



Western Development Commission (WDC) submission to Department of Environment, Climate and Communications (DECC) consultation on the Offshore Renewable Energy (ORE) Future Framework Policy Statement

19 February 2024

Introduction

The Western Development Commission (WDC) is a statutory body with a remit to promote and encourage economic and social development in the Western Region¹ (counties Donegal, Sligo, Leitrim, Mayo, Galway, Roscommon, and Clare). The WDC operates under the aegis of the Department of Rural and Community Development.

We welcome the opportunity to make a brief submission on the Draft Offshore Renewable Energy Future Framework Policy Statement. The coastline of the Western Region counties makes up more than half of the Republic of Ireland coastline², the region is very rural with 63% of the population living outside of towns of 1,500 (compared to 31% in the rest of the state). Natural resources are important regional assets and the Region has significant potential for further renewable energy development.

The WDC regards the development of Offshore Renewable Energy (ORE) as an important opportunity for the economic development of the Western Region. Likewise, the WDC recognises the importance of the low carbon transition and is particularly concerned that there is a Just Transition and an opportunity for the Region to benefit from the opportunities of the low carbon transition³. Our region has very significant on and offshore renewable energy resources and it is important both to the economic development of the region, and to the achievement of the 2050 net zero targets, that these resources are used to best advantage. We believe that the focus on achieving the greatest possible economic impact from ORE, as outlined in the Future Framework, should include the goal of maximising regional development benefits especially in those regions which have significant renewable resources but are currently lagging.

In this short submission we address infrastructure and development, the electricity transmission grid, ports, collaboration and community benefit issues.

¹ <https://westerndevelopment.ie/>

² The Western Region accounts for 53-58% of the Irish coastline (excluding islands) depending on the coastline measures used

³ <https://westerndevelopment.ie/policy/publications/making-the-transition-to-a-low-carbon-society-in-the-western-region-key-issues-for-rural-dwellers-august-2020-full-report/>

Infrastructure and development issues

As noted, the Western Region has important natural assets which could support very significant ORE opportunities, but the region has long had faced infrastructural deficits. The WDC is concerned that the draft Future Framework could reinforce this infrastructural disadvantage. The Future Framework, despite being a long term plan for sectoral development from 2030 onwards, is focused on existing assets (pg. 24). ORE is an opportunity for economic development and we believe that to spread the benefit of ORE development, there should be a focus on ensuring the benefits of the development of this sector are felt through the country, not just in areas with current infrastructural advantage.

Choosing to only focus development in places which already have infrastructure in place would be a missed opportunity. This is a sector with long term potential and under this Framework there is time to focus on ensuring the infrastructure (such as grid) is in place so that the Western Region has the opportunity to use its assets. This would provide very significant national as well as regional benefits, but opportunities for offshore renewable energy can only be fully realised in the Region with the coordinated development of key infrastructure.

The Electricity Transmission Grid

We welcome the commitment to the development of a regulatory framework that will maximise long term societal value by enabling anticipatory investment in transmission infrastructure, and future proofing on and offshore grid (pg. 24). The lack of anticipatory investment has already affected potential onshore development.

One of the key barriers to exploiting the opportunity for ORE is the poor grid infrastructure in the north west. This is already limiting options for onshore development. Recognition of this bottleneck and the importance of grid development in this region should be a particular focus of grid planning. We know that grid development is costly, and that these costs are borne by consumers, but ORE development will bring significant revenue, some of which can be used for infrastructure development.

While it is essential to make the most of current grid infrastructure, there is a long term focus to this Framework, so it is important to recognise that investment is needed and that grid can be developed in areas that are currently underserved, to ensure that development can take place. In many situations (e.g. the north west) grid investment will have both on and offshore benefits, while a focus on locating suitable demand will have grid stabilisation as well as local economic benefits.

As noted in relation to hydrogen production (p35), diverting curtailed wind to hydrogen electrolyzers reduces the opportunity cost associated with curtailed ORE. This, however, requires that hydrogen production facilities are located on grid. Given that hydrogen production can provide large, flexible demand it could serve to support the electricity grid in areas where other demand is low (west and north west). This is another opportunity which could benefit the Region and further emphasises the importance of grid development in the north west.

DMAPs are expected to designate the areas for the development ORE, and following their finalisation the grid planning will commence. Developing electricity transmission grid infrastructure takes more than a decade from initial planning to commissioning. It is therefore

important that the DMAP process is expedited so that planning for grid development, and other infrastructural and service requirements, can commence.

A focus on maximising long term societal benefit is important to Ireland's future. The development of the grid in regions such as the west and north west, which currently have weak infrastructure will provide opportunities for these regions which will contribute to spreading the societal benefits.

Ports

Ports have an essential role to play in the renewable sector (e.g. assembly, deployment, O&M, marine services). In order to ensure ORE development, port investment is key, and the updated National Ports Policy needs to ensure that there are a variety of funding options available to the ports to ensure that the required capital investment can take place. It is particularly important that the updated policy removes the barrier to ports receiving public support. Where the government is seeking to stimulate the development of a sector, or where public goods are being provided, state funding mechanisms should be employed.

While the updated National Ports Policy is in development and is under the remit of the Department of Transport, offshore energy should form a key strand of it. It needs to ensure that the requirements of ports for ORE development are addressed, and the metrics associated with offshore energy in its various aspects, are developed and are suitable for the renewable sector. Currently the data collected and metrics on ports have a narrower focus on volume of trade and passenger numbers.

Collaboration

As the Future Framework notes, the success of Ireland's future ORE depends on collaboration across government departments and agencies, as well as industry. While the Departments and agencies listed (pg. 25) are of course crucial, there needs to be recognition of the role of Local Authorities in both planning and enabling delivery. Other local actors and communities will also be important. Regional bodies, including the regional enterprise structures (Regional Enterprise Plans) could have an important role in stimulating local industry, services and supply chain response. This could be explored further in the Future Framework.

Community Benefit

As noted above, we welcome the Future Framework commitment to ensuring the benefits of ORE for the Irish people are maximised. The focus on the development of the indigenous supply chain is important as is recognition of the potential for knowledge sharing to foster the development of indigenous ORE enterprises. As discussed above, we believe a regional development focus is part of this, but of course community benefits are another key element. The economic analysis provided with the draft Future Framework highlights some of the options and issues for community benefit especially where, as is likely in the long term, ORE development is far offshore and largely out of sight of land.

Serious consideration needs to be given to how Community Benefit is managed in this context, the definition of communities, the mechanism to spread benefits, focusing on those who may be affected but also more widely. There are opportunities to make a real difference using the community benefit revenue that would be derived from ORE but it is important that the money is

spent in ways that bring long term gain to people in regions where ORE is developed. While the ORE development considered under this Future Framework will take place after 2030, the size, management and use of community benefit from large ORE development (e.g. up to 37GW installed capacity) will be very significant and options need to be considered carefully before the process begins.

Conclusion

We welcome the opportunity to make a submission to the consultation on the Offshore Renewable Energy (ORE) Future Framework Policy Statement.

The Western Region has important renewable resources, both on and offshore, and we are concerned that a focus on development only where there is existing infrastructure will reinforce current infrastructural and other structural disadvantages. ORE provides an opportunity to mitigate this disadvantage if it is given appropriate focus in the planning of the ORE sector.

It is important that this Future Framework maximises the long term societal value of the ORE sector, spreading the benefits and ensuring a regional development focus is an important part of this.

If you would like any more information or to discuss our submission further, please get in touch with me.

[Redacted Signature]

Western Development Commission

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