



**Submission by Chambers Ireland to the  
Department of the Environment, Climate and  
Communications regarding the Offshore  
Renewable Energy Development Plan II  
(ORED P II)**

**April 2023**



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## About Chambers Ireland

Chambers Ireland is an all-island business organisation with a unique geographical reach. Our members are the Chambers of Commerce in the cities and towns throughout the country – active in every constituency. Each of our member Chambers is central to their local business community and all seek to promote thriving local economies that can support sustainable cities and communities.

Our Network has pledged to advocate for and support the advancement of the United Nations Sustainable Development Goals (SDGs). Accordingly, we use the Goals as a framework to identify policy priorities and communicate our recommendations. We have a particular focus on five of the goals encompassing decent work and economic growth (SDG 8), sustainable cities and communities (SDG 11), Gender Equality (SDG 5), industry, innovation and infrastructure (SDG 9) and climate action (SDG 13).<sup>1</sup>

This consultation has a direct impact on the climate action goal (SDG 13), but also impacts across all of our economy, being a clean energy economy will have an enormous effect on our capacity to support decent work and economic growth (SDG 8), affordable and clean energy (SDG 7), and the effective delivery of a suite of policies that support the utilisation of our offshore renewable energy policies is of vital interest to our industry, innovation, and infrastructure (SDG 9) opportunities.

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<sup>1</sup> The Chambers Ireland SDGs. Available at: <https://www.chambers.ie/policy/sustainable-development-goals/chambers-ireland-sdgs/>



## Executive Summary

The approach taken by the Department in this Offshore Renewable Energy Development Plan II is in many ways more conservative than the original plan (i.e. excluding Irish Sea waters where were included in the 2013 plan) and is likely to act as a further bottleneck in the process of activating our offshore renewable energy resources.

This draft plan is not flexible enough to account for the dynamic technology environment which it is attempting to regulate.

The ambition of this plan is not aligned with EU priorities regarding the need to expand our renewable energy generation capacity, and is so conservative in its approach that it is likely to prevent our state from successfully achieving our 2030 Climate targets.

The transition towards a net-zero power system is critical to Ireland's future, and to achieve this goal, a clear policy and regulatory approach is necessary. Achieving net-zero emissions requires increasing the use of renewable energy, implementing ancillary services, and decarbonising thermal power. From a policy perspective, there's a considerable gap that needs to be filled regarding hybrid grid connections.

We are aware the Commission for the Regulation of Utilities are planning to review hybrid connection policies over the coming year, however it does not seem as if the institutions of state are truly working together and at pace to deliver the changes we need if we are to decarbonise our electricity supply at the pace we need, as this draft plan would effectively exclude many potential sites for hybrid connections.

Although progress has been made with onshore wind power, several challenges exist; not the least of which is the planning permitting system which is forcing some of the existing fleet to be decommissioned and is preventing the repowering of other windfarms. There is an urgent need for a roadmap that allows for the repowering of the existing fleet and the expansion of the footprint of onshore windfarms as part of the review of the planning acts.

Regarding offshore, we will need all of the Phase 1 projects to quickly pass through planning if there is to be any hope of meeting our 2030 5GW targets, though our view is that achieving this



target is a very unlikely scenario. Chambers Ireland's view is that it is a near certainty that Ireland will struggle to achieve our original 3.5GW target given the regulatory uncertainties that have been introduced and compounded. The department's recent U-turn has created profound uncertainties for the delivery of the Phase 2 offshore projects.

Furthermore, the EU Emergency REPowerEU regulations, regarding 'overriding public interest' for accelerating permitting and planning permissions for energy generation and grid developments, must be implemented quickly. The institutional hesitancy which is at play means that our opportunity to take advantage of the freer EU regulatory regime may pass us by. There is a significant need for grid investment onshore and offshore if we are to meet the rising demand for electricity that is being driven by our economic expansion and electrification of traditional technologies.



## Key Points:

- Our chief concerns are that there is a lack of integration between the ambitions of our green energy targets and the policies that are being framed in the Draft Offshore Renewable Energy Development Plan II for their delivery.
- The Offshore Renewable Energy Development Plan II is too conservative in its ambition that it is likely to prevent our state from successfully achieving our 2030 Climate targets.
- We have grave concerns about the institutional capacity of the department and planning agencies when it comes to facilitating projects that can help us meet our targets within the timelines that are needed to meet these targets.
- The conservative approach which this draft plan is taking towards the technologies that are appropriate for Irish waters is likely to do further reputational damage to Ireland.
- The draft plan will act as another institutional bottleneck that will further delay the development of an offshore renewable energy industry.
- The State needs to support the upgrading of our national transmission network through greater investment in the physical capital of the grid, the technical capacity of the regulatory authorities, and the resourcing of planning and adjudication bodies.
- The maps that the State are using to select the areas which are appropriate for development in Irish waters are extremely limited and speak to a capacity constraint within the department when it comes to assessing potential areas for development.
- The approach taken is incoherent with the potential for Hybrid connection projects to accelerate our renewable transition and the optimisation of our existing grid capacity.



## Overview of Chambers Ireland’s perspective on the State’s Renewable Energy Policy

Irish energy policy must make rapid progress if we are to be able to facilitate a future where our national prosperity is ensured by decarbonised energy technologies including solar, battery, onshore and offshore wind, decarbonised thermal, and green hydrogen.

While the expansion of renewable energy is essential, there hasn't been enough focus on the decarbonising of our thermal power sources. These technologies, particularly biofuels, require a route to market if we are to successfully decarbonise our energy supply. Complementing this, Ireland urgently needs a national hydrogen strategy so that industry can better understand our route to net-zero.

While the Irish state institutions may have a general understanding of renewable energy technologies, there is a lack the technical expertise required to determine which specific technologies will be successful in offshore environments. Offshore renewable energy projects can present unique technical challenges, such as the impact of ocean currents, saltwater corrosion, and extreme weather conditions. These challenges require specific technical expertise and experience, which may not be readily available in Ireland, and that includes within the private sector. To utilise our offshore energy potential effectively we will need to rely on the expertise of firms which are currently operating in that space. As a direct result of institutional incapacity: At the regulatory level; within the courts; within the planning system; and legislatively; we do not have an offshore energy generation industry.

This failure has had the secondary effect of delaying reform of our transmission networks to facilitate offshore renewable energy production. It is Chambers Ireland’s contention that state bodies in Ireland are particularly ill-suited towards selecting how to place the “right technologies in the right place” when it comes to offshore renewable energy production. It is highly likely that, decisions that are to be made by Irish agencies will be based on incomplete information, and this will lead to another decade of suboptimal outcomes. Therefore, what is most appropriate, for the



coming decade is for government policy to facilitate the maximising of the generation of offshore generation in the immediate term.

Regulatory risk, as Chambers Ireland has repeatedly noted (please see footnotes <sup>2,3,4,5,6,7,8,9</sup>), is the single greatest challenge to projects for Irish waters given the extremely delayed commencement of an effective offshore regulatory regime which can facilitate the delivery of offshore renewable energy, and the high level of competition that we will face internationally from jurisdictions that have a functioning planning system.

This is the principal reason why major international firms, such as Equinor and Shell, have departed from our market, and among those that have not yet decided to reduce the ambition of their plans for Ireland, they are finding it increasingly challenging to secure resources for delivering offshore windfarms from their parent companies. This is because of the uncertainty that is being constantly introduced through improvised changes to regulations and extremely poor communications and expectations management. A case in point is the recent U-turn by the Department of Environment, Climate, and Communications relating Designated Marine Areas.

In our submission<sup>10</sup> to the Commission for the Regulation of Utilities on the Grid Development Policy for Offshore Wind in Ireland Chambers Ireland argued that funneling offshore Grid policy through the TSO would be a mistake as it would create another institutional capacity bottleneck within the process. It has become increasingly clear that this scenario is coming to pass. Our preferred option in that consultation was the one that the department and stakeholders were

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<sup>2</sup> [https://chambers.ie/policy\\_submission/chambers-ireland-submission-for-the-public-consultation-to-inform-a-grid-development-policy-for-offshore-wind-in-ireland/](https://chambers.ie/policy_submission/chambers-ireland-submission-for-the-public-consultation-to-inform-a-grid-development-policy-for-offshore-wind-in-ireland/)

<sup>3</sup> [https://chambers.ie/policy\\_submission/chambers-ireland-submission-to-the-cru-for-the-offshore-grid-connection-policy-phase-1-projects-consultation-july-2022/](https://chambers.ie/policy_submission/chambers-ireland-submission-to-the-cru-for-the-offshore-grid-connection-policy-phase-1-projects-consultation-july-2022/)

<sup>4</sup> <https://www.chambers.ie/wp-content/uploads/2022/05/Offshore-Wind-Phase-2-Consultation.pdf>

<sup>5</sup> [https://chambers.ie/policy\\_submission/chambers-ireland-submission-to-the-department-of-environment-and-climate-change-on-the-national-hydrogen-strategy-september-2022/](https://chambers.ie/policy_submission/chambers-ireland-submission-to-the-department-of-environment-and-climate-change-on-the-national-hydrogen-strategy-september-2022/)

<sup>6</sup> [https://chambers.ie/policy\\_submission/strategic-infrastructure-planning-making-it-better/](https://chambers.ie/policy_submission/strategic-infrastructure-planning-making-it-better/)

<sup>7</sup> [https://chambers.ie/policy\\_submission/chambers-ireland-submission-on-the-terms-and-conditions-for-the-third-onshore-competition-under-the-renewable-electricity-support-scheme-ress-3-december-2022/](https://chambers.ie/policy_submission/chambers-ireland-submission-on-the-terms-and-conditions-for-the-third-onshore-competition-under-the-renewable-electricity-support-scheme-ress-3-december-2022/)

<sup>8</sup> [https://chambers.ie/policy\\_submission/chambers-ireland-submission-on-the-national-development-plan-review-to-renew-consultation-february-2020/](https://chambers.ie/policy_submission/chambers-ireland-submission-on-the-national-development-plan-review-to-renew-consultation-february-2020/)

<sup>9</sup> <https://www.chambers.ie/wp-content/uploads/2021/02/Chambers-Ireland-Submission-to-Department-of-the-Taoiseach-on-the-Recovery-and-Resilience-Plan.pdf>

<sup>10</sup> [https://chambers.ie/policy\\_submission/chambers-ireland-submission-to-the-cru-for-the-offshore-grid-connection-policy-phase-1-projects-consultation-july-2022/](https://chambers.ie/policy_submission/chambers-ireland-submission-to-the-cru-for-the-offshore-grid-connection-policy-phase-1-projects-consultation-july-2022/)





signaling throughout the process, which was that there would be an initial developer-led phase for Offshore Renewable Energy Supply Scheme 1, a mixed phase for Offshore Renewable Energy Supply Scheme 2, and then in the long term a plan led approach.

Given the efforts that had been made to develop a consensus between industry, officials, and user groups we were extremely disappointed at the publication of the eventual Grid policy to find that the more conservative option was decided upon, and one which would allow state institutions to greatly constrain possible development.

Chambers Ireland's view is that where there are limitations within the transmission network that prevents the landing of electricity, then, this is an argument for greater investment in the transmission network and not an argument for reduced ambition at sea. This decision has been amplified by the decision to further constrain the areas where windfarms can be built over Phase 2.

## **Institutional Capacity:**

In our submission on the Marine Spatial Planning Consultation<sup>11</sup> our main concern was that the department would not have the capacity to designate a wide enough range of territories as being appropriate for the delivery of offshore wind farms this is clearly having an impact on our capacity to meet our renewable energy targets.

There seems to be a deep lack of understanding at the administrative level regarding how much they are curtailing the potential for electricity generation by limiting the areas where it can be allowed. Even before the U-turn it looks as though we would be unlikely to meet the original 3.5GW targets, never mind the 5GW targets in the Climate Action plan. Similarly, the slow rollout of the Marine Area Regulatory Authority is incommensurate with these increased ambitions, and while the staffing of the authority is increasing it seems as though it there is a

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<sup>11</sup> [https://chambers.ie/policy\\_submission/chambers-ireland-response-to-the-marine-planning-policy-statement-consultation-august-2019/](https://chambers.ie/policy_submission/chambers-ireland-response-to-the-marine-planning-policy-statement-consultation-august-2019/)



dearth of technically competent individuals being hired as vast majority of the roles being filled are being secured by generalist officials that do not have the domain expertise that is needed to make adequate decisions in a timely fashion.

In addition, the U-turn has exacerbated the enormous reputational damage that our planning and regulatory system has done to Ireland. The delivery of the news of the U-Turn, only 6-months after the decision was made, as a surprise, at a public forum, speaks to a profound misunderstanding both of the industry internationally, and how they view Irish institutions and the Irish market.

These institutional constraints create a number of issues with the Draft Offshore Renewable Energy Development Plan II. Firstly, there is the implicit decision to ban all development in all areas unless there has been a decision to include a particular area in a Broad Area.

Instead, State bodies ought to be applying their limited capacity to areas which are proposed by industry members (which have a much wider and deeper understanding of where it may be possible for developers to deliver projects within the relevant timelines).

Creating a multi-phase process where Broad Areas are defined, then are locally refined as Designated Marine Area Plans which developers may then apply for a Marine Area Consent within the boundaries of it ensures that areas which would never be considered, or may not be viable within a reasonable timelines, will need to be assessed in advance of areas where it is likely to be possible to develop offshore windfarms. This will be a very wasteful application of the scarce capacity of the department that is needed to make robust planning decisions which can survive the inevitable judicial reviews that will affect many projects that successfully receive permission.



If there was a hypothetical challenge to design a system that would minimise the quantity of offshore renewable energy that was to land on the Irish grid, while technically still potentially allowing connections to be made, it would not look very dissimilar to the plan that the department has put forward.

## Conservative Technological Assumptions:

Moreover, the framing of the Offshore Renewable Energy Development Plan II, as a “move towards a more state-led, planned approach to ensure we develop the right technology in the right places” presupposes that government bodies are likely to be able to identify the “right technolog[ies]” as well as the “right places”. There is not sufficient technical capacity within the State agencies to identify the “right places” at present. The identification of the “right technolog[ies]” will be even more challenging as that will require a deep knowledge of the state of the art in industry, and areas can only be “right” if the technology has been identified correctly in advance. A case in point is the limitation of fixed offshore turbines to depths of 60m or less, industry<sup>12</sup> (and have been deemed acceptable<sup>12</sup> for use by other regulatory authorities, such as ScotWind<sup>13</sup>) have identified technical solutions that can facilitate non-floating offshore wind turbines in depths of up to 70m, which highlights how the technical parameters of the Offshore Renewable Energy Development Plan II are already out of date. Waters with depths of 60m are not a medium-term limitation on our fixed turbine potential, they are a current limit and one which enterprise is set to rapidly overtake given that foundations are already being fitted at depths of 59m.<sup>14</sup> Projects that are seeking planning permissions in other jurisdictions are aiming to place fixed turbines in waters that are up to 70m in depth, meanwhile the jacket technologies that these are relying on have been used to depths of up to 400m by the oil and gas industry, and

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<sup>12</sup> <https://orsted.com/en/our-business/offshore-wind/wind-technology/suction-bucket-jacket-foundations>

<sup>13</sup> <https://www.energyvoice.com/renewables-energy-transition/wind/uk-wind/342124/seagreen-turbine-jackets/>

<sup>14</sup> <https://www.energyvoice.com/renewables-energy-transition/wind/uk-wind/495826/worlds-deepest-offshore-wind-turbine-foundation-installed-in-scottish-waters/>



so ought to have been considered mature in the pre-draft scoping phase of the Offshore Renewable Energy Development Plan.

The proposal to review of these plans on a five yearly basis will only impede the successful delivery of Offshore Renewable Energy in Irish waters. Furthermore, to limit the analysis of the department and agencies only to waters that are identified using such conservative technological parameters is to ensure that Ireland will have no long-run role to play in the development of new technologies. This will ensure that we will continue to miss out on the benefits of capturing value from within the wind energy value chain. This conservatism is a very poor signal to the industry and highlights a much deeper issue within the department's approach to Offshore Renewables. The current draft of the Offshore Renewable Energy Development Plan II only really seems to envisage mature technologies being delivered in Irish waters (which, incidentally, is a grave risk to the Irish economy capturing a share of the value chain associated with the development and construction of Offshore Renewable Energy technologies). This approach, where the technologies that are under consideration are only reviewed at five-year increments, implicitly involves a gated design plan and it is likely to result in Ireland playing low to no role in the process of developing new technologies to maturity.

Given the development timelines involved in these projects often extend out to ten-years and beyond, industry has a far clearer understanding of the state of the art, and also what technologies are feasible under what timelines. Instead, the approach that the Department is taking is to only consider the technologies that industry had on the drawing board while the first Offshore Renewable Energy Development Plan I was still being drafted. This is likely to result in further reputational damage for Ireland as we will developers will be unable to propose projects that rely on leading edge technologies, and so are likely to be less efficient than projects that are possible in peer nations because policy is constraining them through requiring them to use sub-optimal technologies.



## Constrained Designated Maritime Area Plans

The effect of the decisions that which brought the draft Offshore Renewable Energy Development plan to stage mean that the plan has conserved 'broad areas' of Irish waters for floating turbine only, without recognising that fixed turbines being deployed in ever deeper waters. These waters ought to be available for development between now and 2030, and need to be if we are going to be able to decarbonise our electricity supply using offshore wind. During the period while state departments and agencies are still in the process of upskilling, they are unlikely to be best placed to know what projects are deliverable, viable, technologically feasible, and competitive (vis-à-vis other, less risky developments in European waters). The Department needs to identify a much broader range of potential Offshore Renewable Energy Designated Maritime Area Plans which enable developers to select locations that can be powered within the next 6.5 years.

Additionally, it is unclear as to what the criteria were for selecting the Broad Areas of Interest, this is likely to be a problem in the longer term should the Department, or agencies, rely on this designation to refuse permitting in viable areas. For administrative processes like this to be able to sustain scrutiny in the courts they need to be both reasonable and rational, and should the decision-making process be undermined by inadequate or inappropriate assumptions or data then it is likely that State bodies will struggle to defend the stance that has been taken.

The decision by the Commission for the Regulation of Utilities to examine 'Hybrid' projects, where offshore energy projects are integrated into the existing grid capacity attached to coastal thermal generation sites is, should projects of this type be deemed appropriate (and the Commission should decide to permit them, because hybrid projects deliver power where existing grid infrastructure exists and so is both the quickest route to market, and also a policy that conserves the value of our national transmission network) then it is likely that this plan will need to be reviews to ensure that Designated Maritime Area Plans are available along the south and west coasts.



The approach taken by the Department in this Offshore Renewable Energy Development Plan II is in many ways more conservative than the original plan (i.e. excluding Irish Sea waters where were included in the 2013 plan) and is likely to act as a further bottleneck in the process of activating our offshore renewable energy resources. It is not flexible enough to account for the dynamic technology environment which it is attempting to regulate. It is not aligned with EU priorities regarding the need to expand our renewable energy generation capacity. And is so conservative in its ambition that it is likely to prevent our state from successfully achieving our 2030 Climate targets.