

Minister Eamon Ryan TD
Minister for Environment, Climate, Communications and Transport
16 – 17 Suffolk Street
Dublin D02 AT85

March 08, 2022

Dear Minister Ryan,

Re: Offshore Wind Phase 2 Consultation

Ennis Chamber is very interested in the Offshore Wind Phase 2 Consultation, especially given our proximity to Moneypoint, and in addition to identified sites (pending planning permission) for Offshore Wind Energy projects, off the Co Clare coast.

We strongly believe that maximising the potential of Ireland’s offshore renewable energy resources is the best way to ensure that our business sector has security of supply within the All-Island energy market.

Maximising renewables is also the best way to ensure that Irish businesses will have access to the most affordable forms of energy. Capturing our competitive advantage in renewables will be fundamental to decarbonising our society and, also in making the Irish economy fit for the 21st century.

Security of supply has been the principal concern of Irish businesses for some time, and recent geopolitical events only highlight the need to shift towards renewable sources at a greater pace than originally envisaged.

There are three areas within the consultation where we have strong views:

1. The preferred option for Phase Two,
2. Hybrid Connections, and
3. ‘Innovation’ Technologies

Regarding the appropriate option for Phase Two (Question 1 within the consultation)

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.

Our concerns 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 5GW target for renewable offshore wind.

Options C and D are even less likely to deliver the required energy by 2030 as they would severely overcomplicate the permits and permissions process, while also narrowing the areas where offshore renewable energy development can occur – they are more appropriate for consideration as options post-2030, once we have transitioned to the “Enduring Regime”.

We believe that even Option B, our preferred option, is unlikely to deliver the full 5 GW of offshore wind energy by 2030. Option B is our preferred option simply because it is most likely to deliver the most amount of offshore wind energy, and it maximises the flexibility of the process.

We believe that this flexibility will be important if it is to be possible to amend this 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.

Regarding Hybrid Connections (Question 10 within the consultation)

We believe that it would be sensible to consider hybrid connections as part of the project mix for both Phase 1 and Phase 2.

Given that thermal plants are already integrated into our national Grid this option would minimise the need to build new onshore infrastructure. Building onshore infrastructure to support the landing of offshore energy generation is likely to be one of the major constraints that limits this programme.

Facilitating projects that can make more effective use of existing infrastructure will greatly increase the likelihood that we will meet our national renewable energy targets, and our carbon emission targets. Excluding “Hybrid Connections” from the process will greatly undermine our potential to decarbonise our economy and will leave the business community open to greater security-of-supply risks.

Hybrid projects will allow for speedier delivery of large scale offshore renewable energy projects.

Regarding “Innovation Technologies” (Question 11 within the consultation)

The department has taken a very conservative view on the technologies it considers to be “Innovation Technologies”, many of these technologies are currently en-route to market, but unfortunately not the Irish market.

ScotWind has leased 11 sites for floating offshore wind in their most recent auction round. The largest floating offshore wind project, at 3GW, is larger than any of the projects currently under consideration by the Department for Phase 1 or Phase 2.

Businesses in Ireland, particularly MNC subsidiaries in the industrial sector, are actively seeking to integrate Green Hydrogen into their gas-powered energy mix but are unable to source Irish suppliers. Should they continue to be unable to do so, many will have to curtail their objectives of achieving their carbon neutrality targets which will damage the emission goals of their parent firms. This will undermine Ireland's attractiveness as a location for Foreign Direct Investment.

Furthermore, many green fuels projects do not need to have a grid connection associated with their activities, should the department choose Option C or Option D (which require a Grid Connection Assessments before seeking planning permission) there is a risk that Irish industry will lose out to other jurisdictions, which have more flexible and supportive approaches to emerging technologies.

Thank you for taking the time to read this submission.

Yours sincerely,

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CEO

Ennis Chamber

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