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Future Framework Consultation,
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By email to: FutureFrameworkpublicconsultation@decc.gov.ie

26th February 2024

Subject: Future Framework Consultation

Dear Sir/Madam,

Galetech Energy Developments (GED), part of the Galetech Group, would like to thank the Department of Environment, Climate and Communications (DECC) for the opportunity to provide a submission on the *Future Framework Policy Statement (FFPS) Consultation*.

Introduction

Founded in 2000, GED has been developing onshore wind, solar and storage projects over the past 23 years and we have entered the offshore wind space with keen interest to develop GW scale projects off the south coast of Ireland. GED is part of the wider Galetech Group involved in project development, management, and related services in the renewables sector. With over 130 employees, the group is Irish owned with its headquarters in Cavan and offices across our business divisions located in Ireland in Cork, Athy and Limerick and globally in Perth, Australia and Pretoria, South Africa. We have delivered 495MW of wind projects, we are developing a pipeline of 615MW, we own and operate 56.5MW of our own assets in Ireland in partnership with ESB and Greencoat Capital and we are also involved in a GW scale hydrogen project in Kenya. The environment and the communities in which we work are central to our values, ethos and development approach. While Ireland is our home and core market, we develop projects in other countries and provide services to other clients internationally. We both export our Irish based knowledge and bring back our experience from working with our global partners and clients. Further details available on our website www.galetechgroup.com.

We have focused on some key points from the FFPS below with some views to emphasise from our perspective.

1. Policy drivers, domestic & export market opportunities

We welcome that the key reasons in the FFPS for sustainably developing Ireland's offshore resource is aligned with:

- the policy driver of Ireland's Energy Security in Ireland to 2030 Energy Security

Package to decarbonise and grow the renewable base of the energy system;
and

- the three policy drivers of the national hydrogen strategy i.e. decarbonising the Irish economy, ensuring long term energy security and developing green industrial opportunities for energy utilisation and for export markets.

Looking at the results presented by Afry in their economic analysis accompanying the FFPS, there is a huge offshore renewable energy (ORE) domestic market and export markets opportunity for Ireland in achieving Ireland's commitment to 20GW by 2040 and 37GW by 2050 under the North Seas Energy Co-operation (NSEC). These targets will not be achieved by supplying Ireland's domestic market alone.

Offshore wind farms, power to X, electrical and pipeline interconnector infrastructure projects typically take ten years plus to develop through to operations after policy enablers or intergovernmental agreements are put in place. In that context, to achieve the 2040 target in the timeline from now to 2040, it is important that DECC progresses the actions in parallel under the FFPS that will enable both domestic and export routes to market, which will all contribute to achieving the three policy drivers of the FFPS and to achieving targets.

In that regard, we welcome actions 7 to 10 under the route to market section of the FFPS and action 20 assessing the viability of a hydrogen pipeline by 2040. However, it is important under action 13 that the various government departments and agencies are sufficiently resourced to achieve the timelines/deadlines set out for these actions, that all related offshore energy policies are aligned and that industry is consulted taking a proactive approach with government to work on the FFPS actions. We welcome the update from DECC during the consultation period that a joint industry government working group will be set up, which will facilitate proposals/inputs from industry to assist government departments and agencies in shaping and aligning interacting policies.

2. National Spatial Strategy, DMAP process & consenting regime

To introduce our comments on national spatial strategy, we would highlight that it was noted at the Offshore Wind Delivery Task Force (OWDTF) meeting on 31/8/23 that the 'National Spatial Strategy for Offshore Renewable Energy' (NSSORE) was to be the new title for the draft second Offshore Renewable Energy Development Plan (OREDPII) and that there was a lot of feedback during the consultation that was being taken into account for the final version of OREDPII/NSSORE. Subsequently, DECC published an independent report (by RPS) on 24/11/23 summarising public consultation feedback received on OREDPII.

While we note action 5 in the FFPS to establish a DMAP roadmap, there is no reference to a OREDPII/national spatial plan for offshore renewable energy in the FFPS. We are surprised by the absence of any reference to OREDPII/NSSORE.

Clarity would be welcomed on the status of OREDPII/NSSORE and clarification would be welcomed on action 5 of FFPS as to whether it is planned to issue a revised version of OREDPII/NSSORE as part of the process of establishing a DMAP roadmap or otherwise how the marine spatial elements will operate under Future Framework.

We are of the view that it is essential to underpin a “sub-national forward maritime spatial planning” DMAP roadmap with a national spatial strategy for offshore renewable energy. DMAPs should be technology agnostic to facilitate the evolution of all types of offshore technology development through various stages of technology/commercial readiness, which compete to become more cost effective over time.

Additionally, we understood from previous OWDTF meetings that DMAP guidelines were being formulated to outline methodology with criteria for selecting DMAPs, which were due in Q1 2024 however these guidelines are not included in the FFPS. It would be useful to build the formulation of these guidelines into the DMAP roadmap action 5 of the FFPS.

In relation to the future consenting regime and as policy makers set policy for the offshore wind sector as it transitions from developer led to plan led, we note the findings in section 1.3.2 of workstream 4 accompanying the FFPS, which compares the advantages and disadvantages of a hybrid plan-led regime to a fully integrated model and concludes that “the extension of the state’s responsibility to full project design, permitting and delivery of array cables is likely to yield little value”. We agree with this finding that the state should not take too much responsibility for project design, allowing flexibility in design envelopes and innovation and that the responsibility for this lies best with the expertise of developers.

3. **2GW “non grid limited” projects**

Terminology in earlier DECC consultations used ‘phase 3’ to describe 2GW of wind for non grid use, which has changed to “2GW of non grid limited capacity” under the FFPS. It is positive the FFPS has retained “capacity is targeted to be in development by 2030” however some clarification on the non grid limited terminology is needed.

Pointing to the fact that Eirgrid’s Shaping Our Electricity Future (SOEF) assumes this 2GW to be off grid, we note section 1.2.1.3 of FFPS appears to be aligned with Eirgrid’s SOEF assumption i.e. “This 2GW capacity is intended to provide the initial step to addressing challenges associated with grid limitations and will be procured in coordination with existing ORE development plans”, however in workstream 1 of FFPS it is stated that “all electrolyser capacities in this study are assumed to be on grid”.

Section 1.2.1.3 of the FFPS also states “non-grid limited projects (this could include projects that are shallow connected to the transmission grid)”.

From Q&A during DECC’s FFPS webinar on 1st February 2024, attendees were informed that this terminology has been used as there may need to be some kind of grid connection e.g. for supply to electrolyzers when the wind is not blowing. Such a connection would be a demand grid connection relatively small in terms of capacity compared to for example an export grid connection for 2GW.

If this 2GW capacity is to address challenges associated with grid limitations, there appears to be an inconsistency in the contents of the FFPS and an inconsistency with Eirgrid’s SOEF.

We would point to the consultation on Private Wires, which closed for consultation in

October 2023 and note that question 8 of that consultation asked if private wires should be permitted for the utilisation of the 2GW of offshore generation earmarked for hydrogen production. Our response to that consultation and that question was yes with our points on the benefits of private wire and that private wires should not only be permitted for the initial 2GW but should apply to all future non-grid connected offshore generation. We look forward to the publication of the private wire decision this year and we would expect that offshore wind producing renewable hydrogen will be permitted to utilise private wires i.e. off grid.

Considering the above comments, some clarity on the “non grid limited” terminology relating to this 2GW capacity would be welcome.

4. Route to market, support for alternative and export routes to market

We welcome actions 8, 9 and 10 of the FFPS for a competitive process for 2GW of non grid limited capacity, a successor to ORESS and assessment of enabling supports required for alternative routes to market. We also welcome the statement “Export only projects will also be supported via EU mechanisms such as the Joint Projects or the Cross Border Project processes”. Subsidies for green hydrogen production will need to be designed in consultation with industry, which need to be aligned with the related actions and workstreams under the National Hydrogen Strategy.

In transitioning from a developer led to plan led regime and noting action 6 in the context of actions 8, 9 and 10, it is important that any streamlining of the consenting process and support schemes are structured in such a way that the Maritime Area Consent (MAC) award process can facilitate alternative route to market/Power to X, corporate power purchase agreement and export route to market projects e.g. developer innovation around alternative routes to market, both domestically and for export, need to be facilitated from a MAC award perspective.

5. Hydrogen pipeline interconnection (repurposed and new)

We support the statement in the FFPS that “the upcoming DECC Offshore Transmission Strategy will explore the potential to develop multipurpose interconnectors in Ireland” and we welcome the statement under workstream 3 that there is a “credible case for export via pipe to the EU”. The question “whether to scale up domestic industry or export” is posed in section 3.2 of the FFPS.

Our view would be to develop a renewable hydrogen supply chain in Ireland utilising Ireland’s offshore renewable energy to generate renewable hydrogen in Ireland to maximise the use of that renewable energy domestically through creating a value product and export via pipeline to the EU aligning with the European Hydrogen Backbone vision, where there will be a huge European demand, which cannot be met alone by other EU member state’s domestic ability to generate the renewable hydrogen volumes needed.

Based on the analysis of workstream 4 accompanying the FFPS referring to figures 1, 2, 10, 11 and 15 in particular, such an approach to exporting renewable hydrogen (as opposed to greater electrical interconnection) would deliver most domestic value and employment to Ireland. Additionally, it is worth noting that the analysis of workstream 4 shows that the tax take benefit for Ireland relating to local hydrogen

generation and distribution is at similar tax take levels for floating offshore wind.

To align with action 20 of the FFPS, assessing the viability of a hydrogen pipeline by 2040, our view is that the DECC Offshore Transmission Strategy should include developing a renewable hydrogen interconnector for export (assessment of both repurposed and new hydrogen pipeline interconnection). We note that a faster timeline assumption than 2040 has been made by BVG Associates under workstream 4; “An export pipeline is developed for operation in 2035, capable of exporting 20 TWh of Hydrogen per year”.

We are of the view that if the necessary resources are committed to assessing a hydrogen pipeline interconnector, in particular assessment of the repurposing of the existing gas pipeline interconnection to the UK and transport to the EU via Project Union in the UK, a quicker timeline of mid 2030's could be achieved, which would be a first mover advantage and key enabler of an export market. Capitalising on first mover advantage is a point made in workstream 3 of FFPS: “Ireland should strive to exploit first mover advantage as there is currently small quantities of hydrogen production in Europe relative to demand.”

As well as assessing the feasibility of new hydrogen pipeline interconnectors, we would suggest the scope of the assessment under action 20 should also include assessing the challenges and provide recommendations on the actions to be completed to enable transport of renewable hydrogen via Project Union through the UK to the EU (e.g. repurpose existing gas interconnector(s), bi-directional flow between Ireland and UK, repurposing of/connection to the UK gas transmission backbone of Project Union then via interconnectors to the EU). We would like to draw your attention to a relatively recent MOU that was signed between British National Gas and Fluxys in Belgium to explore the benefits of a hydrogen connection between their respective infrastructures. Such a connection for example could potentially facilitate export of renewable hydrogen from Ireland to the EU via the UK.

It is essential that cross border consultation commences immediately between the stakeholders (government, state agencies, gas network operators) in Ireland, the UK and the European continent in order to identify the policy barriers that need to be overcome to enable an export route from Ireland to Europe.

6. Renewable Hydrogen Storage

We agree with the FFPS that storage is a key component of an ORE system in the context of storage being needed as part of an energy system with inherent intermittency and seasonality associated with renewable energy. We believe there is a need for large scale renewable hydrogen storage to enable a renewable hydrogen storage market in Ireland.

We note a number of points relating to storage under workstream 3 of the FFPS:

- “Any route to market will therefore require sufficient storage and infrastructure to link demand centres in Ireland and provide a credible export route to a major offtaker”
- “For larger storage, geological storage in salt caverns, saline aquifers or

- depleted oil and gas fields must be considered"
- Afry "...have assumed sufficient salt cavern storage to support this model without geographic and volume constraint...."

We agree with these points and note Afry's underlying assumption to support their model that there will be sufficient storage available.

We note a number of points relating to storage under workstream 4 of the FFPS:

- "Salt cavern storage facilities are developed with 10-year lead times to serve storage requirement".
- "It is expected that further policy announcements will be made, outlining the actions that must be taken to address hydrogen transport and storage. This is likely to include the use of the Southwest Kinsale reservoir for storage and reusing existing offshore infrastructure for transport given the difficulty in getting onshore landings approved. In addition, a study is set to be published on repurposing the gas grid for hydrogen transportation, if decommissioned".
- Section 1.5.2, to mitigate volatility, one of the contingencies outlined by BVG Associates to consider is that "DECC facilitates large scale hydrogen storage".

We agree with these points and welcome that there will be further announcements relating to storage.

While there are no specific actions under the list of 21 actions in the FFPS relating to storage, we would suggest that DECC consider adding specific cross references in the FFPS to the hydrogen strategy, which includes an action to facilitate the prospecting and development of underground hydrogen storage solutions and to the Energy Security in Ireland to 2030 Energy Security Package, which includes an action to finalise studies to inform development of long term gas storage solutions which can store renewable gas, in particular hydrogen.

7. Benefit to Ireland & Community benefit fund

Community consultation and engagement is core to our approach to developing projects in Ireland. We support action 21 to include CBF provisions in MACs (moving from ORESS), which makes sense so that CBF's are set up for all projects regardless of route to market.

Conclusion

We would again like to thank DECC for the opportunity to provide a submission on the *Future Framework Policy Statement Consultation*. We hope you consider our comments and we look forward to the publication of the policy statement later this quarter.

Yours Sincerely



Galetech Energy Developments