



Department for
International Trade



‘Offshore Wind Development in the Irish Sea: A discussion on the pathway forward’

Summary Note of the Expert Seminar

May 28, 2020

Introduction and Context:

Ireland has set a target that 70% of all electricity comes from renewable sources by 2030. The development of offshore wind energy has the potential to play a significant role in reaching this target through the delivery of 1GW of offshore wind by 2025 and 3.5GW by 2030, as set out in the Climate Action Plan. The UK is significantly more advanced than Ireland in its development of its offshore wind capacity through infrastructure, regulatory frameworks, resources and planning laws.

This is a report of the expert Conference ‘Offshore Wind Development in the Irish Sea: A discussion on the pathway forward’, on Thursday May 28, facilitated by the British Irish Chamber of Commerce Energy Committee and supported by SSE Renewables. The purpose of this Seminar was to bring together key stakeholders from Offshore Wind from the UK and Ireland to discuss what lessons Ireland can learn from the experiences of the UK and others. In addition, the Seminar explored what steps should Ireland take to ensure it reaches its potential for Offshore Wind capacity such as changes to its maritime planning laws, regulatory framework or market enablers.

The Conference was divided into three segments:

- i. **Setting the Context: Barry Kilcline**, Director of Development, SSE Renewables. Barry set the Context for the discussion and offered SSE’s perspective.
- ii. **Offshore Wind Developments in the Irish Sea: Lessons to be learned from the UK and beyond.** The goal of this Panel was to assess the progress the UK and other jurisdictions have been making in relation to Offshore Wind Developments and what lessons Ireland can learn from these experiences.
- iii. **Progressing Ireland’s Offshore Wind Capacity: Regulatory and Market Enablers.** The goal of this Panel was to consider the potential of the Irish Offshore sector and to outline what actions would be needed to develop the potential of the sector.

Participants at this discussion include:

- UK and Irish industry stakeholders
- Policy makers from Ireland and the UK
- Irish Civil Servants
- Invited Media
- Energy practitioners
- Members and supporters of the British Irish Chamber of Commerce and invited guests

Panel 1 Participants:

- Dr. Carolyn Heeps, Head of Offshore Wind at Fred. Olsen Renewables
- Bill Scott, CEO, Wilton Engineering.
- Bruce Clements, Offshore Wind Specialist, Renewable Team, Department for International Trade

Moderator: *Mark Varian, Chair of the British Irish Chamber of Commerce Energy and Environment Committee and Partner, Eversheds Sutherland.*

Key Points Raised Included:

- **Great benefit can be derived from UK and Irish collaboration in offshore wind energy:** The UK is the most developed offshore wind sector in the world and there is much Ireland can learn from the UK. At the same time, Ireland has significant potential and ambition in offshore wind energy. Therefore, there is a great opportunity for businesses in the UK and Ireland in supporting the delivery of these projects through the supply chain.
- **The Potential for Ireland:** Ireland has a clear idea of where it wants the offshore wind sector to go, it now has a plan 'Climate Action Plan 2019' that is ambitious and detailed. Ireland physically has great potential to develop the sector – it has fantastic maritime space, the geography is favourable and there is no shortage of wind resources.
- **Key Factors for Developing a Successful offshore Wind Sector:** (i) A Stable Long-Term Policy Framework. The Sector needs a vision beyond 2030 for projects to be developed thereafter. This sector relies on long term planning. (ii) A Robust Regulatory Regime: Developers are making significant investments – current projects in the pipeline are investments worth about €2-4bn. They need a streamlined regulatory regime that is fair and timely. (iii) Route to Market: Grid needs to be in a position to cater for these connections – also its important for developers to know what financial model is to be adopted – auctions etc.
- **Supply Chain:** Its estimated that the Irish supply chain is worth about €18bn going forward of which a third can be accommodated domestically. To encourage investment in Irish supply

chains make it easy for manufacturers to get on supply chain lists and make 'Contracts for Difference rounds more regular. This will allow the operators to invest in long term projects.

- Advice for SMEs looking to benefit from the Supply Chain: It won't just be larger companies that benefit as large players will need a diverse supply chain not just operational companies but shore-based companies, logistical companies etc. SMEs are more responsive and flexible. It is a competitive space but growing fast, find your USP and develop a long term plan.

- **What did the UK get Right and What are the Lessons that can be learned:** The UK had a long-term vision for the offshore sector that ensured that there was a shared voice between stakeholders. In tandem the UK system ensured that there was a wide ranging and balanced competition between providers, manufacturers and developers. The regulations in the UK are clear, robust and decisions tend to be made in a timely manner. Timeframes are essential for a developer. It is important that they have clear line of sight for when a planning decision will be made, a system with a reputation for planning gridlock is off putting for major investors. England and Wales have clearly defined process that gives developers certainty and clearly defined timeframes. Whereas in Ireland applying for a Foreshore investigatory licence can take up to 12 months. Because the UK system has a robust and timely regulatory framework it benefitted from significant foreign direct investment.

- **Shared policy agenda between the UK and Ireland:** The UK and Irish Governments should work together to develop a shared space in order to grow a joint energy policy for the Irish Sea. Irish offshore wind needs a route to market and that could be the UK - Supply chain companies on both sides need to work together. A joint approach would be mutually beneficial.

- **Lessons learned from Engagement with Stakeholders:** The advice for engaging with other stakeholders as the local community or fishermen was the following:
 - i. Engage Early
 - ii. Listen to the Community
 - iii. Build up a Relationship
 - iv. Employ a Fishing liaison officer
 - v. Meet Often

Panel 2 Participants:

- Garrett Connell, Project Manager, Oriel Wind Farm
- Martin Finucane, Principal Officer, International and Offshore Energy, Department of Communications, Climate Action & Environment
- Kevin O'Donovan, Managing Director, Statkraft Ireland

Moderator: *Louise Glennon, Public Affairs Manager, SSE Renewables.*

Key Points Raised Included:

- **Offshore Wind** will play a significant role in the Government's ambition to drive forward the targets contained within the Climate Action Plan. The 2030 targets should be seen as a mid-point and not the final destination in our ambition. The Climate Action Plan commits to increasing our offshore wind capacity to 3.5GW as part of our overall ambition to reach 70% renewable energy by 2030. The 3.5GW target should be taken as the minimum target not the ceiling of our ambition.
- **Foundations need to be Developed:** For the sector to reach its potential structural foundations that underpin the sector will need to be improved. The enactment of the Marine Planning and Development Management (MPDM) Bill will modernise Ireland's Maritime Planning laws which had primarily been based on the 1933 Foreshore Act. It will significantly improve the planning regime for Offshore Wind Energy Projects.
- **Routes Forward:** The Government is working to ensure that there is a clear route to grid connection with an intermediate transition protocol and a bridging route.
- **Regulatory Regime:** Before the end of the year, there will be three RESS auctions to give developers certainty to and a route to market over a staged period of time.
- **Challenges associated in developing a project in Ireland:** (i) Identifying an appropriate site – environmental assessment, ensuring appropriate grid connections and working with community stakeholders. (ii) Investment. To get a project from inception to completion costs tens of millions of euros – a mass investment is needed. (iii) Policy Uncertainty. The planning system is not fit for purpose, the legislation around licencing is outdated.

- **Policy that would enable the sector to grow:** Planning and consent regime, ii, Grid connection process for large projects and (iii) Tariff regime. The MPDB is a welcome and an essential development although it is not law yet. In addition, An Bord Pleanála needs further resourcing, not just additional officials but people with expertise in offshore wind. A Policy Framework that underpins the sector is a step in the right direction previously there had been issues with planning where there had been good grid connection and approved planning where the grid connection was inefficient. A competitive tariff regime that encourages development will move the sector forward.
- **Political Support:** While the support at Government level is welcome, if that support is not reflected at local level than it can stall developments.
- **Resource the Ports:** A Port on the East of the Country should be developed to support offshore wind development an entire enterprise zone could be developed around it.
- **The Economic Impact:** Offshore wind development has the potential to transform coastal communities. Billions of Euros will be invested in these supply chains, new pipelines of investment can be generated from this. Systems can be built up and skills can be developed leading to well-paying jobs.
- **Offshore Wind Strategy at a European Level:** In October, the commission will publish in its strategy for Offshore Wind which is a joint venture between the DGs of Energy and Marine. The EU target of 450 GW cannot be done by any one Member State it needs a joined up approach. Ireland should facilitate EU- UK collaboration in this area.

