagement and dialogue will be key to granting consent for offshore renewable energy projects in a way that complies with European environmental assessment obligations, facilitates Aarhus Convention compliant public participation, and gives Ireland a realistic chance of delivering new renewable energy sources allowing it to meet its 2030 climate change target. It is essential that Government facilitates and progresses a structured maritime forum in parallel with ORESS.

Preferred Option

We believe that “Option B” – The Competitive MAC process – is the option which is most likely to deliver the largest quantity of offshore wind energy by 2030 as it maximises the flexibility of the process.

Access to the process must not be prohibitive and must be focussed on ensuring a strong pipeline of projects is coming through. It should not be a pre requisite that consent is granted prior to application.

We believe that this flexibility will be important. It should be possible to amend the process in time to take learnings from the Phase 1 process, and adapt our activities during Phase 2, to ensure the delivery of the maximum amount of renewable energy onto our energy grid by 2030.

Reasons for not endorsing options A, C & D include:

Concern are that “Option A” – The Deployment Security option – will likely discourage firms from entering the auction process. Given that:

The security will be forfeited should the planning process reject the project, or

The security will be forfeited, and the MAC will lapse, should planning permission delays mean that the project will not reach Commercial Operation before 2030.

Therefore, there exists significant planning and administrative risks which are beyond the capacity of the developers to control.

This will exclude many smaller projects, leading to less competition in both Phase 1 and Phase 2 – raising costs for consumers. Relying on fewer, larger, projects also raises the likelihood that Ireland will miss our 2030 CO2 and renewable energy targets. This is because, if only one large project fails to be completed, then we will be significantly below our already conservative 5GW target for renewable offshore wind.

Options C and D are even less likely to deliver the required energy by 2030 and could severely overcomplicate the permits and permissions process, while also narrowing the areas where offshore renewable energy development can occur.

Hybrid Grid Connections

We agree that the concept and application of hybrid grid options should be facilitated, but also that singular grid connections are supported. A hybrid grid connection will by it’s very nature be more complex, administratively and commercially and the intention to facilitate as an option them should not be to the detriment of delivery. Ie. The option of hybrid cannot be to the detriment or exclusion of other methods of connection.

Innovation Categories



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A secure supply of renewable energy at a scale sufficient to comprehensively surpass our current goals can only be reached via multiple generation and storage options. We strongly believe that floating offshore wind must be supported by a significant starter allocation within the first phases on ORESS and that this should be set at a minimum of 1GW to deliver at a reasonable scale and to build knowledge and investor confidence.

Our report, Cork Harbour Ready to Float 2025 paints a strong picture of the latent potential to be untapped by taking strong steps in relation to floating offshore wind.⁵ Ireland has the opportunity to take a leadership role that not only benefits the sector, but the stability of European geopolitics, climate emergency, and the reputation of Ireland as an ethical and progressive location for inward investment.

In parallel, storage must be considered part of puzzle of offshore. It is an immense opportunity in its own right and is also critically necessary for as long as Shaping Our Energy Future remains in its conservative current format. There must be provision for hydrogen, battery and other storage options in an innovation category.

Conclusion

Renewable energy, of which offshore plays a crucial role, is the economic opportunity of our generation. A well-functioning ORESS is essential in making this opportunity a reality. It must support innovative technologies such as floating offshore, hydrogen and battery, which will very rapidly become essential to our energy future. Ireland must be powered by renewable energy and become a net exporter. The unique natural endowment of almost limitless maritime area and wind power is comparable to any mineral or energy asset globally. Any barrier to exploitation will be deemed inexplicable in the context of Climate Emergency and the current threat to democracy, human rights, sovereignty and Europe currently seen in Ukraine.

It is essential that the ORESS is globally noteworthy, and that it functions with utmost efficiency and clarity. Above all else, at every turn, it must deliver.

Yours sincerely

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Director of Public Affairs and Communications

⁵ <https://www.corkchamber.ie/wp-content/uploads/2021/02/Cork-Harbour-2025-Ready-to-Float-Offshore-Wind.pdf>