

Friends of the Earth

Submission to DECC Consultation on the offshore renewable energy (ORE) Future Framework Policy Statement February 2024

# Introduction

Friends of the Earth Ireland is a community at the heart of the growing movement for a just world with zero pollution. We campaign and build movement power to bring about the system change that is needed for a just world where people and nature thrive. We promote education and action for environmental sustainability and justice and focus on Ireland's response to the big environmental challenges of our time, including the climate emergency and the achievement of the Sustainable Development Goals. We support people and groups working autonomously to connect their local work to the bigger national and international picture. We have particular experience in participatory education, campaign strategy, shaping public debate and driving policy change.

Friends of the Earth welcomes the opportunity to respond to this consultation. Due to capacity constraints, Friends of the Earth is not in a position at this stage to provide a detailed response to all issues raised. However, we would strongly encourage DECC to review analysis and recommendations from our networks and affiliates to the European Commission's Feb 2024 Call for Evidence on the designation of renewables acceleration areas. We have **attached** to this consultation response the submission responses from **1) CAN Europe and 2) Renewables Grid Initiative** which directly address many of the same questions set out in DECC's consultation. We welcome the opportunity to engage further on these recommendations.

We have also raised comment on specific ORE areas in the subsequent sections.

# **Our Energy Future**

- Issues relating to environmental assessment as part of offshore wind rollout including (monitoring, planning, NGO support, data collection, role and resources of relevant state agencies, MPAs and community engagement) are currently being considered as part of a a multi-stakeholder engagement project led by Friends of the Earth together with EirGrid and RGI in October 2022 ('Our Energy Future'). Notes of workshops under this project are available here - <u>https://www.friendsoftheearth.ie/get-involved/projects/ourenergy-future/</u>
- In October 2023, project participants produced joint industry-NGO recommendations to Government on investing in environmental capacity in the context of renewables and grid rollout. This is available here - <u>https://www.friendsoftheearth.ie/press/renewablesindustry-and-environmental-ngos-in-joint-call-for/</u>
- We are in the process of working on a more detailed joint declaration on these areas and hope to launch in Q2 2024. We would welcome the opportunity to discuss this project and results with the Department.

# **Energy Security and Gas Lock-In Risks**

 We strongly endorse and welcome references to energy security benefits noted in this consultation. We consider one of the primary weaknesses in Irish energy security to be an increasing reliance on fossil methane gas and associated imports. While evidently gas is necessary to support Irish electricity generation in the short to medium term, we have considerable concerns regarding the development of new gas infrastructure which would lock Ireland into fossil fuel use for decades to come. We have particular concerns that increasing gas generation and gas supply infrastructure may crowd out, or have a chilling effect on, renewables, storage or green hydrogen in 2030s when these technologies are likely to come on stream.

- We strongly welcome statements made in the Government's November 2023 Energy Security Package concerning the energy security benefits of indigenous renewable development and demand reduction. We recommend that energy security objectives and fossil fuel reduction targets are integrated into the ORE framework.
- It is important that ORE Framework incorporates UCC analysis of carbon budget-aligned energy scenarios in line with assessments carried out for the energy security review package. This includes the importance of ORE rollout to reducing reliance on gas. We encourage DECC to examine <u>UCC analysis</u> on Irish electricity and gas demand to 2050 in the context of climate commitments in this regard. This notes:
- "Any failure to rapidly deploy far greater renewable electricity capacity in parallel would lead to an increased utilisation rate of natural gas capacity, with consequent increase in emissions and risks to Sectoral Emissions Ceilings.
- While additional natural gas-fired power capacity is necessary in all scenarios, the share
  of time that natural gas capacity is used must be more than halved this decade for natural
  gas usage and CO2 emissions to reduce in line with the Sectoral Emissions Ceiling. This
  cannot be achieved without a very rapid acceleration in renewable electricity capacity
  deployment around 15 GW of new wind and solar capacity this decade and this
  challenge is amplified with higher demand growth from data centres.

# Green Hydrogen development

- We recognise that green hydrogen as an important means of supporting decarbonisation in the context of increasing renewables development. Our central concern is that green hydrogen development may be inappropriately put forward as a means of propping up or furthering expansion of gas network assets.
- While not the subject of the ORE framework, it is important that DECC note that green hydrogen will not be a one-for-one replacement for fossil gas given it is highly unlikely to be produced in sufficient volumes and given challenges associated with its development and transportation. Green hydrogen should be prioritised in those sectors where no alternative exists (e.g. shipping, fertilisers, steal). Analysis of renewable hydrogen demand in those priority sectors as well as a supply potential assessment should be a prerequisite for future infrastructure support.
- We are mindful of the significant increased cost associated with hydrogen injection into the gas grid. Given that future green hydrogen demand will likely be focused on particular sectors, the CRU should closely examine the risk that hydrogen development is cross-subsidised by customers who will do not stand to benefit from this decarbonisation measure.
- In relation to hydrogen readiness, the European gas distributor group Ready4H2 noted in 2021 that the majority of members would not be ready for hydrogen until 2040. According to the group's report, *Ready4H2: Europe's local hydrogen networks*, only 24%

of its members will be "fully ready" for 100% hydrogen by 2035, and only 67% say they will be by 2040.<sup>1</sup>

- ACER published a report last year on <u>repurposing pipelines for hydrogen</u>. The report found that it only made sense under three conditions:
- 1. the presence of loop (parallel) lines in natural gas pipeline systems, so that at least one string could be repurposed to pure hydrogen,
- 2. security of gas supply to consumers is ensured during the conversion phase to pure hydrogen,
- 3. sufficient hydrogen market uptake in the area serving a pure hydrogen corridor. The report goes onto conclude that it is "uncertain when and where these conditions for repurposing would be met across Europe, and whether they will be met at all."

Friends of the Earth previously made a detailed submission in response to the Department's consultation on this issue. Below we have highlighted some of our main recommendations from this submission and would welcome the opportunity to engage further with the Department at a later stage on the development of a new hydrogen strategy.

**Recommendations:** 

- Ensure that green hydrogen is not used as a means of propping up or furthering expansion of gas network assets and supporting continued gas usage.
- Guarantee a complete separation between the ownership, control, and operation of fossil gas and hydrogen assets.
- Ensure that green hydrogen is prioritised in those sectors where no alternative exists.
- Prioritise the development of offshore wind energy to meet green hydrogen electricity consumption.
- Guarantee that regulatory incentives are only granted to green hydrogen produced from 100% additional renewable electricity.
- Exclude hydrogen blending to enable a targeted use of hydrogen.
- Ensure that innovation funding is not incorrectly used or intended to extend the life of assets which would otherwise be phased out as part of eventual system decarbonisation.
- Green hydrogen development should not result in the deprioritisation of measures with lower costs, higher efficiency and greater mitigation potential.
- Hydrogen production should not eat into existing renewable electricity generation. Hydrogen deployment which is not based on additional renewable generation may significantly increase electricity demand and energy costs.

# Renewable CCPAs and Data Centre Development

- We are concerned that use of renewables CPPA by increasing numbers of data centres will 'crowd out' renewables development which would otherwise be used to decarbonise the Irish electricity system. i.e. the applicant is seeking to make use of a renewable project that would otherwise be used to ensure emissions reductions nationally. UCC MaREI have indicated on the basis of their TIMES Ireland Model and SEC analysis that 'If significant growth in future renewable electricity generation is ultimately required mainly to serve strong data centre demand growth, this will further limit the potential for transport, buildings and industry sectors to meet their decarbonisation commitments. This is the case as replacing fossil fuels through electrification is also among the most cost-effective and

<sup>&</sup>lt;sup>1</sup> See also <u>https://www.rechargenews.com/energy-transition/gas-distributor-group-ready4h2-says-majority-of-members-would-not-be-ready-for-hydrogen-until-2040/2-1-1123484</u>

achievable mitigation measures available in these other sectors.'2

<sup>&</sup>lt;sup>2</sup> <u>https://www.friendsoftheearth.ie/assets/files/pdf/ucc\_marei\_-\_research\_report\_-\_final.pdf</u>