

## Consultation on the Offshore Renewable Energy (ORE) Future Framework Policy Statement

Submission by:

Shannon Chamber/AEC Business Forum/AEC Chambers

February 2024

### 1. Introduction

Shannon Chamber and the Atlantic Economic Corridor (AEC) Chambers welcome the latest opportunity to contribute to the realisation of Ireland's potential to become a net exporter of offshore renewable energy (ORE) based on the natural resources of its Atlantic and other marine and natural resources.

Our focus is on ensuring that the opportunity is realised in a way that maximises economic impact across the AEC while at the same time adding value to Ireland's economy and achieving carbon neutrality. Our contribution to the consultation process therefore concentrates on these aspects. We leave analysis of technological aspects to those with the detailed knowledge and expertise as researchers, developers, and operators in the sector. Our submission, therefore, puts forward:

- a number of key principles and points that we believe should guide the transformation of policy into action; and
- responses, where relevant, to a number of the questions posed in the consultation questionnaire.

## 2. AEC Chambers have Consistently Documented the Un-realised Potential of Atlantic Offshore Wind

From 2015, the Atlantic Economic Corridor (AEC) Chambers have demonstrated that the AEC region, on and off shore, is the ideal location in Europe for the production of clean energy. The designation of the corridor as a Strategic Development Zone(s) for the development of energy hubs would contribute enormously to the long-term viability of living and working along the western seaboard. It would help to accelerate Ireland's transition to a low-carbon, climate-resilient and environmentally sustainable economy.

We have been regular and consistent contributors on similar themes in the past. The February 2022 submission to the National Recovery and Resilience Plan was based heavily on the opportunity and economic potential of renewable energy. In the same month, a similar submission, was made to the Review of the National Development Plan (NDP). We also contributed to the Consultation on Developing a Hydrogen Strategy for Ireland in September 2022.

Our response (April 2023) to the draft Public Consultation on Offshore Renewable Energy Development Plan II (OREDP II) reiterated the principles and businesses cases made in previous responses to consultations by Government. We also participated in the November 2023 SME Offshore Wind Consultation meetings organised by Enterprise Ireland as part of the consultation process on the National Industrial Strategy for Offshore Wind. Our written submission confirmed previous points and offered suggestions on how to develop the SME supply chain for ORE.

## 3. Reaction to the Draft Offshore Renewable Energy Future Framework Policy Statement 2024

The AEC Chambers welcome the future framework's objective of ensuring that Ireland becomes a significant exporter of renewable energy. This is reflected in the targets of 5GW of ORE by 2030, 20GW by 2040; and at least 37GW in total by 2050.

We note the statement that the south coast Designated Maritime Area Plan (DMAP) was initiated for energy security reasons. We have previously outlined concerns that delays in development of other DMAPs will act as a barrier to investment in the enabling infrastructure and eco-system required to realise the AEC's ORE assets. We welcome the draft policy's confirmation that future DMAPs will explore the untapped potential of ORE in Irish Waters. This reinforces the [December 2023 statement by Simon Coveney, T.D., Minister for Enterprise Trade and Employment](#), that:

*“Government will also be assessing the potential for accelerating the development of a West Coast Designated Maritime Area Plan (DMAP) and examining the cost and viability of initiating floating offshore wind projects in this DMAP as Ireland seeks to support the development of this sector.”*

It is critical, as stated in the draft framework, that the DMAP methodology keeps pace with technological advances. It is also essential that the technical skills and resources required for DMAP

preparation are identified, secured and deployed in a timely manner. Delays will undermine Ireland's ability to develop competitive advantage and economic benefits from the ORE sector.

The AEC Business Forum's OREDP II submission, used UNIDO's work on mission-led industrial policy to provide a draft framework to illustrate how Ireland's ORE potential could be realised. Many of the sectors, areas of interest and enabling projects highlighted in this framework are included in the draft ORE future framework policy. Therefore, in answer to questions 1(a) and 1(b) in the public consultation process, we believe that the draft policy provides a high-level statement of the priorities required to realise ORE potential.

The six workstream reports (provided with the consultation) demonstrate that there is a significant level of detailed analysis which can be used to turn general priorities into an integrated implementation plan.

The November 2023 SME Offshore Wind Consultation meetings also revealed a range of suggestions that dovetail with the priorities in the draft framework, most notably:

1. The advantages accruing to SME clustering around ports as evidenced in other jurisdictions.
2. The criticality of assessing SME capability as sub suppliers.
3. The benefits that would accrue from the Government investing in building a demonstrator model.
4. The key role of planning in the development of the sector.
5. The need to assess and develop offshore wind sector skills, particularly at trades' level.
6. The need to incentivise activity in the sector.
7. Access to finance for SMEs to support new investment requirements.
8. The need to leverage off existing expertise.

Development, delivery and review of the ORE implementation plan is the critical next step required to transform policy to action.

We look forward to the National Industrial Strategy for Offshore Wind, due for publication by the Department of Enterprise, Trade and Employment in March 2024. This is exactly what was envisaged in our OREDP II submission. It is essential that policies, funds and action are in place to provide the critical infrastructure and other enablers required to ensure that all elements of the offshore wind energy supply chain are present across the AEC.

#### 4. Key Ask: Ireland needs a delivery agency to drive realisation of the ORE opportunity

Ireland is a leader in the attraction of foreign direct investment (FDI) and development of export-led Irish technology businesses. This is based on decades of joined up thinking between government, policy making ministries, agents of delivery (IDA, Enterprise Ireland, ...), universities and research institutions and other key partners in the business eco-system.

The renewable energy sector has become the dominant sector in FDI across the globe. Ireland leads the world in attraction of FDI but does not feature as a global destination for the wind energy sector.

Our **Key Asks**, as stated in previous submissions to Government, are that Ireland needs a Dedicated Delivery Agency with the Assets and Resources to realise the offshore renewable energy development opportunity. Key elements include:

- **Specific & Clear Commitment in ORE National Plan**
  - AEC Economic Zone to realise ORE economic opportunity.
  - AEC EZ part of core EU Atlantic infrastructure status.
  - Capital funds in place for delivery.

#### **5. Dedicated Delivery Agency with Assets & Resources**

- Taoiseach chaired cabinet sub-committee to drive mission-led industrial strategy for ORE.
- Delivery agency with responsibility and authority.
- With control of assets and delivery agents.

- **Clear Action Plan, Responsibilities, Timelines & Deliverables**

- Action Plan for ORE and low-carbon, high-value economy agreed.
- KPIs agreed.
- Regular monitoring, review and re-focusing of goals.

We look forward to assisting the Department of Environment, Climate and Communications (DECC) and the Department of Enterprise, Trade and Employment (DETE) in their work to ensure that Ireland captures the economic benefits associated with the development of the sector in Ireland.

## 5. Responses to Questions Asked in the Draft Future Framework Consultation Process

In response to questions 1(f) and 1(g), we recommend (as outlined in our OREDP II submission and subsequent interactions with Government ministers) that a delivery agency is required to turn Ireland's potential as a high value-added net-exporter of renewable energy into reality. This agency would work in the space between investors and policy makers. Its role would be to ensure that the eco-system is aligned and that there is a clear and consistent approach to attracting and securing investment.

The draft framework's Action number 18 provides for DECC collaboration with DETE and other key stakeholders to explore potential investment incentives which could be developed to encourage both domestic investment opportunities and foreign direct investment in domestic supply chain facilities. We welcome the whole of Government and horizontal approach. But there is a risk that everyone is involved but yet there is a lack of clarity on who is responsible. Delivery will require the recommended implementing agency. Policy development/oversight and implementation are two vital but different activities.

Questions 4(a) and 4(b) also link with the implementing agency recommendation. Lessons on implementation of the ORE opportunity can be learned from Shannon's experience with development of the aviation industry supply chain.

Plans to develop, what has since become a successful aviation cluster, began in the late 1980s and early 1990s in Shannon. GPA Group plc had, from small beginnings, become the world's largest aircraft leasing company from its base in Shannon. Its large-scale financing and acquisition of aircraft from international manufacturers such as Boeing and Airbus created significant leverage which was used to attract investment in other elements of the aircraft industry supply chain.

State agencies Shannon Development, Shannon Airport (then Aer Rianta), the industrial training authority (FAS), Clare County Council and the private sector worked together to create the critical ingredients. This included assembling and master planning land banks for what was then known as Shannon World Aviation Park. Shannon Development developed the infrastructure to create new industrial parks and provided incentives to encourage investment by GPA, Lufthansa and Swissair in large-scale maintenance, repair and overhaul facilities and businesses. Shannon Airport developed new hangars on the airfield. An awareness programme and roadshow was implemented to encourage future school leavers and young people in technical jobs (e.g. car mechanics, electricians, ...) to consider training as aircraft maintenance technicians (AMTs). Shannon Development provided training grants to investors to enable FAS to develop a tailor-made programme to deliver almost 1,000 newly trained AMTs. Training took place at FAS in Shannon and Lufthansa MRO facilities in Germany during the two to three-year planning and construction period.

Today, Shannon is home to the largest aerospace and aviation cluster in Ireland, with over 50 firms and growing steadily. The Shannon aviation cluster spans the industry value chain, encompassing everything from aircraft leasing, maintenance and recycling to component manufacture, parts repair and business aviation. Shannon Development acted as the implementing agency for transformation of the concept of an aviation cluster, based on strength in aircraft ownership, into a real and significant generator of employment and value added. Shannon Commercial Properties continues to promote and grow the cluster today as part of Shannon Airport Group.

The key lesson for realisation of the ORE opportunity, is that an implementing agency is required to work hand in hand with key public and private sector stakeholders to convert the shared vision into reality. The benefit of doing so is illustrated in the example of how Shannon's aerospace and aviation cluster developed. This demonstrates public private best practice – it had a central core objective, aligned all stakeholders, allowed for public scrutiny, investment/investor certainty, maximum effective use of all resources and a valued contribution from all stakeholders. The realisation of the ORE opportunity warrants the adoption of the same strategic approach.

ENDS

## Question 1

### **1(a). Has this section adequately identified the general key priorities for ORE delivery in Ireland? Are there additional priorities that should be integrated into the holistic, plan-led approach?**

The AEC Business Forum's OREDP II submission, used UNIDO's work on mission-led industrial policy to provide a draft framework to illustrate how Ireland's ORE potential could be realised. Many of the sectors, areas of interest and enabling projects highlighted in this framework are included in the draft ORE future framework policy. Therefore, in answer to questions 1(a) and 1(b) in the public consultation process, we believe that the draft policy provides a high level statement of the priorities required to realise ORE potential.

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### **1(b). Has each key priority been adequately described and considered all relevant components?**

Vii Technology and supply chain development.

Yes, aligns with OREDP II. But should provide more details on potential sectors and projects - e.g. yellow boxes in mission diagram.

Viii Understand need for proximity to ports and other enabling infrastructure.

In some cases, there may be a need to invest to fill gaps. So, absence of infrastructure is a problem to be solved rather than a reason for inaction.

Welcome the whole of Government and horizontal approach. But risk that everyone is involved but lack of clarity on who is responsible. We would still argue that there is a need for an implementing agency. Look forward to proposals in this regard in forthcoming Industrial Strategy due for publication in March.

**1(c). How best should the 2GW of non-grid limited offshore wind capacity be procured?**

**1(d). What are your views on the design parameters for the successor scheme to ORESS, what else should/should not be considered?**

**1(e). What frameworks and/or supports are required for alternate routes to market such as CPPAs, Power-to-X projects, interconnector-hybrid projects and export projects?**

**1(f). What additional capacities and responsibilities should be held by industry in the context of the plan-led approach?**

In response to questions 1(f) and 1(g), we recommend (as outlined in our OREDP II submission and subsequent interactions with government ministers) that a delivery agency is required to turn Ireland's potential as a high value-added net-exporter of renewable energy into reality. This agency would work in the space between investors and policy makers. Its role would be to ensure that the eco-system is aligned and that there is a clear and consistent approach to attracting and securing investment.

The draft framework's Action number 18 provides for DECC collaboration with DETE and other key stakeholders to explore potential investment incentives which could be developed to encourage both domestic investment opportunities and foreign direct investment in domestic supply chain facilities. We welcome the whole of government and horizontal approach. But there is a risk that everyone is involved but yet there is a lack of clarity on who is responsible. Delivery will require the recommended implementing agency. Policy development/oversight and implementation are two vital but different activities.

**1(g). How can Government facilitate a more comprehensive and streamlined engagement process with developers to ensure national ORE targets are delivered?**



## Question 2

**2(a). What grid infrastructure should be of particular focus in facilitating the build-out of capacity to support ORE generation targets?**

**2(b). In relation to National Security/Department of Defence interaction with ORE development, are there any issues you would like to highlight?**

## Question 4

**4(a). What structures, measures, and interventions can the state and state agencies implement to assist in the development of a long-term, sustainable skills and workforce pipeline? Provide any recommendations on what the State can do to promote careers in ORE across a range of educational backgrounds and movement from other relevant sectors.**

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**4(b). Are you aware of initiatives in other jurisdictions or at a European level that would be relevant to Ireland’s ambition of building a sustainable skills and workforce pipeline for offshore wind?**

**4(c). To what extent should an emphasis be placed on multipurpose sites for ORE delivery, including the colocation of devices? What Government structures should be developed to encourage and facilitate progress in this aspect?**

**4(d). How can Government ensure policy is kept in line with evolving technological innovation and developments in ORE devices? What structures and government procedures should be implemented to future-proof the ORE planning process and account for technological shifts?**