

Future Framework consultation
Offshore Environment and Future Development
Department of the Environment, Climate and Communications
29 – 31 Adelaide Road
Dublin,
D02 X285

By email: (FutureFrameworkpublicconsultation@decc.gov.ie)

26 February 2024

Re: Consultation on the offshore renewable energy (ORE) Future Framework Policy Statement

Dear Sir/Madam,

Ibec, the group that represents Irish business, welcomes this opportunity to present its views on the Future Framework Policy Statement (FFPS) for offshore renewable energy (ORE). Ibec is Ireland's largest business group. We speak for businesses across a range of industrial, commercial, and non-profit sectors. The organisation and its sector associations strive for business conditions that enable sustainable economic growth.

The opportunity: ORE and a competitive net zero economy

Through the Climate Action and Low Carbon Development (Amendment) Act 2021, Ireland has set world-leading targets to reduce GHG emissions and establish a net zero economy by 2050. For Ibec, this ambition must be realised. In a world where investment, talent, and consumers increasingly follow environmental sustainability, the transition to net zero is now both an environmental and economic imperative.

Ireland's capacity to transition to a net zero economy is contingent on the timely delivery of targeted ORE. A modern, renewables-led and decarbonised power system with offshore wind will be the bedrock of our future energy system. If we can deliver on this ambition and maximise the economic return to the State, Ireland can boost its competitiveness, establish itself as a leader in green enterprise, and grow its enterprise base on the back of increased renewable electricity supply.

The Challenge: Delays to infrastructure delivery

Ireland's net zero transition is hindered by the incredibly slow pace of infrastructure delivery across the country. This is especially evident in efforts to build strategic energy infrastructure. Energy projects can take over a decade to bring into operation. Ireland's 2030 (7GW) and 2040 (20GW) targets for ORE are already at risk. While this consultation is focused on the future enduring framework for ORE post 2030, early delays and failures now to build the enabling infrastructure, establish clear routes to market, mobilise supply chains, and attract investment, will undermine the long-term pathway to 2050. Ibec is supportive of the plan-led ecosystem-based approach being pursued by the Department and the Maritime Area Regulatory Authority (MARA). However, Ibec is concerned by the slow pace of policy development, the linear sequencing of critical steps in the process, and the uncertainty regarding route to market for offshore wind and hydrogen.

The Draft ORES FFPS

Ibec members have raised several concerns with the current draft and the short timeline for consultation. Given the FFPS must set out a clear roadmap for how ORE will be delivered over the next two decades, members expected a longer period of consultation with more interactive opportunities for stakeholder input. Members were also expecting to see more detailed proposals, tasks, and proposed timelines at this stage. The current draft simply does not provide the level of detail required given work of the future framework needs to begin immediately.

Ibec recommendations

For Ibec, the ORE FFPS is an opportunity to focus minds and resources on resolving the issues raised above and deliver a higher level of investment certainty for the industry. The FFPS must provide a detailed timeline/pathway for the delivery of ORE over the next two decades. Ibec does recognise that resources within Government and key agencies remain limited. Therefore, we propose that the following four areas be prioritised.

1. Establish a detailed roadmap for Designated Maritime Area Plan development and greater clarity on Maritime Area Consents (MACs).

The current framework for offshore wind delivery is extremely linear in nature. The development of DMAPs must precede the awarding of MACs which in turn are required ahead of a planning application, and the granting of site investigation licences for surveying. There is a logic to this approach, but it means a delay at any stage could threaten the delivery of critical projects. Because the creation and

finalisation of DMAPs represent the first critical step in this process, Government must prioritise the completion of the first DMAP for the Southeast by Summer 2024, and award MACs through a competitive process for the sites identified in this DMAP as soon as possible. Government must develop a detailed roadmap for the development of future DMAPs.

If the plan led approach is to be successful, there must be multiple opportunities available for developers in Irish waters at any one time and thus the state needs to focus on designating sites. Ibec has concerns that the state may take a more active role in developing individual sites (i.e. obtaining the necessary consents and permissions before auctioning the site). A more pronounced state role in the Development of sites, will necessitate a greater level of state resources being committed to the process, which exacerbates the potential for delays in such a linear process.

It is also unclear in the draft how this DMAP roadmap will align with draft Offshore Renewable Energy Development Plan II (OREDDP II) and the designation of Marine Protected Areas (MPAs).

Clarity on the process for the awarding of MACs is also needed as soon as possible. Once MACs are awarded, developers can begin early-stage development works and begin preparations for applying for planning permission and route to market auctions. Ibec favours a competitive process which will send a strong positive signal to developers and investors.

2. Ensure a dynamic and competitive route to market for ORE and alternative routes to market.

Because the ORESS scheme expires at end-2025 a new scheme must be set up without delay to ensure a smooth transition in the market. The new scheme must be designed, EU State-Aid approved, and in operation by 2026. This should target at least 9.5GW for deployment from 2033. Clarity is also needed on the demand route to market for non-grid capacity and the 2 GW target. The current plan is to have a competitive process to procure 2GW of non-grid limited capacity in 2025 for development by 2030. With significant investment within the hydrogen industry pending, clarity is needed on this as soon as possible. For Ibec. Hydrogen production supports must form part of the design framework for the ORESS successor, to ensure that renewable hydrogen can be derived from offshore wind from the early to mid-2030s. In addition to the successor scheme to ORESS, alternative routes to market such as projects financed by merchant means or and Corporate Power Purchase Agreements (CPPAs) should be part of the new framework.

3. Set out a clear vision for ORE end use and new demand opportunities

With so much focus on establishing the system and processes to support ORE delivery, there has been very little attention given to the future demand and end uses of the associated renewable electricity, particularly during periods of surplus generation. Ireland's current peak usage is approximately 7GW. Ireland is targeting 37GW of offshore wind alone. This means there is immense economic potential, beyond simply exporting the surplus energy, in energy storage, hydrogen production, zero carbon industrialisation, and other areas. A failure to plan for this could not only result in missed opportunities, but also impose unnecessary costs on users, and undermine investment in renewable energy projects. The FFPS must support efforts to capture the largest amount of ORE energy generation as possible. It must be directly aligned with the forthcoming National Industrial Strategy for Offshore Wind, the National Hydrogen Strategy, interconnection policy, the forthcoming industrial and commercial heat roadmaps, and Irish enterprise policy more broadly. Ibec sees immense potential to not only decarbonise existing businesses but attract and develop new industries in all regions of the country.

4. Grow indigenous supply chains, support local talent, and invest in enabling infrastructure.

To support the delivery of projects, scale up the industry, and maximise the return of ORE investment to the State and local communities, Ireland must grow indigenous supply chain capability, address local skills shortages, and invest in enabling infrastructure e.g. the transmission system, interconnectors, ports, and roads.

Increased interconnection will form an important feature of Ireland's future zero carbon energy system. However, the Economic Analysis of interconnectors accompanying this consultation indicates that Ireland will be a nett importer of electricity in 2030 and 2040. It is vital that the value of additional interconnection is appraised thoroughly, and each project is subject to a comprehensive cost-benefit analysis that considers the total cost and value to the end user.

Ports are particularly critical to the delivery of ORE and are needed at all stages including surveys, installation, operations, maintenance, and decommissioning. The FFPS must be aligned with the forthcoming National ports Policy. At the same time major investment is needed to expand and modernise Ireland's grid. Ibec strongly supports EirGrid's Shaping Our Electricity Future roadmap to deliver transformative change to the grid to support increased renewables including ORE.

Future engagement

We remain at the Department's disposal for further engagement on these issues as needed.

Yours sincerely,

[REDACTED]

Senior Executive, Energy and Climate Policy, Ibec