



Rialtas na hÉireann  
Government of Ireland

# Accelerating Ireland's Offshore Energy Programme

## Policy Statement on the Framework for Phase Two Offshore Wind

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Prepared by the Department of the Environment, Climate and  
Communications  
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# 1 Commitment from the 23rd Government of Ireland

In response to the unjustified Russian aggression against Ukraine and the resulting twin energy price and security of supply crises across Europe, the Government is accelerating the roll out of offshore renewable energy. This will deliver a secure, sustainable, and cost-effective supply of indigenous energy for future generations, while unlocking green energy export opportunities. The urgency of action is therefore reinforced by the transformational economic, societal, and environmental opportunities presented by Ireland's offshore wind resource which, in particular, will benefit our coastal and marine communities.

As a signal of this increased ambition, the Government is making the following commitments:

- We will target at least 5 GW of grid connected offshore wind to be delivered by 2030 and we will create a distinct programme of work to provide systems to enable a further 2 GW of floating offshore wind for additional non grid use that will be in development by the end of this decade. The 5 GW programme will be referred to as Phase 2 with the 2GW target given a separate phase called Phase 3. Phase 3 will be informed by the in-development Offshore Renewable Energy Development Plan, which will be published in Q2 2023, and Hydrogen Strategy which will be published by Government by Q3 2023.
- To maximise our offshore resource, in addition to fixed wind, we will target development of floating offshore wind technology for deployment off our South and West coasts, which can be expected to deliver offshore energy at scale in the medium term and this will be our Enduring Regime. This will include development of floating offshore wind dedicated to production of green hydrogen, as well as electricity for export to the European Union (EU) and United Kingdom (UK). In the longer-term, our offshore wind targets will increase to 20 GW by 2040 and at least 37 GW by 2050.
- To make these longer-term goals a reality, during the next 12 months we will develop and publish a revised Offshore Renewable Energy Development Plan, an updated National Policy Statement on Electricity Interconnection, a net zero electricity system pathway and a Green Hydrogen Strategy. Work is also underway on developing a

long-term future offshore renewables development strategy, with this policy to be consulted upon this year, with a view to publication of an Enduring Regime for Offshore Wind policy, together with a Phase 3 policy, in Q1 2024. Upon completion of these policies, Government intends to develop a specific route to market for floating wind projects within these designated areas. This is scheduled to be opened in 2024.

- To action these initiatives, we have developed and will implement a government-wide delivery/acceleration plan to develop, deliver and sustain a long-term offshore energy programme of work which will be a whole of government, multi-annual initiative which mobilises all relevant Government Departments and State agencies working together with other stakeholders, towards a common objective via the Offshore Wind Delivery Taskforce.
- We will immediately accelerate to designating specific areas of our Maritime Area for renewable energy production. The resulting Offshore Renewable Energy (ORE) Designated Areas and Designated Maritime Area Plans (DMAPs) will guide investment and decision-making and will complement the forthcoming network of Marine Protected Areas. This plan-led approach will ensure a balanced equilibrium between achieving our offshore renewable energy objectives, while maintaining environmental protection, the economic well-being of local communities, and consideration of other activities taking place in our shared marine space.
- We will build in processes and principles to increase our knowledge on the marine biodiversity/nature conservation and develop appropriate management plans etc. so that there is consistency between the transition to green energy and protection and restoration of nature. We recognise that this is the only way in which a sustainable offshore energy system can be developed.
- We will invest in our onshore grid to ensure it is capable of handling increasing amounts of variable renewable generation. We will prioritise the development of regional meshed offshore grids, to match and harness our offshore energy ambition and enable the export of surplus renewables produced from floating offshore wind projects situated off our Southern and Western coasts. This will require development of an appropriate regulatory and legislative framework at EU level.

- To maximise the offshore resource potential of our Atlantic waters, we will work to increase our energy interconnectivity to our EU partners, in particular France, Spain, Belgium, Germany and the Netherlands. We will enhance our existing interconnector infrastructure to the United Kingdom to allow us to export energy to their grid as well as import from it to allow the enhanced connected electricity systems capture weather systems as they pass from the west of Ireland to the Baltic Sea.
- We recognise the crucial role ports will play in facilitating the necessary development of offshore renewable generation and grid infrastructure, and we will support their development through a new National Ports Policy which will focus actions and investment accordingly.
- We will create a specific workforce action plan to foster the new skills required to maximise the unique opportunity offshore energy presents for Ireland.
- We will support the development of offshore wind supply chains in Ireland via Enterprise Ireland to capture the maximum economic benefit of our offshore ambition for Ireland. We will work with industry to develop an Industrial Strategy to ensure there is a long-term competitive and sustainable offshore energy industry.
- We will continue to look to understand and meet challenges to enable our offshore energy targets. To this end we will legislate where required, resource where required and be innovative in our approach.
- We will support the work of regional task forces, such as the Shannon Estuary Taskforce, who demonstrate drive and innovation. We will match their ambitions and create the environment for their goals to be realised.
- We will prioritise the work of the new State agency, the Maritime Area Regulatory Authority, which will see priority given to energy and energy-related developments for the first years of its existence. This prioritisation will follow through to other key decision-makers such as An Bord Pleanála. We will mobilise other State actors such

as the SEAI and the Marine Institute to support our offshore renewable energy work programme through research and innovation.

- We will develop integrated marine spatial planning capability to involve all relevant stakeholders in building a holistic approach to the development of our shared marine resource.
- We will develop a regime to ensure that maximum societal, business and economic benefits are derived from the establishment of the industry, including coastal communities.
- We will provide for a series of at least four Offshore RESS auctions over the course of this decade to support the new offshore green energy industry, while supporting alternative routes to market.
- We will develop a policy to enable hybrid grid connections, comprising a single connection point for both onshore thermal generation plants and offshore wind farms to the onshore transmission system, which has huge potential for diversification of energy transmission and which facilitate the efficient harnessing of our offshore wind resource. As part of this work programme we will support the potential creation of industrial clusters that use clean energy to replace fossil fuel derived energy in other sectors (e.g. Sustainable maritime or aviation fuel, green hydrogen production, long duration storage or industrial commodity production that is currently from fossil fuels).

#### **Phase Two Policy - Key Points**

- In response to the unjustified Russian aggression against Ukraine and the resulting twin energy price and security of supply crises across Europe, the Government is accelerating the roll out of indigenous renewables, including deployment of offshore renewable energy Phase Two.
- Deployment of offshore wind under Phase Two will take place through an accelerated work programme which will focus on near term delivery based on technology with proven scalability in other jurisdictions and will procure the additional offshore wind capacity required to meet Government's target of 5 GW of offshore wind by 2030.

- Phase Two Offshore capacity will continue to be procured through the Renewable Electricity Support Scheme (RESS), with the size, regularity and urgency of auctions required to meet the 5 GW target to be determined by onshore grid and marine spatial constraints, and the outcome of Phase One. Unsuccessful ORESS 1 participants will be afforded a strictly limited period by the Commission for Regulation of Utilities (CRU) within which to secure a Corporate Power Purchase Agreement (CPPA), and beyond which projects will be required to relinquish their Grid Connection Assessments.
- A first Phase Two auction – ORESS 2 – will launch by the end of 2023, following a public consultation on draft auction terms and conditions in mid-2023. Subsequent Phase Two auctions will only take place following identification of additional available grid connection capacity for offshore projects by EirGrid. Participation in Phase Two auctions will exclusively relate to offshore wind projects for delivery by 2030 to meet the 5 GW target.
- ORESS 2, and any subsequent Phase Two auctions, will exclusively procure a set volume of offshore wind capacity for development within individual Offshore Renewable Energy (ORE) Designated Areas, which will be designated according to legislative provisions for Designated Maritime Area Plans (DMAPs) in the Maritime Area Planning (MAP) Act. This approach will relate to ORESS 2 and all subsequent Phase Two auctions, including those possible auctions seeking to procure a set volume of capacity located off the East or West coast, following the outcome of the Phase One competitive and planning processes. The process of developing ORE Designated Areas will provide opportunities for public participation and consultation, as well as requiring statutory environmental assessments.
- The location of ORE Designated Areas for Phase Two will be geographically aligned with available onshore grid capacity, in addition to being informed by environmental considerations including European sites and Marine Protected Areas. By aligning with and maximising scarce available onshore grid capacity, as well as state resources, the designation of ORE Designated Areas will expedite delivery of post-Phase One offshore wind. This approach represents the best opportunity to meet Government's ambitious 2030 climate and energy targets, while bolstering security of supply. It will

provide additional certainty for investment in Ireland's offshore renewables sector due to enhanced project delivery prospects.

- EirGrid has identified available onshore grid capacity for further connection of offshore renewables of approximately 700 MW in total off the South coast of Ireland. The additional offshore wind capacity is intended to be split into two connections of approximately 350 MW each at different locations along the South coast. It is intended that the exact location of these onshore connection nodes, to be identified by EirGrid over the coming months, will be geographically aligned with the first two ORE Designated Areas. ORESS 2 participants will compete for supports to develop 350 MW offshore wind projects utilising proven technology that has been delivered at scale in other jurisdictions within each of these Areas, or a 700 MW project within a single ORE Designated Area. Innovative ways to maximise the energy output from these maritime areas beyond the level of the grid capacity will be considered. This will be included in the ORESS 2 consultation in mid-2023.
- The location of subsequent Phase Two ORE Designated Areas and Phase Two ORESS auctions will be determined by the availability of additional onshore grid capacity that may arise should Phase One projects fail to achieve a route to market or planning consent. For the avoidance of doubt, all Phase Two auctions will exclusively seek to procure offshore wind capacity located within ORE Designated Areas, including potential additional future auctions on the East or West coast should additional grid capacity be identified by EirGrid following completion of Phase One.
- To expedite delivery, EirGrid will proactively develop offshore grid transmission infrastructure for ORESS2, which will connect offshore projects to onshore nodes on the South coast, including offshore substations and submarine cable connecting offshore substations to the onshore grid. ORESS2 participants will compete for supports to develop offshore arrays that connect to offshore substations developed by EirGrid. However, successful participants in any subsequent Phase 2 ORESS auctions (beyond ORESS 2) may be required to develop all offshore transmission assets, including offshore substations, as per Phase One, which will be subsequently transferred to EirGrid. Work on identifying and developing these offshore connection platforms for the ORESS 2 auction has already commenced by EirGrid. This approach will further enable EirGrid to 'future proof' these offshore connection platforms,

enabling EirGrid to potentially connect much higher future volumes of future offshore wind when the onshore grid is sufficiently robust to absorb this capacity.

- Phase Two projects will require a Maritime Area Consent (MAC) to be eligible to apply for planning permission, with all MACs to be issued by the Maritime Area Regulatory Authority (MARA). The sequencing of consents and market supports will be outlined in the coming weeks to coincide with the publication of proposed ORE Designated Areas (according to DMAP requirements) and following further discussion between DECC, MARA and relevant stakeholders. However, should it be determined that holding a MAC will not be necessary for participation in ORESS 2, auction entry will nevertheless likely necessitate the same financial and technical competency requirements. Likewise, if this decision is arrived at, successful ORESS 2 participants will be required to have received a MAC within a strictly time-limited period following publication of ORESS 2 results, with grid connection costings provided by EirGrid prior to auction launch. This will expedite delivery of Phase Two projects.
- Beyond Phase Two and the 5 GW objective, Government has further committed to introducing a new phase – Phase 3 – which targets an initial 2 GW of floating offshore wind capacity off our South and West coasts. These projects are expected to be in development by 2030 and may include projects available for green hydrogen production and other non-grid uses. This is in recognition of the potential that floating wind has for the State and which Government wants to give every support it can to developing. Introducing a new phase allows for a targeted effort to building a new industry. Both Phase Three and the longer-term Enduring Regime for offshore renewable energy in Ireland and will be informed by inter alia the OREDP II and by the Hydrogen Strategy with policies for both Phase Three and the Enduring Regime for Offshore Wind Policy to be published in Q1 2024.

## 2 Background

The Minister for the Environment, Climate and Communications launched a public consultation to gather views on Phase Two in December 2021. The consultation period ended in March 2022, and following consideration of all submissions received, further consultation with the Department of Housing, Planning and Local Government, the Commission for the Regulation of Utilities (CRU) and Eirgrid as offshore Transmission System Operator (TSO) and asset owner, the approach outlined in this policy statement has been identified as maximising societal gains and is proposed for adoption by Government Decision.

The 2020 Programme for Government committed to a target of 5 GW of installed offshore wind capacity in Ireland's maritime area by 2030. This target was affirmed in the 2021 Climate Action Plan and is required to meet the target contained in the updated 2023 Plan, that up to 80% of Ireland's electricity will be sourced from renewables by 2030. Also in 2021, the Government adopted the Policy Statement on the Framework for Ireland's Offshore Electricity Transmission System, which agreed that a plan-led offshore grid model would maximise societal benefits, and that to avoid delaying offshore deployment, also agreed to a three-phased pathway from the existing decentralised model towards a fully plan-led model over the course of this decade.

### **3 Offshore Renewable Energy – establishing a sector for Ireland - a strategic overview**

A secure, sustainable, and affordable supply of energy is of central importance to Ireland's economic and social wellbeing. Ireland has some of the best offshore renewable energy resources in the world. The term 'offshore renewable energy' covers a number of technology types and includes wind (fixed and floating), wave and tidal, all of which rely on harnessing the motion of wind or water to generate energy. The initial focus for ORE will be in developing wind in the shallower waters off Ireland's coasts, in line with current technology maturity and our target of achieving 5 GW of capacity in offshore wind by 2030. The expected rapid development of emerging technologies, including offshore floating wind power, will facilitate development in the deeper waters off our southern and western coasts in the medium to longer term.

Recently, beyond the 5 GW of offshore wind target by 2030, the Government has targeted an additional 2 GW of floating offshore wind for the production of green hydrogen to create the necessary environment to develop a hydrogen industry. These objectives will be achieved over three phases and these phases will also establish the building blocks for a long-term sustainable ORE industry in Ireland. These overlapping and complementary phases will allow to Harness our Ambition (Phase 1) and Accelerate to 80% (Phase 2) while simultaneously we will put the cross-Government building blocks in place necessary for delivering our long-term vision and commitments (Phase 3).

## 4 Phase One - Harnessing our Ambition

The first stage of developing Ireland's offshore resource - Phase One – aims to secure development of the largest possible proportion of Government's objective to connect 5 GW of offshore wind to the onshore grid by 2030. Future offshore renewables development, including Phase One, has been informed by the establishment of new legislative, regulatory and policy frameworks, including:

**Maritime Area Planning Act 2021.** This Act was passed in December 2021 and establishes the legislative foundation for the new marine planning system.

**National Marine Planning Framework.** This is Ireland's first Marine Spatial Plan and was adopted by Government in May 2021. It brings together all primary human activities and aligns them under a single plan.

**Establishment of a new Maritime Area Consent (MAC).** In respect of offshore renewable energy projects, the MAC provides a right to occupy the maritime area subject to planning permission and achieving a route to market and is therefore a pre-requisite for project development. This consent regime replaces the foreshore lease, with the first MACs to seven Phase One offshore projects having been issued by the Minister for the Environment, Climate and Communications in late 2022. On establishment, the new State agency, the Maritime Area Regulatory Authority, will be responsible for granting further MACs for proposed offshore projects beyond Phase One.

**Establishment of an independent system of assessing planning applications.** Under the MAP Act, An Bord Pleanála will independently assess planning applications including environmental assessment of all offshore energy projects. This assessment will include public participation on the detailed project plan. An Bord Pleanála has established a new Maritime Directorate that will have responsibility for the assessment of planning applications for offshore development. This internal but specialised directorate allows the Board to develop the expertise required to assess these very complex project applications. The seven

projects awarded MACs under the new system are now in a position to formally apply to An Bord Pleanála for planning permission.

**Route to Market.** The seven projects awarded MACs under the new system are participating in the first Offshore Renewable Energy Support Scheme auction (ORESS 1) which is currently underway and which will provide support to offshore wind project development. ORESS 1 will be the first offshore wind specific auction the State has run, with associated auction terms and conditions approved by Government in November 2022. ORESS 1 was launched by EirGrid in December 2022 and will be completed by June 2023. Unsuccessful ORESS 1 participants will be afforded a time-limited opportunity to secure an alternative route to market via a Corporate Power Purchase Agreement (CPPA) before expiration of Grid Connection Assessments (GCAs) provided by EirGrid. The window of opportunity for projects to agree an alternative route to market has currently been set at three months by the CRU, following which any Phase One project without a route to market will be required to surrender their Grid Connection Assessment. This post ORESS 1 time-period within which any CPPA must be agreed will be reviewed by the CRU following publication of this Phase Two policy statement.

## 5 Phase Two – Accelerating to 80%

### Phase Two Policy Decision

It is anticipated that a large proportion of Government's 5 GW offshore wind target will be developed under Phase One. However, with a combined capacity of Phase One projects totalling around 4.4 GW, coupled with prospects that some Phase One projects may fail to secure a route to market or development consent, additional offshore projects will be needed to meet 5 GW by the end of this decade. This transition from Phase One to the longer term enduring offshore regime, which incorporates the delivery of 5 GW by 2030, will be known as Phase Two. The main parameters of Phase Two, as agreed by Government, are as follows:

#### 1. Alignment with available onshore grid capacity - Phase Two

The location and volume of capacity of offshore wind to be developed under Phase Two will align with the availability of onshore grid capacity and the associated ability to provide for their integration to the onshore grid. As outlined in the first Shaping Our Electricity Future report published by EirGrid in 2021, TSO analysis provides for the connection of approximately 5 GW of offshore wind projects to the onshore grid by 2030. Pending the outcome of Phase One, a limited amount of further offshore wind capacity can therefore connect to the onshore grid off the south coast without significant onshore grid reinforcement.

Prior to clarity over the outcome of Phase One, and the ability of Phase One participants to secure a route to market via ORESS 1 or a Corporate Power Purchase Agreement (CPPA), and subsequently acquire planning consent, EirGrid analysis has highlighted currently available onshore grid capacity for further connection of offshore renewables of approximately 700 MW in total off the South coast of Ireland. The additional offshore wind capacity (700 MW) is intended to be split into two onshore connection locations of approximately 350 MW each at two locations along the South coast. The first ORESS auction to take place under Phase Two – ORESS 2 - will therefore provide supports for offshore wind projects utilising proven technology that has been delivered at scale in other jurisdictions to connect into offshore substations to be developed by EirGrid and subsequent connection to the onshore grid on the South coast via transmission cables also to be developed by EirGrid. Additional onshore grid capacity for connection of offshore projects under Phase Two may be identified by EirGrid following the outcome of Phase One.

Crucially, this geographical alignment of offshore wind projects developed under Phase Two with the availability of onshore grid capacity will further enable the TSO to optimise and expedite any onshore grid reinforcements that may be required to integrate Phase Two projects. This approach will further accelerate project delivery and minimise potential future grid constraints and/or curtailment, to the benefit of final electricity customers, prospective offshore projects and the attainment of Government's green energy ambitions.

## 2. Offshore Renewable Energy Designated Areas

Government has determined that the location of offshore wind projects and offshore transmission system infrastructure to be developed under Phase Two will be identified through forward spatial planning and the designation of Offshore Renewable Energy (ORE) Designated Areas. Put simply, offshore capacity to be developed under Phase Two will be accelerated through the designation of maritime areas that have been specifically identified for the purpose of offshore energy production by Government and approved by the Oireachtas. This approach is consistent with the thrust of recent EU policy and legislation, which aims to accelerate permitting procedures for renewable energy projects and associated grid infrastructure through designation of targeted specific renewable energy development zones. This approach is further consistent with the NMPF and MAP Act, which commit to forward spatial planning via design and designation of Designated Marine Area Plans (DMAPs). This acceleration is also aligned to National Energy Security Framework Targets and the response to Russian aggression in Ukraine.

Government has agreed that the establishment of ORE Designated Areas will take place according to legislative provisions for the designation of DMAPs within the MAP Act. In this regard, it is important to note that public participation will be a key element in the development of ORE DMAPs, which are subject to a mandatory Public Participation Statement detailing timeframes, procedures and mechanisms for public participation specific to each plan. Alongside opportunities for public participation and consultation, the DMAP designation process will further include statutory environmental assessments. Upon designation and approval by the Oireachtas, DMAPs will form part of the NMPF and provide statutory guidance to relevant authorities in the assessment of Phase Two development applications in respect of both offshore wind farms and associated offshore and onshore transmission infrastructure. Government considers that this approach will serve to enhance

the prospects of Phase Two offshore projects and Eirgrid in achieving development consent and expedite delivery.

Government has agreed that the initial ORE Designated Areas under Phase Two will be geographically aligned with existing onshore grid capacity identified by EirGrid on the South coast. Government is aiming to achieving the final designation of the first two ORE Designated Areas and the required Oireachtas approval by the end of 2023, subject to environmental considerations. ORESS 2 will launch immediately after the formal adoption of these Areas.

Further future ORE Designated Areas, potentially including areas located off the East or West coast to account for possible Phase One attrition, may be developed during Phase Two to facilitate any subsequent ORESS auctions required to secure Government's 5 GW by 2030 ambition.

### 3. Phase Two ORESS Auctions

Prospective offshore wind projects under Phase Two will continue to compete for supports under Ireland's Renewable Electricity Support Scheme (RESS). However, in a departure from Phase One, all auctions that take place under Phase Two will be explicitly targeting a pre-established benchmark volume of offshore wind capacity to be developed within specific ORE Designated Areas. To ensure the optimum prospects for delivery by 2030, all ORE Designated Areas for Phase Two will be selected which facilitate offshore wind projects utilising technology that has been delivered at scale in other jurisdictions.

For the initial Phase Two auction, ORESS 2, participants will compete for supports to develop approximately 700 MW of offshore wind capacity within one, or split evenly between two, ORE Designated Areas situated off Ireland's South coast. Successful participants will connect into offshore substations developed by EirGrid, with arrays and transmission infrastructure to be situated within the ORE Designated Areas. It is intended that the ORESS 2 will launch before the end of 2023 and will procure approximately 700 MW of capacity in total within one ORE Designated Area or split evenly between two ORE Designated Areas to be delivered by 2030. The auction and the development of the DMAPs will determine whether this capacity will be split evenly between two 350 MW projects or allocated to a single 700 MW project. The auction winner selection process will may include *inter alia*

weighting towards projects which can deliver additional non-grid connected capacity. Such considerations will be consulted upon following the publication of the ORESS 2 terms and conditions, to be consulted on in mid-2023. Further ORESS 2 design considerations may include weighting for co-location of flexible demand, overbuild, storage or other innovation that would maximise the greenhouse gas reductions in the state.

The number, regularity, size, and location of further future Phase Two auctions will continue to be informed and determined by the availability of onshore grid capacity, including possible future identified capacity on the East or West coasts, and marine forward spatial planning, as well the outcome of the Phase One.

#### 4. Phase Two Offshore Grid Planning and Development – phased approach consistent with 2021 policy framework and future proofing

To ensure the best prospects of delivery by the end of this decade, EirGrid will proactively develop offshore grid transmission infrastructure for ORESS 2, including offshore substations and transmission lines connecting offshore substations to the onshore grid. ORESS 2 participants will therefore compete for supports to develop offshore arrays that connect to offshore substations developed by EirGrid. However, successful participants in any subsequent Phase 2 ORESS auctions may be required to develop all offshore transmission assets, including offshore substations, as per Phase One, which will be subsequently transferred to EirGrid. It is important to note that work on identifying and developing these offshore connection platforms has already commenced in earnest by EirGrid. This approach will further enable EirGrid to ‘future proof’ these offshore connection platforms, enabling EirGrid to potentially connect much higher future volumes of future offshore wind when the onshore grid is sufficiently robust to absorb this capacity. This will be key to developing future offshore wind, including floating wind, off Ireland’s South-East coast and South coasts, for commencing development around the end of the decade.

In line with the approach for Phase One, any subsequent future Phase Two auctions may require successful participants to develop the associated offshore transmission infrastructure, including offshore substations, required to connect offshore projects to the onshore grid. As with Phase One, functional specifications and grid connection methods and charges may continue to be stipulated by the CRU and EirGrid for each ORE Designated Area. However, it is envisaged that Phase Two projects successful in any subsequent Phase Two auctions, which are responsible for developing any offshore transmission assets would

include these costs within ORESS bids, informed by EirGrid grid connection charges for each ORE Designated Area. All offshore transmission assets must ultimately be transferred to EirGrid ownership, with the timing and conditionality for asset transfer to be determined by the CRU.

#### 5. Maritime Area Consents – Phase Two

All Phase Two projects will require a Maritime Area Consent (MAC) to be eligible to apply for planning permission, with all MACs to be issued by the Maritime Area Regulatory Authority (MARA). The sequencing of consents and market supports will be outlined in the coming weeks to coincide with the publication of proposed ORE Designated Areas (according to DMAP requirements) and following further discussion between DECC, MARA and relevant stakeholders. However, should it be determined that holding a MAC will not be necessary for participation in ORESS 2, auction entry will nevertheless necessitate the same financial and technical competency requirements sought by MARA in respect of MAC applications, and potentially further declarations relating to project delivery and supply chain access. Likewise, if this decision is arrived at, successful ORESS 2 participants will be required to have received a MAC within a strictly time-limited period following publication of ORESS 2 results, with grid connection costings provided by EirGrid prior to auction launch. This will expedite delivery of Phase Two projects.

## **6 Phase Three – Supporting innovation, building a supply chain and unlocking potential**

In recognition of advances made both internationally but more importantly by domestic innovators as well as ambitious taskforces, Government has decided to initiate a new phase, Phase Three, which aims to support the long-term potential for a floating offshore wind industry, including all elements of the necessary supply chain required for an industry of this type, in Ireland. Government has set an initial target of 2 GW of floating offshore wind to be in development by 2030. This may include the development of projects devoted to production of green hydrogen, to create the necessary environment to develop an indigenous hydrogen industry, and projects devoted to other non-grid uses. It is therefore currently anticipated that this 2 GW may not be connected in the traditional manner with Government welcoming and encouraging innovation from developers in this regard. A Phase Three policy will be developed and published in Q1 2024 and will be informed by the OREDP and Hydrogen Strategy. Government will endeavour to initiate a dedicated floating wind route to market in 2024 but further consideration and consultation will need to be given to route to market policy to ensure viable solutions with State protections.

## 7 Enduring Regime - Delivering our long-term vision and commitments

Work has started on the development of our Enduring Regime for offshore renewable energy. We expect to see projects under this regime commence deployment at the end of this decade. The Enduring Regime will see greater state involvement in the sustainable development of the sector, in terms of where projects are developed, when they are developed, and where the energy generated will be used.

The Enduring Regime will see greater State involvement in the sustainable development of Ireland's offshore renewable energy sector, including through further designation of maritime areas within which future offshore projects will be developed, the timing of future development, and determining the optimum offshore renewable energy technology mix. This Plan Led approach will further provide for developing the onshore and offshore transmission infrastructure necessary to achieve a fully decarbonised energy system in Ireland, bolstering security of supply, and realising the economic opportunities associated with exporting offshore renewables to major regional demand centres in continental Europe and the United Kingdom. This will further act as an important signal for investment for renewable energy development.

Using the OREDP II as its evidence base, Government will assess Broad Areas of Interest for renewable energy production in the deeper areas of the Celtic Sea and off the West coast of Ireland leading to the designation of specific areas. More information on the proposed approach will be contained in the OREDP II, which will be informed by a public consultation which began in Q1 2023, and in Government's forthcoming Hydrogen Strategy and Electricity Interconnection Policy in Q2 2023. As with Phase Three, and upon completion of a route to market which is compliant with EU State Aid rules, Government intends to develop floating wind projects within these designated areas.

Benefits associated with the Enduring Regime plan-led approach include:

- Designation and optimisation of the appropriate maritime areas for future offshore renewables development, based on the available offshore resource, environmental

considerations and economic opportunities, to the benefit of the State and local coastal and marine communities. Crucially, this plan led approach and designation of renewable energy development areas will guide permitting and decision-making for offshore projects, expediting project delivery and de-risking sectoral investment.

- Minimising speculative activity in the marine environment and reducing costs by providing for the coordination of support services, infrastructure, and future-proofing technology to minimise environmental impacts.
- Providing greater certainty for all maritime users and creating opportunities for synergies, e.g., through the promotion of co-existence; planning future development of port facilities; inclusion within coastal County Development Plans.
- Providing the opportunity for a joined up public acceptance process covering multiple projects
- Alignment of future offshore renewables with Government commitments regarding Carbon Budgets and Sectoral Emissions Ceilings, with the overarching objective of accelerating the transition to a fully decarbonised energy system.
- Optimising and expediting development of offshore and onshore energy grid infrastructure to enable Ireland to become a major regional producer and exporter of green energy, whilst bolstering security of supply. This will include future development by the TSO and private sector of additional cross-border connectivity, such as point to point and hybrid electricity interconnectors, and offshore energy islands.
- The alignment of national offshore renewable energy policy, legislation and regulatory frameworks with evolving EU acquis, and the ability of Irish energy infrastructure projects to maximise the availability of EU funding.

In summary, the move from a decentralised to plan-led model will ensure that development is managed in a planned, strategic, and sustainable way. Work is underway on developing this plan-led approach to future offshore renewables development, with this policy to be consulted upon this year, with a view to publication of an Enduring Regime for Offshore Wind policy in 2024.

The Enduring Regime will be developed via several different workstreams including an economic assessment of how best to realise our potential in a way that ensures maximum societal benefits; an assessment of the resource potential identifying and designating spatial areas suitable for development; and a planned approach to grid development.

## 8 Offshore Renewable Energy Resource Assessment

The Offshore Renewable Energy Development Plan II (ORED II) is a sectoral spatial strategy for ORE and by assessing the potential offshore energy resources available in our maritime area, is a significant step towards harnessing Ireland's immense ORE potential. In developing the plan, core principles within the National Marine Planning Framework are being centrally considered, namely the protection of the marine environment and biodiversity, while also recognising our seas are a shared space with potential for co-existence with other maritime activities. The outputs from the development of the ORED II will inform how the State transitions to a more plan-led approach to the development of ORE. Together with an associated economic analysis, this will inform ORE ongoing policy development.

The ORED II assessment encompasses the entire maritime area which extends to 200 nautical miles or 370 km off the coast. The plan will consider advances in wind, wave and tidal renewable energy technologies to assess the ORE potential in Irish waters. It will also provide an evidence base to facilitate the identification of areas most suitable for ORE using the latest data available on a range of themes including other maritime activities and marine biodiversity. An SEA and AA are being carried out to evaluate the potential impacts and inform the direction of the ORED II.

ORED II involves engagement and input from a wide range of stakeholders across the public sector, academia, industry, coastal and marine communities, and environmental groups, participating through an Advisory Group, a Data and Scientific Group and a Steering Group. As work on the ORED II is progressed, public participation will be sought, particularly from coastal and marine communities, to ensure a wide variety of views are captured on the draft plan through extensive public consultation early in 2023. The ORED II will facilitate the identification of broad areas of interest for further detailed assessment as Designated Maritime Area Plans (DMAPs), as provided for in the MAP Act 2021. These in turn will set out the pathway for the State to take a leading role in managing the deployment of ORE development.

## 9 Appendix

### 1. Fixed and Floating Wind

Fixed-bottom wind turbines is the only proven offshore wind technology currently in operation at scale in any jurisdiction around the world. Because of this, most of Ireland's proposed offshore wind farms for this decade will utilise this technology. Given this, in the initial years of our offshore energy sectoral develop in Ireland, our focus must be on supporting the deployment of this technology.

The key challenge with fixed-bottom turbines is that they can typically only be deployed in water depths of 50-60 metres or less. Fixed-bottom offshore wind farms can be located some considerable distance from shore but typically only in places where the water depth is under 60 metres, and often under 40 metres. We will review depths and technology on an ongoing basis but considerations in the near-term will have to focus on shallower waters of 60 metres or less, particularly for early DMAPs.

#### **Minimum distance to shore**

Throughout the development of this and other related policies, suggestions have been raised that Ireland should replicate other EU jurisdictions in establishing a minimum distance to shore for offshore wind farms. This is simply not the case. The UK, currently the world's largest offshore wind energy market, has no distance-to-shore restriction on offshore wind farm development. Denmark, the world's leader in wind energy development, likewise has no such restriction. In fact, no country in the EU has a restriction in place and there are almost 70 offshore windfarms in Europe located within 22km of land. Seabed depth is one of the most critical factors for any potential location, which in the case of Ireland increases very rapidly, especially when compared to the North Sea. Accordingly, there are limited areas within Ireland's Maritime Area where fixed wind can be developed. The majority of the maritime area off the West and South coasts are simply too deep. This essentially leaves the Irish Sea and very small areas of the Celtic Sea and the Irish Atlantic seaboard.

Floating wind is a nascent technology and while some current projects exist in Norway, Scotland and Portugal, these remain non-commercially deployable. Moreover, those jurisdictions which have announced significant ambitions for floating, such as UK with

ScotWind (20GW) or Celtic Sea (4GW), have indicated those projects are expected to be deployed post-2030. However, for the avoidance of doubt, the Government is fully committed to a longer-term plan that will enable the siting of floating wind turbines in the deeper waters of our maritime area pending technological developments. This is why we have introduced a Third Phase which looks to accelerate development of the floating industry. Moreover, through the work currently being carried out on the Offshore Renewable Energy Development Plan, we are preparing for this now and well ahead of time and over the next few years we will build a framework of plans to support and develop this unique opportunity for Ireland. When the technology is ready we will be ready.

## **2. Building for the future while delivering in the present**

A cross-Departmental Offshore Wind Delivery Taskforce has been established to drive the delivery of 5 GW of offshore wind by 2030 and to capture wider and longer-term societal, economic, and business opportunities associated with the development of offshore renewables in Ireland. This will include the identification of supporting infrastructure development and supply chain opportunities as Ireland's offshore wind industry is developed. The Taskforce will publish its summary of key 2023 actions, across all Government Departments, Agencies and industry, with this Phase Two policy statement.

Our 2021 Policy Statement on the Framework for Ireland's Offshore Electricity Transmission System provides for a phased transition from a decentralised offshore transmission system model to a centralised model over the course of this decade, with ownership of offshore transmission system assets to be assigned to EirGrid, Ireland's existing electricity Transmission System Operator. Significant reinforcements/development of grid are needed to enable 5 GW of offshore renewables to connect to the grid. The next iteration of 'Shaping our Electricity Future' will set out Eirgrid's plans for this and will reflect our increased ambition to meet up to 80% renewable electricity by 2030.

Following a Public consultation, the Department is currently developing a hydrogen strategy which will support our Phase 3 and the Enduring Regime. That strategy will look at options for green hydrogen such as its use for heavy industry; in dedicated green energy parks and/or as a back-up for electricity demand during periods of intermittency.

Government's 2021 Policy Statement on the facilitation of Offshore Renewable Energy by Commercial Ports in Ireland highlights that a number of port facilities will be required for deployment activity and a multiple of ports will be needed for Operations and Maintenance of wind farms. This will ultimately allow investments that are commercially viable in the long-term to progress without undermining the ability of any port to meet its primary obligations in relation to the facilitation of international trade. This multiport approach will help maximise the economic benefits at regional as well as national level in terms of the creation of jobs and new SME enterprise that can support the development of the ORE industry.

Offshore wind projects take a long time to develop—typically a decade from original concept to generating electricity—so it is imperative to prepare now for the longer term. However, we want this timeline reduced and we want offshore windfarms deployed as soon as possible to address both our energy security concerns as well as our decarbonisation ambition. To deliver on our commitments, our strategy is to manage the introduction of offshore wind and its subsequent establishment as a thriving and sustainable industry through inter-linked and overlapping phases, all working in unison and developed simultaneously through the next decade. |