

# EirGrid response to the Offshore Renewable Energy (ORE) Future Framework Policy Statement Public Consultation

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## Key Messages

EirGrid welcomes the publication of the Future Framework Policy Statement on Offshore Renewable Energy (ORE).

- We request further detail and clarification in the document regarding the role of EirGrid in ORE development and grid planning, in line with the responsibilities designated in the 2021 Policy Statement on the Framework for Ireland's Offshore Electricity Transmission System and codified in legislation in the 2021 Maritime Area Planning Act.
- We are supportive of the plan-led regime and Designated Maritime Area Plans (DMAPs), however would like to reiterate the importance of a whole of system approach. Planning should take account of the existing grid and plans for its development, and co-location of generation and demand should be a key consideration. There should be sufficient flexibility within the DMAPs to allow for accelerated deployment of renewables in areas which present immediate opportunities i.e. aligned with existing grid capacity.
- The response below also details further considerations in relation to the role of private wires, interconnection, markets (including surplus generation and export opportunities), grid capacity, planning, infrastructure development, and biodiversity.

## Introduction

As Transmission System Operator (TSO), EirGrid develops, manages, and operates the electricity transmission system in Ireland, including exploring and implementing opportunities for interconnection. Through the Single Electricity Market Operator (SEMO), EirGrid operates the wholesale electricity market in Ireland and Northern Ireland with SONI Ltd. In the 2021 Policy Statement on the Framework for Ireland's Offshore Electricity Transmission System, EirGrid's role as TSO was expanded to incorporate the operation and ownership of Ireland's offshore electricity transmission grid. This is codified in legislation in the 2021 Maritime Area Planning Act. As such, EirGrid has a significant and central part to play in the facilitation and delivery of Ireland's 2030 renewables targets and its longer-term carbon neutral ambitions.

We welcome the Future Framework Policy Statement on Offshore Renewable Energy (ORE) and the opportunity to respond. We look forward to further details as this Future Framework develops, and we will continue to collaborate closely with DECC, and other stakeholders, under a plan-led approach.

We have detailed some key points and considerations in relation to the Future Framework below.

## Clarification on roles and responsibilities

The Section 1.2.3. entitled Role of the State and the role of industry outlines that 'the success of Ireland's future ORE development depends on collaboration across Government Departments and Agencies, as well as between government and industry'. We are in full agreement that it is essential for stakeholders to work together, particularly given the ambitious targets and tight timeframe involved, and we are supportive of the approach put forward. However, further detail and clarification is required regarding the specific roles of certain stakeholders, including EirGrid, under the plan-led regime. Specifically, the document should detail EirGrid's role in future ORE development, particularly in relation to planning the grid, in line with the responsibilities designated in the 2021 Policy Statement on the Framework for Ireland's Offshore Electricity Transmission System and codified in legislation in the 2021 Maritime Area Planning Act.

## Designated Maritime Area Plans (DMAPs)

The Future Framework mentions that 'an important step in advancing the plan-led approach is the use of marine spatial planning, and specifically the requirement to establish Designated Maritime Area Plans (DMAPs)' and that DMAPs 'will ensure that future developments in Ireland's maritime area take place in a managed, strategic and sustainable way'. EirGrid is wholly supportive of this approach. However, we have some concern in relation to the potential interpretation of statement that 'all supporting infrastructure, including and in particular grid, will align or as may be the case, review their strategies to ensure timely and efficient delivery of electricity from these (DMAP) sites'.

To facilitate more coordinated onshore and offshore transmission system development, it is essential that the DMAPs should align with, or at least take account of, the existing grid and EirGrid's grid development plans to enable the delivery of the Climate Action Plan. A plan-led holistic system approach facilitates synergies such as locating renewable generation adjacent to load centres and locations with realisable grid capacity for renewable generation. This would

enable a reduction in end-consumer costs as well as providing opportunity for a coordinated and consistent public acceptance strategy covering multiple projects and the potential to minimise the associated environmental impact. In our work to support DECC's Offshore Transmission Strategy, we will help establish how best the transmission requirements are established for DMAP sites.

We also highlight the need for a flexible and agile approach as regards identification of DMAPs and grid planning, so that the stakeholders involved can move quickly to accelerate deployment of ORE in areas where the greatest opportunities exist to unlock potential quickly. For example, priority should be given to developing generation in locations close to existing transmission stations where capacity is available, in parallel to building out additional grid infrastructure.

## Domestic Demand

We welcome acknowledgment that 'Future policy development is also expected to include a consideration of the co-location of industrial demand for renewable energy with development of large offshore wind projects, in line with the strategic direction of EirGrid and CRU, the National Planning Framework, and the NMPF'. We request that further detail on this is included in the Future Framework as co-location of renewable generation and demand will be a key factor in delivering ambitious targets in an efficient and effective manner.

## Grid Connection

Section 1.2.1.4 notes several steps to support Grid Connection such as future proofing and a more streamlined connection process. However, it should be noted that given the potential scale of the offshore resources, the works required for connection to the onshore grid are likely to be substantial.

This section of the Future Framework would also benefit from inclusion of reference to EirGrid as a key stakeholder in its role to plan and develop the onshore and offshore transmission systems.

## Market Framework (including support schemes and alternative routes)

Support mechanisms including schemes such as the Offshore Renewable Electricity Support Scheme (ORESS) have played a significant role in the energy transition thus far. As regards the procurement of 2GW non-grid limited offshore wind, EirGrid will continue to support DECC where appropriate in the development of a support scheme. It is important that best practice be used for any such scheme and that the parameters are well-designed, timely, forward-looking, respect technology, and are fit for purpose. Some known potential consequences of poor design include "produce and forget", market distortions, gaming, and volume risks. Any well-functioning support scheme should be able to mitigate these risks and be designed to ensure optimal production, maintenance, and locational signals.

As a licenced Market Operator, EirGrid believes that the impact of all schemes and alternative routes to market (such as Corporate Power Purchasing Agreements, Power-to-X etc.) should be assessed against the current and future market design, whilst acknowledging that there is a significant programme of market change underway, much of it being mandated from the EU. Support schemes or alternative routes should not lead to distortive market outcomes (including

cross border effects) and market manipulative behaviours (i.e. gaming strategies). EirGrid will continue to support DECC, the Commission for Regulation of Utilities (CRU) and other key stakeholders in the wider development of the market.

## Infrastructural Alignment

The Executive Summary mentions that ‘Grid assessments and grid offers will be made by the Commission for the Regulation of Utilities (CRU) and EirGrid’. It should be noted that grid assessments and grid offers are both prepared solely by EirGrid for each connecting party, however the connection and charging policy is governed by CRU.

Related to the above point, the ‘Summary table of the plan-led process components during the ORE development stage’ should include the CRU and EirGrid under the ‘Competent Authority’ column for ‘Grid offers’. We also suggest including clarification that EirGrid is responsible for issuing and managing the connection offers and agreements.

## Grid Infrastructure

Some wording in Section 2.2, including the following, could imply that onshore grid capacity will not be a major issue in the development of ORE: ‘Grid capacity should not be a limiting factor leading up to 2040, as ORE targeted delivery has been established according to the Ten-Year Network Development Plan (TYNDP) and will therefore provide a roadmap for strategic development.’ This impression may be based on the intention to have a process that aligns ORE development closely to cross-border development via the TYNDP process. Whilst this process is helpful, it does not mitigate the need for major onshore grid reinforcements to connect 20GW of offshore wind by 2040. Further work will determine the scale of this, for example, the need for new substations, the voltage uprating of existing routes, new high-voltage alternating current (HVAC) or high-voltage direct current (HVDC) underground or overhead route sections etc. We are open to and would welcome the opportunity to discuss this further with DECC and other relevant stakeholders.

From the wording in relation to Private Wires in Section 2.2 (and Background) the implication is that Private Wires will be part of the grid solution. This seems to pre-empt the outcome of the recent public consultation on Private Wires to which EirGrid responded. The consultation covered many different potential Private Wire use cases, each of which has different impacts. References in this Future Framework could give the impression that a definitive position on the use of Private Wires has already been determined. We would welcome further clarification in this regard.

References to HVDC bootstrapping implies that this will be part of a solution and that some in-depth network assessment has been carried out. Specifically in relation to the wording ‘to meet the vast demand for grid build-out, we anticipate a role for private wire development and bootstrapping connections’, we believe that clarification is required. We understand that references to bootstrapping refer to offshore cable connections between offshore substations that establish transmission capacity that will reduce onshore transmission network utilisation. Given that such ‘bootstrapping connections’ cannot be private wires, clarity is required to the potential use cases for ‘private wires’ and for ‘bootstrapping’ to avoid confusion.

EirGrid is currently working on the Tomorrow's Energy Scenarios System Needs Assessment (TESSNA) as well as a holistic network design on the development of the offshore and onshore electricity grid to be in place by 2040. Once these bodies of work are complete, we will have a clearer view on the offshore network options as well as the onshore reinforcement that will be required. We will continue to share insights and engage with DECC on this work to support the development of DECC's Offshore Transmission Strategy.

## Interconnection

For clarity, we suggest that the opening sentence in Section 3.1 ('While increasing interconnection capacity is crucial to the achievement of ORE goals and compliance with broader EU commitments, *care should be taken that interconnection is not over-installed*') is reframed in the context of each new interconnector requiring a robust cost-benefit analysis. This could be rephrased to 'While increasing interconnection capacity is crucial to the achievement of ORE goals and compliance with broader EU commitments, *consideration of costs and national benefits will remain a pre-requisite for future interconnector development*'.

We also recommend rephrasing for Action 19 ('Establish Offshore Bidding Zone Frameworks *necessary to maximise utilisation of offshore renewable energy potential for domestic and international markets, in order to meet the objectives of the EU Green Deal*' to 'Establish Offshore Bidding Zone Frameworks *to maximise the efficient use of offshore renewable energy and interconnector capacity*').

We generally welcome the detail on interconnection in Annex 1 in relation to developing Ireland's export potential, however, believe that the Future Framework could also acknowledge that there will be a need for the support of international partners to achieve further interconnection.

## Interconnector-Hybrid Projects

With respect to interconnector-hybrid projects, careful consideration will be needed so that all elements of the of the projects (including interconnector, offshore platform, and offshore windfarm) are economically realisable. We would welcome the opportunity to engage with DECC in relation to this point.

## Biodiversity & Marine Environment

EirGrid welcomes the specific references to marine biodiversity conservation in the Future Framework. We propose that marine biodiversity restoration is also referenced in the existing list of actions (or under a new action). However, we acknowledge that Strategic Environmental Assessment (SEA) and Appropriate Assessment (AA) screening has been conducted on the Future Framework. Our understanding is that these assessments are ongoing throughout the duration of the policy consultation process.

EirGrid welcomes acknowledgement that sharing of environmental data will 'streamline the consenting process' as well as Action 14 in relation to open sourcing of ocean data. We are currently risk assessing and reviewing mechanisms for the sharing of relevant marine and onshore environmental data collected for our transmission projects and will engage with DECC as required to align on open sourcing such data.

## Jobs and Skills

We welcome that the Future Framework references that significant efforts will be required to support the development of a ‘sustainable skills and workforce’ to facilitate the development of ORE in Ireland and achieve targets set for 2030 (and beyond). We would like to specifically note that consideration must be given to the jobs and skills required to support the extensive development of transmission system infrastructure, in addition to the development of offshore renewable energy generation assets. We would be open to engaging further with DECC on this topic to inform understanding of the potential requirements.

## Floating Offshore Wind

With respect to Floating Wind, we support Actions 1 and 2. These actions should be informed by taking learning from overseas as some other jurisdictions already have floating wind projects in operation or at an advanced stage of development (for example RTE in France).

## Development / Planning Permission

The wording in the introduction to Section 1.2 is unclear in relation to who leads on Planning Permission, in comparison with 1.2.1.5 which explicitly outlines the role of An Bord Pleanála (ABP). We suggest that clarification is added to the introduction to avoid misinterpretation.

## Export potential

The Future Framework makes several references to surplus generation which can be used for export. We request that further detail is included on the level of surplus expected and the desired market design to facilitate the exports expressed in the consultation, as well as on the analysis completed to assess options for export and use cases for surplus including hydrogen.

## Conclusion

We welcome the opportunity to respond to this Public Consultation. We look forward to the outcome and are available for engagement with DECC, and other stakeholders, as required, as we work together on the further development and enhancement of the plans to deliver the commitments outlined in the Climate Action and Low Carbon Development (Amendment) Act 2021, the Climate Action Plan 2023, the Policy Statement on the Framework for Ireland’s Offshore Electricity Transmission and the Policy Statement on the Framework for Phase Two Offshore Wind.