



**Department of the Environment, Climate and Communications  
via website**

Date: 8<sup>th</sup> March 2022

Dear Sir/Madam,

**RE: Offshore Wind – Phase Two Consultation**

## **1.0 INTRODUCTION**

County Kildare Chamber is the business organisation in Kildare, proactively working to identify and progress developments that are facilitative of economic and sustainable growth. Representing an employer base of 400 businesses and over 38,000 employees across the county, County Kildare Chamber is the largest business organisation in the mid-east region of Ireland.

Given the significant breadth and depth of our membership, and our representation on various bodies at local and national level, County Kildare Chamber constitutes the representative voice for business in Kildare, a particularly important role given the current economic circumstances in the county and the state.

## **2.0 SUBMISSION**

Offshore wind energy has the potential to transform Ireland into a leading power in the European renewable energy sector. County Kildare Chamber is pleased to be able to contribute to the conversation on Offshore energy in Ireland.

In March 2020, County Kildare Chamber, Chambers Ireland and ICC Ireland announced that we had signed up to a new charter supporting the UN Sustainability Goals (SDGs). The issue of offshore renewable energy is particularly important to our Chamber as it is a critical element to our Climate Action responsibility.

Maximising renewables is the best way to ensure that Kildare businesses will have security of supply and access to the most affordable forms of energy. Capturing our competitive advantage in renewables will be fundamental to decarbonising our society and in making the Irish economy as a whole fit for the 21st century.



There are three specific areas within this consultation we wish to highlight:

1. The preferred option for Phase Two,
2. Hybrid Connections, and
3. 'Innovation' Technologies

**Regarding the appropriate option for Phase Two (Question 1 within the consultation)**

County Kildare Chamber believes that "Option B" – The Competitive MAC process – is the option which is most likely to deliver the largest quantity of offshore wind energy by 2030.

Our concerns are that "Option A" – The Deployment Security option – will likely discourage firms from entering the auction process. Given that:

- The security will be forfeited should the planning process reject the project, or
- The security will be forfeited, and the MAC will lapse, should planning permission delays mean that the project will not reach Commercial Operation before 2030.

Therefore, there exists significant planning and administrative risks which are beyond the capacity of the developers to control.

This will exclude many smaller projects, leading to less competition in both Phase 1 and Phase 2 – raising costs for consumers. Relying on fewer, larger, projects also raises the likelihood that Ireland will miss our 2030 CO<sub>2</sub> and renewable energy targets. This is because, if only one large project fails to be completed, then we will be significantly below our 5GW target for renewable offshore wind.



Options C and D are even less likely to deliver the required energy by 2030 as they would severely overcomplicate the permits and permissions process, while also narrowing the areas where offshore renewable energy development can occur – they are more appropriate for consideration as options post-2030, once we have transitioned to the “Enduring Regime”.

We believe that even Option B, our preferred option, is unlikely to deliver the full 5 GW of offshore wind energy by 2030. Option B is our preferred option simply because it is most likely to deliver the most amount of offshore wind energy, and it maximises the flexibility of the process.

We believe that this flexibility will be important if it is to be possible to amend this process in time to take learnings from the Phase 1 process, and adapt our activities during Phase 2, to ensure the delivery of the maximum amount of renewable energy onto our energy grid by 2030.

#### **Regarding Hybrid Connections (Question 10 within the consultation)**

We believe that it would be sensible to consider hybrid connections as part of the project mix for both Phase 1 and Phase 2. We as a Chamber, and our members are deeply concerned that current plans will not afford us the capacity to integrate sufficient Offshore Renewable Energy to ensure that we meet our 2030 emissions targets.

Given the location of our thermal plants, they are typically well suited for landing offshore renewable energy. They are already on industrial coastal sites and much of the needed infrastructure has already been built. An added benefit of Hybrid projects is that they will facilitate the deepwater floating offshore wind projects that are likely to be available by 2030 but are currently under-considered in this consultation.

Facilitating projects that can make more effective use of existing infrastructure will greatly increase the likelihood that we will meet our national renewable energy targets, and our carbon emission targets. Excluding “Hybrid Connections” from the process will greatly undermine our potential to decarbonise our economy and will leave the business community open to greater security-of-supply risks. Hybrid projects will allow for speedier delivery of large scale offshore renewable energy projects.



### **Regarding “Innovation Technologies” (Question 11 within the consultation)**

The department has taken a very conservative view on the technologies it considers to be “Innovation Technologies”, many of these technologies are currently en-route to market, but unfortunately not currently available to the Irish market.

ScotWind has leased 11 sites for floating offshore wind in their most recent auction round. The largest floating offshore wind project, at 3GW, is larger than any of the projects currently under consideration by the Department for Phase 1 or Phase 2.

Businesses in Kildare, particularly MNC subsidiaries in the industrial sector, are actively seeking to integrate Green Hydrogen into their gas-powered energy mix, one such company is Green Generation, which uses the biogas produced in the Anaerobic Digestion process containing roughly 60% methane and feeds it directly back into an engine to generate electricity. However, for every company like Green Generation there are many more unable to source Irish suppliers. Should they continue to be unable to do so, many will have to curtail their objectives of achieving their carbon neutrality targets which will damage the emission goals of their parent firms. This will undermine Kildare and Ireland’s attractiveness as a location for Foreign Direct Investment.

Furthermore, many green fuels projects do not need to have a grid connection associated with their activities, should the department choose Option C or Option D (which require a Grid Connection Assessments before seeking planning permission) there is a risk that Irish industry will lose out to other jurisdictions, which have more flexible and supportive approaches to emerging technologies.

### **3.0 CONCLUSION**

Expanding and amplifying the types of renewable energy we harness throughout Ireland is vital for the continued growth of the mid-east region. We in County Kildare Chamber particularly support the use of Hybrid Connections in the shorter term, to guarantee our business sector has confidence in the power generation within the region. Be it, at a local level for the provision of sufficient electricity supply in order to zone commercial land, our large indigenous SMEs and our cluster of multinationals, or the demand for data centres, there needs to be a confidence that Kildare can provide a steady supply of power into the future.



For example, Erigrid's recent announcement of upgrade plans to Kildare's network will safeguard existing capacity to ensure we are able to utilise offshore capacity at thermal generation locations at a future point. Security of supply has been the principal concern of businesses for some time, and recent geopolitical events only highlight the need to shift towards renewable sources at a greater pace than originally envisaged. Now more so than ever we need a modern and stable infrastructure with a capacity to meet future demands.

We trust that the contents of this submission will be taken into consideration by the Department, please do not hesitate to contact us if you have any queries regarding same.

Yours faithfully,

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