



Briefing on Government's new Phase Two Policy Statement

Introduction

On Friday 10 March the Government published the 'Phase Two Policy Statement' which sets out the future for offshore wind energy development in Ireland.

This short note explains the impact of this statement on timelines for offshore wind farms and proposes three key actions if Ireland is to have any chance of reaching our legally binding carbon emissions reductions targets and delivering clean, secure and affordable power for our people.

The critical Government department right now is the Department of Housing, Local Government and Heritage and action is urgently needed.

Definitions

To understand how policy has changed it is necessary to explain terms which may be unfamiliar.

Phase One: The change in policy does not affect Phase One projects which will compete in an auction next month. Together, they make up approximately 4,000-4,500 MW of capacity.

These are **Oriel Wind Farm** off the coast of Louth, **North Irish Sea Array** off the north county Dublin coast, **Dublin Array** which is off Dun Laoghaire and north Wicklow, **Codling Wind Park** which is off Wicklow, **Arklow Bank** which is off the coast of Arklow and **Sceirde Rocks** off Galway.

Phase Two: We cannot achieve our targets with just the Phase One projects. 'Phase Two' refers to the other offshore wind energy projects we will look to build before 2030. These will bridge the gap between whatever is delivered in Phase One and the 5,000 MW target in the Climate Action Plan.

Developer or Project-led: This is a term used to describe a form of offshore wind farm development where the project identifies the location, applies for a Maritime Area Consent, then applies for planning permission and eventually builds it. This is the approach used for Phase One projects and (until last week's announcement) had been the basis for Phase Two projects.

State or Plan-led: This describes an approach where the State identifies the locations suitable for wind farm development and projects are then generally only built in those areas.

Designated Marine Area Plan (DMAP): The Maritime Area Planning Act gives the Minister for Housing, Local Government and Heritage the power to appoint someone to develop a Designated Marine Area Plan. After extensive public participation they identify specific locations in Ireland's marine area particularly suitable for offshore wind farms. It is a key part of a plan-led process.

What has changed?

Following a recent sudden policy change by the Department of Environment, Climate and Communications, the Government has announced that **Phase Two projects will now be built under a plan-led system rather than a project-led approach.**

This means that all offshore wind energy projects after Phase One can only be built within Designated Marine Area Plans but these have yet to be identified and the State body or agency which will design them has not been identified.

The Phase Two Policy Statement implies that these areas could be approved by Government within the next nine months. However, legal and planning experts have told us that creating each of these plans could take 18-24 months.

Is a plan-led approach a bad idea?

A plan-led approach has many advantages and can help to reduce risk for projects by identifying locations suitable for offshore wind energy development.

It enables the State to ensure other factors such as capacity on the electricity grid, environmental impacts and effects on other marine users are fully considered before selecting sites for offshore wind farms but it has one significant drawback.

Even in countries with expertise and experience in marine planning and offshore infrastructure – which would not include Ireland – it can take a long time, typically years, for the State to identify locations for wind farms.

Because of this, to give us our best chance of building wind farms quickly enough to reach the 2030 targets, Ireland previously decided that Phase One and Phase Two projects should be project-led.

Meanwhile, the Government would develop and resource a plan-led approach which would be rolled out for all projects post-2030 but this policy has now changed.

What effect has this decision had?

Our members are effectively being told to stop developing offshore wind energy projects under Phase Two and wait for DMAPs to be identified.

Even since last Friday we are aware of members who have started to redeploy staff to projects outside of Ireland and which have cancelled planned survey or engagement activity for 2023.

Since projects do not know whether they will be inside the DMAPs or outside them there is no reason for them to proceed with project development until this is clarified.

A sudden change of policy in the middle of the project development process has also fuelled uncertainty and confusion internationally about Irish offshore renewable energy policy.

What needs to happen now?

The focus now must be on the Department of Housing, Local Government and Heritage.

The Designated Marine Area Plans must be created as quickly as possible and industry must be given the confidence that this will be done swiftly and correctly. This is the responsibility of the Minister for Housing, Local Government and Heritage. There are three immediate actions.

Resources: The Department of Housing, Local Government and Heritage – which has responsibility for marine planning – must provide the resources and personnel to work with the Department of Environment, Climate and Communications to create the DMAPs as quickly as possible. Additional resources in An Bord Pleanála and the Maritime Area Regulatory Authority are essential.

- **The Department of Housing, Local Government and Heritage should immediately identify the agency or body which will develop the Designated Marine Area Plans and give it the resources it needs to develop these plans before the end of the year.**

Confidence: We cannot build renewable energy without billions of euro of investment and the support of a global supply-chain. Ireland has always been seen as a challenging investment choice for offshore renewable energy. Years of effort from industry have gone into trying to correct this perception.

But this radical change in policy has done significant damage to confidence in Ireland among international investors and the global supply-chain. Support for offshore wind energy must be strongly articulated as a whole of Government priority from the Taoiseach and senior Cabinet members.

- **The Department of Environment, Climate and Communications should work with industry to develop a strategy to rebuild confidence among investors and supply-chain companies.**

Co-operation: The Government has set up an Offshore Wind Delivery Task-force but refuses to allow industry to participate. This is contrary to best practice in Britain and other European markets and means, effectively, that the Government has established a task-force to deliver offshore wind energy which has no experience of doing so.

The uncertainty and the reputational damage inflicted by this sudden policy change could have been avoided if the expertise and experience available in industry had been used. The near-total failure of communication has real consequences which threaten projects and wastes resources.

- **Industry should be included in the Offshore Wind Delivery Task-force and all of its relevant workstreams.**

Conclusion

We will build offshore wind farms in Ireland. Our members will deliver the Phase One projects.

Government sets policy and has done so. Our job is to work to with that policy to achieve the targets in the Climate Action Plan.

To give us any chance of doing so Government and industry must work together to deliver the Designated Marine Area Plans as quickly as possible.

Only by doing this can we cut our carbon emissions and build an energy-independent Ireland.

ENDS