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26 February 2024

Offshore Environment and Future Development
Department of the Environment, Climate and Communications
29-31 Adelaide Road
Dublin 2
D02 X285

Submitted via email to: FutureFrameworkpublicconsultation@decc.gov.ie

RE: Consultation on the ORE Future Framework Policy Statement

To whom it may concern,

Wind Energy Ireland welcomes the opportunity to respond to the above consultation.

WEI is Ireland's largest renewable energy organisation with over 200 members who have come together to plan, build, operate and support the development of Ireland's onshore and offshore wind generation. We work to promote wind energy as an essential, economical, and environmentally friendly part of the country's low carbon energy future. As a leader in Ireland's fight against climate change, wind energy creates jobs, invests in communities, and reduces CO2 emissions.

WEI welcomes the commitments made by Government to prioritise the delivery of offshore wind for Ireland and the development of a longer-term plan for how this will be achieved. Setting out a clear, long-term policy framework is critical to building confidence in the market and making investments.

However, as recently shared with DECC, we were disappointed that the Future Framework Policy Statement, and associated economic analysis have been developed with limited industry engagement or input. We would like to draw attention to the time limitations that have been imposed on this crucial consultation. The Future Framework will form the basis for all future offshore wind deployment in Ireland for decades beyond 2030, and therefore is of significant magnitude. We are of the view that this extremely limited timeline reduces the opportunity to meaningfully consult with industry, and other relevant stakeholders, on the proposals and we would have concerns as to the ability for DECC to fully review, consider and apply recommendations made in submissions within the

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timeframe set out for Government approval and subsequent publication of this Framework in early March.

The ORE supply chain is now operating on a truly global scale, where competition is already high. With other neighbouring markets having already undertaken leasing rounds and developed project pipelines to meet their respective deployment targets, Ireland is in competition with these markets for access to turbines, towers, nacelles, ports, construction sites and skills. We are therefore disappointed that the draft Future Framework does not set out a more in-depth plan for how the 20 GW by 2040 target will be achieved, from a spatial, economic and policy perspective. Our understanding is that this will be set out via subsequent policy but there is a lack of clarity on when this policy will be developed and in place to give certainty to the market. Clarity is needed as soon as possible on aspects including delivery of DMAPs, scale and locations; MAC and development consent; auction timelines and route to market; and anticipated grid arrangements in relation to either securing the planned additional 9.5 GW of capacity between 2026 – 2030, or achieving 20 GW of deployment by 2040.

In addition to deferring each of these crucial policy decisions, the absence of a holistic roadmap to achieve 20 GW deployment within the draft Future Framework risks perpetuating uncertainties experienced in recent years as to how plan-led site selection, allocation of seabed exclusivity, award of grid capacity, development consenting and securing a viable route to market will all be integrated with each other. The Future Framework provides a timely opportunity to resolve these uncertainties and boost investment confidence, but only if the final version sets out a holistic roadmap which links together the arrangements for these processes, while also ensuring adequate time is taken to properly align the Framework with other related policies and analysis in development at the same time.

In light of this, and in response to the public consultation, WEI have framed our response based on the industry vision for what the Future Framework could and should look like, predominantly focused on the key priority actions for how we deliver for 2040, as summarised below, and, therefore, we have not provided a response to the individual questions as set out in the consultation document.

Summary of Key Priorities for Future Framework

- The DMAP roadmap and associated guidelines - which set out how, when, and where future development areas will be identified - should be clearly highlighted in the Future Framework as the primary action for the Government. In addition to the DMAP roadmap, the other priority actions should include policy development related to seabed allocation; development consent arrangements; route to market for both grid and non-grid options; technology development, particularly the opportunities to progress floating offshore wind; and long-term grid planning.

- Clarity is needed on how the Future Framework will integrate, coordinate, and align with relevant existing, forthcoming, and future government policies. Consideration must also be given to the use cases for the offshore wind capacity generated.
- The Future Framework sets out the components involved in the plan-led model, but not the sequence of these components. WEI suggest that DECC include an action in the Future Framework to develop the principles of the plan-led pathway in consultation with industry.
- DECC need to give consideration as to how the EU Acceleration Provisions are transposed in a timely and progressive manner to provide a tangible means to reduce significant consenting risks associated with the delivery of offshore wind proposals.
- WEI do not believe it is appropriate for the Government to take on the role of identifying, designing, and consenting of projects. There are numerous reasons for this which we have outlined in more detail in our response and which we would be happy to discuss with DECC in more detail following the consultation.
- It will be essential to ensure the State is sufficiently resourced to deliver all elements of the plan-led model, including the progression of current, planned, and future auctions and, in particular, the development of multiple DMAPs simultaneously.

We understand from DECC that the Future Framework policy will remain a 'living' document, with the key actions and implementation plan to be reviewed annually. WEI are supportive of this approach but would note that it will be important to ensure that the policy direction itself should not be subject to any significant changes each year as this would cause greater uncertainties and an inability for the offshore wind industry to plan ahead for the longer term.

To allow for the Future Framework to be developed and implemented in partnership, WEI welcome the proposal from DECC to establish a dedicated joint Government and industry forum which would work to deliver on the Future Framework actions over time. We consider that this could be achieved through inclusion of industry representatives within the Future Framework workstream, or dedicated subgroup, of the Offshore Wind Delivery Taskforce. We believe the taskforce has been an excellent initiative by the department, which has already reaped significant dividends, and we believe that working more closely together will be imperative to the future success of the offshore wind industry in Ireland.

ENDS

Yours sincerely,



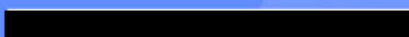


**WIND ENERGY
IRELAND**

Wind Energy Ireland Consultation Response – Consultation on the ORE Future Framework Policy Statement

26 February 2024

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Executive Summary

Wind Energy Ireland would like to thank the Department of Environment, Climate and Communications (DECC) for the opportunity to make a submission of the Draft ORE Future Framework Policy Statement Consultation. A cover letter to the submission has been sent alongside this document.

Given time constraint with respect to this consultation we have aimed to develop a response which has consensus of the industry. However, due to insufficient time our response does not focus on the individual questions posed in the consultation document. The following document acts as an Appendix to our cover letter and contains a summary of WEI's key perspectives and recommendations on the Draft Future Framework and sets out the actions which should be Government priority in the immediate term.

Primary Feedback on the Draft Future Framework

Key Priorities

- **The Future Framework must set out the key priority actions to focus on delivering in the immediate term, each of which should be delivered in a co-ordinated manner.** WEI would suggest that the focus for actions should be policy development relevant to:
 1. DMAPs and competitive MAC awards
 2. Auction design - to include grid and non-grid options
 3. Demand and Route to Market
 4. Technology development – FLOW opportunities
 5. Long-term grid planning
- Further details on these suggested priority actions are outlined later in this document.
- **The DMAP roadmap and guidelines should be clearly identified in the Future Framework as being the primary priority action for the Government.**

Action delivery and future management

- **WEI suggests that DECC establishes a dedicated joint Government and industry forum which would work to co-ordinate the delivery of the Future Framework actions.** The current process of designing proposed policy initiatives in isolation and then seeking feedback is not working and has unduly hindered the opportunity to achieve 2030 targets as underscored by recent EPA, SEAI and Climate Advisory Council projections. A new and more co-ordinated policy development model must be considered where government and industry work in tandem to deliver the ambition for 2040. We therefore support DECC's proposal of a specific Government and industry working group which will be tasked to manage the actions of the Future Framework.
- We understand that the Future Framework will be a 'living' document that will provide for iterative development of key action areas. We support this approach and the opportunity to have routine action reviews over the life of the policy and expect the joint industry/government forum will oversee this process. However, we would caution against committing to review schedules that will be challenging to meet and could create uncertainty rather than advancing actions or bringing much needed clarity. In addition, we would like clarity on how reviews of the Future Framework will align and interact with ongoing reviews of the Climate Action Plan (CAP).

Policy interaction and governance

- **Clarity is needed on how the Future Framework will integrate, coordinate, and align with relevant existing, forthcoming, and future government policies.**
- The Future Framework indicates ambition to deliver 20 GW by 2040 and 37 GW by 2050. Given that 5 GW of the total ambition is under Phase 1 and 2 policies, it will be important to understand how the Future Framework policies will interact with activities ongoing under earlier phases and ensure that emerging policy will not undermine delivery of this initial 5 GW.
- Clarity will also be required on the interaction of the Future Framework with other key policy areas. Interaction with policies such as the Climate Action Plan; Offshore Transmission Strategy; Private Wires policy; SEAI Technology Roadmap; Net Zero Industry Act; Renewable Energy Directive (RED III), National Hydrogen Strategy, Industrial Strategy and Port Strategy, to name a few, will be important to clarify in the updated policy statement. **A policy mapping exercise which identifies key interactions and a hierarchies would be warranted.** Such an exercise will fulfil the commitment contained in the draft National Energy & Climate Plan (NECP) to align all essential policy for ORE and will ensure the Future Framework is being developed in a mutually reinforcing, coherent and timely manner.
- Finally, as the European Commission has recommended a 90% net greenhouse gas emissions (GHG) reduction by 2040 compared to 1990 levels, Ireland's long-term plan must necessarily reflect such ambition in order to adhere to stated EU policy and indeed achieve the State's national climate objective and net zero no later than 2050 as enshrined in the Climate Acts.

Principles of Plan-led approach

- A key principle of the Future Framework is to progress the plan-led approach. The policy statement identifies the components of the plan-led approach in section 1.2.1 and table 2 as *DMAP*, *MAC*, *Route to Market (ORESS/PPA)*, *Grid Offer and Development Permission*, but it does not describe the sequence of these components. Understanding the pathway sequence and the division of the roles and responsibilities between project developers and State authorities will be key to the implementation of the plan-led approach and will help to determine the level of resources required by developers and State authorities.
- The current sequence under phase 2.1 is not a pathway that industry would support for future plan-led phases. While we recognise that it has been designed due to time limitations to deliver the 2030 targets and to reduce pressure on government resources, it is not best practise and has introduced significant risk in terms of the deliverability, given that MAC and Development Permission come after ORESS award.
- In addition, given that ORESS is now 5-6 years before Financial Investment Decision (FID), it forces industry to place bids which assume costs which are predicted at risk. The most important part of developing an offshore wind farm is securing development permission. Not only is it a necessary pre-condition to building the infrastructure, but it is only when planning is fully secure that the constraints which might be imposed on the project and the final detailed design can be understood, as well as having the certainty to agree and sign contracts with suppliers. A more appropriate pathway would be to ensure that MAC and Development Permission are in advance of ORESS (or route to market in non-ORESS schemes), as follows:



- We have not included ‘Grid offer’ in this pathway as it is not clear, in the currently grid constrained system with limited sight of plans for development post 2030, when the interaction will likely come for future framework projects. For instance: will grid availability guide the location of the DMAPs; or will DMAPs guide the development needs of the grid; or will it be more appropriate to align grid nodes with project areas which may be selected after the DMAP process. In addition, there needs to be consideration of non- grid connected projects within DMAPs. This all requires clarification. Future strategies such as the Offshore Transmission Strategy and EirGrid’s long-term grid implementation plans will be key to informing this.
- Permitting has been identified by the EU as a key barrier to the deployment of renewables across Europe. The EU has implemented and extended an Emergency Regulation¹ to accelerate the permitting process for renewable energy projects. These Regulations are currently in force and extended for a further 12-month period until June 2025. The EU has also included provisions related to permitting in the Renewable Energy Directives (RED II & RED III).² Ensuring prompt transposition of these Directives as well as integration of principles into the updated Planning and Development Bill should be a priority for government. Ideally, government should aim to transpose provisions in an anticipatory proactive manner and not wait for the deadlines (as per the precedent set in Germany and Belgium). However, we acknowledge that transposition process is complex and is likely to occur post DMAP development. Therefore, the opportunity to incorporate the principles of article 15 and 16 with respect to accelerated consenting timelines; mapping of renewable energy sites; development of Renewable Accelerated Areas (RAAs); and IROPI should be considered when developing guidelines and principles for initial DMAPs. These guidelines can subsequently be aligned with or superseded by such provisions as appropriate. The same is a prerequisite to mitigating consenting risks in real terms whilst complying with mandatory EU law requirements aimed at ensuring delivery of EU targets and climate neutrality by 2050.
- WEI recommends that DECC take some time to consider the principles of the plan-led regime to ensure that the pathways, interdependencies, and requirements for them are understood and clearly outlined. **We propose that an action be included in the Future Framework to develop the principles of the ‘plan-led pathway’ in consultation with the industry which takes account of relevant policy drivers.**

Plan-led roles and responsibilities

- The FFPS states that *“from 2030 onwards... Government will play an increasingly involved role during pre-construction stage ORE development including through the oversight and commissioning of marine surveys and environmental assessments”*. WEI believes that it will not be appropriate for the Government to take on the role of identifying, designing, and consenting of projects, as this would appear to go beyond the mandate of the Government as set out under the MAP Act. Therefore, we would request additional details from DECC as to the extent of what is being considered here.
- As per workstream 4³ of the economic analysis which accompanies the FFPS, it is stated that the main disadvantages to this would be:
 - The State takes on greater risk in the project development process. There is greater risk that misalignment between state and industry can lead to negative outcomes.
 - The increased responsibilities of the State in a plan-led model are associated with increased resourcing needs and administrative costs. If resourcing is not sufficient, State agencies can become the bottleneck, slowing deployment, and impacting investor confidence.

¹ <https://www.consilium.europa.eu/en/press/press-releases/2022/11/24/eu-to-speed-up-permitting-process-for-renewable-energy-projects/>

² https://energy.ec.europa.eu/topics/renewable-energy/enabling-framework-renewables_en

³ https://consult.decc.gov.ie/en/system/files/materials/509/Economic%20Analysis%20WS4_1.pdf

- Developers may see the market as less attractive as a lack of control over project locations makes it harder to develop a continuous pipeline.
- The analysis goes on to state that the extension of the State's responsibility to full project design, permitting and delivery of array cables is likely to yield little value. It is more likely to lead to inefficiencies in design and delivery and make Ireland a less attractive market for investment due to the additional project risk and complexities it introduces. As demonstrated through the examination of best practice in international markets carried out within the analysis, it is better to leave detailed wind farm design and array cables to industry. This is what industry is comfortable with and experienced in delivering.
- Furthermore, we believe that resource requirements for this would be significant. It is not just a consenting team that is required for a planning application process. Expertise in engineering, legal, procurement, stakeholder and commercial resources are also required to undertake a robust and fit for purpose planning application. For more challenging site locations, expert engineering and commercial teams will be required to ensure good understanding of sites; future market trends; and engagement with supply chain.
- In addition, there is considerable cost associated with early development. 12.7 GW of projects will likely exceed EUR 500m pre-auction. Is there a funding model envisaged for this at risk spend?
- Moreover, if DECC is to progress projects to planning stages, we estimate that this process could take 5-6 years before project areas are announced. If there are no opportunities to develop projects in this time beyond phase 1 and 2, then current industry representatives will likely redeploy to other markets, leaving a significant gap in knowledge and expertise in Ireland.
- Finally, while we acknowledge that government may be seeking ways to reduce the risk of project deliverability via a full state led approach, we don't agree that government applying to consent projects will ensure this. We propose that focus should be on robust DMAPs to deliver a pipeline of projects, which can be progressed through consenting by industry; to meet the 20 GW target.

WEI Proposals for Future Framework Priority Actions

1. DMAPs and competitive MAC awards

The primary action for the Future Framework must be the delivery of a clear plan-led system in 2024. **In the absence of a revised OREDP II/National Spatial Strategy, we propose that a "Strategy for DMAP Proposal Areas" is outlined by Q3 2024 at the latest.**

This strategy should identify a consistent methodology with key criteria for selecting DMAPs, and set out how these criteria will be applied. If the intention is that there will now not be a standalone National Spatial Strategy, key learnings and issues raised through the OREDP II process, including consistent DMAP processes and criteria, must be incorporated within the Future Framework. It is vital to avoid a piece-meal approach to planning for offshore renewable energy deployment. WEI have submitted detailed responses to consultations on the OREDP II, ORESS 2 auction design and South Coast DMAP proposal all of which included recommendations on what these criteria should be, and we would suggest these are considered when designing the strategy. At a minimum, the strategy should set out general areas where ORE development should be focused between now and 2040, which can accommodate both fixed and floating wind. Ideally it should also:

- Ensure alignment with the MAP Act, DHLGH guidelines and RED III with respect to renewable acceleration areas (RAA) to enable agile and responsive public policy in support of deployment of at-scale renewables.

- Identifying DMAP areas that are sufficiently sized to meet the 2040 targets (while ensuring significantly more than 20 GW of seabed is identified for 2040 delivery), with an allowance for attrition and sufficient scope to accommodate project level decisions on site suitability.
- Base the selection of DMAPs on the work already done under OREDPII and data collected under data procurement rounds. Ideally DECC should be using best available data for this initial process rather than seeking to procure all data first.
- Position DMAPs in locations which have access to sufficient grid and/or opportunities for alternative route to markets, such as hydrogen hybrid networks, and to significant energy demand (e.g. greater Dublin region) or “energy clusters”, and/or areas that can accommodate industrial development to create this demand, (e.g., Cork Harbour on the south coast and Shannon Estuary on the west coast).
- Propose a competitive MAC award mechanism via MARA for selecting and awarding project sites within the DMAPs. Criteria for MAC competition should be developed in consultation with industry but should take account of requirements to meet tests for fit and proper person, financial viability, and technical capability. Additional criteria which go beyond this could be considered for sustainability, innovation, and support for local supply chain. In addition, partnerships with large demand energy users could be considered as part of the criteria and would provide proof of viable offtake for non-grid auctions.

The successful development of a robust DMAP, which complies with relevant legal and regulatory requirements, is an enormous undertaking and the volume of work which DECC is putting into the development of the south coast DMAP should be acknowledged. **However, if we are to develop ORE at a speed which matches the Government’s ambition, the State should be sufficiently resourced to be able to develop multiple DMAPs simultaneously.**

➤ Considerations for MAC levies

We note that MARA’s recently published Levy Framework has the same levies as Phase 1 developments for offshore windfarms within the outer maritime area (i.e. beyond 3 nm), specifically €20,000 per km² per year⁴. We strongly advise this is reviewed for the Future Framework. The Phase 1 projects had already completed site investigations and significant design progression and, as such, applied for smaller, array sized areas at the MAC stage. For the future framework site development rights will be gained at a much earlier stage in the project process, therefore, significant MAC fees would not reflect the risk profile of projects.

In terms of site size, these will be dependent on data availability, and it is anticipated that in initial rounds of competitions for future framework, larger sites may be required so that surveys can be undertaken with buffer areas to inform EIA and detail design for the project. This is in line with DECC’s current South Coast DMAP methodology, where they have noted that the ORESS 2.1 auction site will be kept large enough to account for ground conditions data being unavailable at time of auction. Regardless of tender sites being DMAPs or sub-areas within, our recommendation on keeping a low site density still applies given the early stage at which developers will gain site development rights.

Regardless of whether the future framework adopts a competitive MAC model or an auction first model, development areas associated with a plan-led regime will be inherently larger and the associated large levies will ultimately be passed onto the consumer in higher bids to offtake auctions. The outturn MAC fee per MW should be consistent across all phases as the density will vary with conditions and circumstances. Thus, we advise adjusting the MAC levies for the plan-led regime to be broadly in line with Phase 1 on a per MW basis (rather than per KM²). An alternative option would be a stepped approach to MAC levies, whereby they are revised as certain development milestones are reached.

⁴ <https://www.maritimeregulator.ie/mac-levy-framework/>

➤ Considerations for multipurpose sites / colocation

Careful consideration must be given to the parameters and definitions of what this is. WEI believe this should be an option in the longer term for project developers but that it should not be a mandatory requirement or enforced for projects planned to meet 2040 targets. The requirement to co-locate can add significant uncertainty to consent applications and operations and maintenance (O&M) requirements. In addition, and from a policy perspective, it is currently unclear how such a proposal will be aligned with existing policy actions and a suite of policy in development, namely, National Hydrogen Strategy actions 6 & 13, and the forthcoming Offshore Transmission Strategy, SEAI Technology Roadmap, and updated National Ports Policy.

➤ Considerations for supply chain and skills

By providing DMAPs and timelines for MACs, a strong pipeline of viable development opportunities can happen. This in turn provides opportunities for development of a thriving and skilled work force to service these projects. Furthermore, by establishing resilient supply chains to support projects, we ensure a consistent flow of essential components, cutting-edge technology, and skilled labour, fostering innovation and cost reduction. Developing an effective Industrial Strategy will not only drive domestic economic growth and job creation, but will also facilitate knowledge sharing, collaboration, and technology transfer across sectors, which will form the basis of Ireland's business case in developing the sector for delivering an Irish ORE pipeline. The Industrial Strategy and Future Framework must align on this to ensure most efficient outcome in terms economic returns to the Irish economy.

2. Auction design

WEI believes that the proposed Future Framework should address the route to market for all grid and non-grid wind production, including power to hydrogen.

➤ Grid auctions

We welcome the intention to progress an application to the EU for ORESS supports post 2026 for 9.5 GW of grid connected auctions as outlined. However, we would like to see some clarity with respect to auctions planned under the current ORESS regime before end of 2025. We note that the NSEC timeline has indicated auctions within the next 18 months, but we have little to no clarity on this beyond ORESS 2.1. In addition, it will be important that government ensure no lag time between the end of the current ORESS and commencement of the next scheme. Therefore, it may be prudent to seek an extension of the current scheme to ensure a smooth transition.

Support schemes based on 2-way CfDs such as ORESS have been successful in many jurisdictions in ensuring the roll out of offshore wind projects as they provide certainty for project owners and financiers on revenue received for project output. Consistent policy on subsidy schemes is vital in encouraging and supporting investment by developers in a market and essential in building a domestic supply chain. As such, given the nascent nature of the offshore wind market in Ireland, WEI believe the 2-way CfD should remain a feature of the ORESS successor scheme, and that this intention should be communicated to the industry as soon as is practicable. Finally, we would encourage consideration now as to how future auction design will incorporate Non-Price Criteria as per the requirements of the EU Net Zero Industry.

With respect to the design of a competition for non-grid opportunities we recommend that MACs form the basis of this. The initial auctions could be considered for sites in the current south coast DMAP as well as on the east coast. Criteria for MAC competition should be developed in consultation with industry but should take account of requirements to meet tests for fit and proper person, financial viability, and technical capability. Additional criteria which go beyond this could be considered for sustainability, innovation, and support for local supply chain. This is likely to be required in the medium term via the Net Zero Industry Act (NZIA) proposal for a Regulation following provisional agreement by the EU institutions. In addition, partnerships with large demand energy users could be considered as part of the criteria and would provide proof of viable offtake. The current CRU consultation on Large Energy User Connections Policy as part of the National Energy Demand Strategy provides an ideal opportunity to lay down an enabling policy basis for such uses whilst simultaneously giving effect to the principles of the EU Energy Systems Integration Strategy.

Subsidies for the production of Hydrogen will need to be considered and designed in consultation with industry and developed in alignment with stated Hydrogen Strategy Action 8: *‘develop the commercial business models to support the scale up and development of renewable hydrogen including an initial 2 GW of offshore wind from 2030’*. This action must necessarily be aligned with action 8 of the draft Future Framework Policy Statement (i.e. *design a competitive process to procure 2 GW of non-grid limited capacity in 2025, to be in development by 2030*). Departmental oversight and governance arrangements for implementation must be laid down and reflected in the final Future Framework and National Hydrogen Strategy Implementation Plan.

3. Demand and Route to Market

➤ Demand and cost competitiveness considerations

The Future Framework needs to consider both the price of delivering 20 GW of offshore wind and the use cases for what Ireland would actually do with the 20 GW. We simply will not be able to “use” 20 GW of offshore wind if the economics of the power produced are not competitive in comparison to our neighbours, and therefore consideration must be given to ensuring Ireland implements an economically sustainable route to market both domestically and for export, which will help to reduce the price of delivering offshore wind, while maintaining a competitive and thriving supply chain. It is important that the drive to reduce the cost of electricity does not become a race to the bottom as this could exacerbate supply chain challenges which are already evident in the market. The EU and other markets are now advocating Non-Price Criteria in auctions as a means of combating these issues.

It must be noted that if we focus solely on exporting offshore wind by interconnection, then Ireland’s competition becomes the cost of our wind versus potentially cheaper options such as nuclear, for example. For Ireland as a net exporter, we need our marginal price of energy to be cheaper than the marginal price in France, the UK, Spain, Portugal, Germany, Belgium and the Netherlands. Therefore, prior to exporting our power, we should be maximising the use of that power domestically through creating value products and services.

The Future Framework should clearly set out the means to achieving the 2040 and ultimately 2050 targets. This needs to include an explanation of what the generation will be used for e.g., projected percentage for domestic use; industrial use, export etc. This should lead to an explanation of the pipeline that will be required to meet these targets. It may also set priorities in terms of, for example, domestic consumption first, followed by industrial processes and export. Such an approach could be informed by an integrated energy system model which considers the whole energy system and not just the power system. Similar recommendations have already been made in the National Hydrogen Strategy to *‘undertake a review of current approaches to energy systems planning and make recommendations to support a more integrated long-term approach to planning*

across the network operators including electricity, natural gas, hydrogen and water. It would be useful to understand how DECC plan to bring forward such a model as it would be beneficial to inform strategies across a number of policy areas, including Future Framework.

➤ Route to Market

Options to develop and grow route to market opportunities to meet both domestic and export demands will be essential for the delivery of robust and efficient offshore renewable energy sector. We welcome the efforts by DETE to explore domestic demand and supply chain considerations as part of the development of the National Industrial Strategy for Offshore Wind. We also welcome indications that future policy development is expected to include a consideration of the co-location of industrial demand for renewable energy with development of large offshore wind projects. Clarity on how the actions from the industrial strategy will integrate with Future Framework will be key.

WEI believes the delivery of energy infrastructure and port facilities will be critical to the delivery of our ORE potential. We support the intention laid out in section 1.2.1.4 of the draft Future Framework document to proactively plan both onshore and offshore grid infrastructure such that marine areas identified by the Government as being suitable for ORE deployment can be exploited to deliver the associated renewable energy. This action, coupled with consistent and supportive policy on a state backed subsidy such as ORESS, is imperative in delivering projects, especially in the near to medium term as alternative routes to market will take time to mature to a point where developers will be able to secure the financing required to construct a project.

Additionally, developers may achieve revenue stabilisation for their projects through a contract with a private enterprise e.g. PPA based on a CfD. These contracts have been instrumental in supporting the build out of onshore wind and solar projects in Ireland, however given the scale of offshore wind projects and scarcity of grid capacity this option has not been viable for the development of offshore wind. The facilitation of private wires and private networks is essential in order to open up non-grid routes to market e.g. through development of an energy park. Such options will allow direct connection between generation and customer, fostering a domestic industrial base and maximising the in-country benefits of offshore wind generation. To this end, the Climate Action Plan [Action EL/24/9] which requires the development of a private wires policy framework in 2024 must be actioned and delivered in an expedited manner.

Furthermore, while we note the intent to have 2GW of offshore wind dedicated to green hydrogen production “in development by 2030”, we also note the lack of progress with respect to a targeted subsidy schemes aimed at supporting green hydrogen production and adoption. We hope to see further details on Government initiatives to support green hydrogen on a domestic basis, as well as for export, in the upcoming National Industrial Strategy e.g. support for the development of hydrogen clusters as referenced in the National Hydrogen Strategy. Other jurisdictions have been leading the charge on this. For example, Germany has designated an offshore wind zone specifically for the production of green hydrogen and was also the first European country to announce a domestic application of the European Union’s Hydrogen Bank auction model, which enables Member States to support domestic projects in addition to the projects which were successful in the EU level auction⁵. Application of this auction to support green hydrogen projects in Ireland should be considered.

Finally, we believe that energy system integration should be a key priority for the Future Framework. The progression of energy system integration must be implemented by developing DMAPs for dedicated offshore wind earmarked for both onshore and offshore hydrogen production. This could leverage the use of hybrid

⁵ https://ec.europa.eu/commission/presscorner/detail/en/ip_23_5823

connections which better utilises the whole energy system (electricity and gas). This approach has been carried out in other European jurisdictions, for example, Germany⁶. Similar studies have been undertaken in the UK, most recently by the Net Zero Technology Centre.⁷ Implementing similar sector coupling in Ireland could focus on how to integrate onshore and offshore gas and electricity infrastructure to maximise the potential for ORE. Studies should be carried out to identify how best to optimise the use of new and existing infrastructure.

4. Technology development – FLOW opportunities

We support the actions in the Future Framework to consider a site specifically for floating offshore wind but expected significantly more detailed and ambitious actions. Action 1 is to “conduct a study to assess the potential to deploy floating offshore wind”. This is a considerable step backward from the commitments in the 2023 Phase 2 policy paper which targeted 2 GW of FLOW capacity in the South and West Coasts,⁸ and the potential for FLOW in Ireland detailed in the Draft OREDP II⁹.

Action 2 is to “investigate feasibility of a floating offshore wind demonstrator site”. While this action is welcomed, we would like to see a focus on ‘*acceleration of delivery*’ of a floating offshore wind demonstrator site, rather than ‘of feasibility’, by a stated date. We also seek to ensure that appropriate scale of demonstrator is considered in this exercise, on which industry is consulted in advance. Ireland’s ORE targets for 2040 and 2050 cannot be achieved with fixed wind alone, therefore ambition for a demonstrator in Ireland needs to be appropriately sized to catalyse this opportunity. There are numerous successful small scale FLOW test and demonstration projects in development and operation globally. Therefore, we consider that another small-scale test and demonstrator site would bring limited benefit to Ireland, particularly as commercial developments such as ScotWind and Round 5 in the Celtic Sea are on similar (and potentially earlier) timelines to the Future Framework. Ireland should, instead, capitalise on FLOW development to date and offer a landscape where developers and supply chain can progress more rapidly to commercial scale projects. We therefore propose:

- Pre-commercial demonstrators as a stepping stone to full commercial arrays, aiming for the first demonstrators to come on stream in the early 2030s, supported by a suitable subsidy.
- There is a commitment for MACs to be awarded for FLOW in, or before, 2026.
- As indicated the capacity considered for the site should be larger than current demonstrators, particularly for delivery in the early-mid 2030s.
 - Small test and demonstrator projects are the most expensive type of project to consumers due to economies of scale.
 - A small test and demonstrator will not be appealing to developers given global market for larger projects in the mid-2030s and will be in direct competition for supply chain and investment with larger projects in the UK Celtic Sea¹⁰, and Scotwind.¹¹
 - Small demonstrator projects are not appealing to supply chain (especially Wind Turbine Generator suppliers) therefore it is imperative that an appropriately sized demonstration project is offered to attract supply chain interest.
 - Given the need for a demonstrator to catalyse supply chain and port development and to act as a stepping stone for full commercial scale floating offshore wind, the process to select the

⁶ https://www.bsh.de/EN/TOPICS/Offshore/Sectoral_planning/Site_development_plan/site_development_plan_node.html

⁷ <https://www.netzerotc.com/wp-content/uploads/2023/09/NZTC-Hydrogen-Backbone-Link-Report-3.pdf>

⁸ <https://www.gov.ie/en/publication/f3bb6-policy-statement-on-the-framework-for-phase-two-offshore-wind/>

⁹ <https://www.gov.ie/en/consultation/7ad6f-the-second-offshore-renewable-energy-development-plan-oredp-ii-public-consultation/?referrer=http://www.gov.ie/OffshoreEnergyPlan/>

¹⁰ <https://www.thecrownestate.co.uk/our-business/marine/round-5>

¹¹ <https://www.offshorewindscotland.org.uk/the-offshore-wind-market-in-scotland/floating-wind-in-scotland/>

demonstrator location and scale should be informed by optimum location and proposal quality, rather than price alone.

- In addition to the UK, globally, 227MW was fully operational by the end of 2023 with a further 46MW constructed, 576MW consented or in the pre-construction phase, and 68GW in the planning system or with lease agreements¹². Europe is expected to have 330MW of floating wind in operation by 2024 with scale set to increase rapidly thereafter. France, Spain, Greece, Portugal, and Norway are all planning large scale auctions¹³ with an expected 3-4GW of FLOW operational by 2030 across Europe¹⁴.
- In order to move the sector forward in Ireland and to meet the ambitions for 2040, sufficient pipeline visibility will be required for FLOW. DMAPs should be completed in parallel with stepping stone projects and delivered in 2025. A stop-start approach to FLOW development in Ireland will not catalyse the necessary supply chain, ports or investment. The piecemeal approach seen to date with respect to specific DMAPs linked to relatively limited capacity is not a sustainable model and needs to be transitioned to meet the ambition of the timelines recently published by NSEC and to maintain investment opportunities.

WEI would suggest that the Framework recognise that Government will pursue the most appropriate technologies in terms of cost effectiveness, timely delivery and minimising environmental impact. This can mean that both fixed and floating have a place to be developed alongside each other in technology agnostic DMAPs.

With respect to the intention to consider an auction framework for floating wind, it will be important to capture the parameters proposed for this in the negotiations with the EU on the successor scheme to ORESS, in order to define a new auction regime for rollout post 2026. Further engagement with industry on anticipated LCOEs would be advisable.

More broadly, in order for Government to ensure that policy is kept in line with evolving technological innovation and development over time, WEI would suggest there should be periodic reviews to the ORE Technology Roadmap to 2050 which is currently being developed, as well as via continuous engagement with the offshore wind industry. Much of this could be facilitated through the Industrial Strategy's focus on Research, Development, and Innovation.

5. Long term grid planning

It will be important that the Offshore Transmission Strategy establishes the principles for grid expansion in the next 15+ years for Ireland which are echoed by the Future Framework. The strategy needs to convey a shift in mindset for offshore grid in Ireland in the longer term beyond the 2030 timeframe. For example, EirGrid's current focus is on delivering what has been set out in Shaping our Energy Future (SOEF) Roadmap for 2030. A separate workstream should be established to consider and set out an equivalent SOEF Roadmap for 2040. This should be looked at as an opportunity to develop a progressive offshore network and supporting interconnection to neighbouring jurisdictions.

A core goal of the strategy should be to aim for as much as possible of the 20 GW to "land" in Ireland, prior to being directly exported by interconnection. The strategy also needs to consider all options for grid including direct/private wires, hybrid connections, multi-purpose interconnectors (MPIs), as well as new and repurposed hydrogen interconnectors.

¹² <https://www.renewableuk.com/news/654282/Global-floating-offshore-wind-project-pipeline-grows-by-one-third-over-12-months-.htm>

¹³ <https://windeurope.org/newsroom/news/europe-can-expect-to-have-10-gw-of-floating-wind-by-2030/>

¹⁴ <https://windeurope.org/newsroom/news/floating-wind-is-making-great-strides/>

A proactive and comprehensive approach to grid development is essential, with a focus on large-scale reinforcements to achieve net zero. Given that history has shown that such reinforcements can take decades to implement, WEI believe that they should be prioritized now. We strongly advocate for the development of the grid to facilitate the decarbonization of not only the electricity sector, but the entire Irish economy. By building grid infrastructure in anticipation of new renewable and thermal assets, developers can deliver the generation assets necessary to decarbonize Ireland's electricity sector and, in turn, all energy sectors. WEI proposes that the current approach to planning, which primarily focuses on traditional electricity demand scenarios, should be replaced by considering the full electrification of transport and the production of hydrogen for a zero-carbon economy in all sectors.

ENDS