

# Bord na Móna

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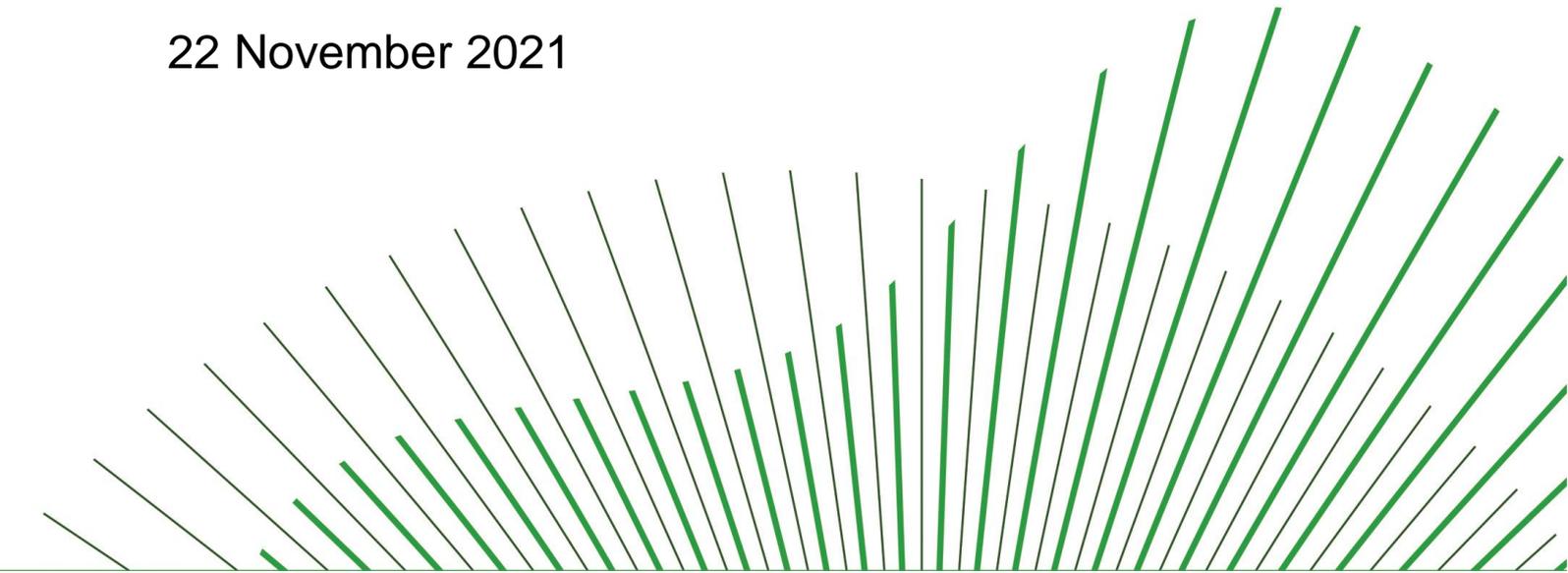
## CRU Proposed Decision

Offshore Grid Connection Assessment  
Phase 1 projects

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## Consultation Response

22 November 2021



## 1. Introduction

Bord na Móna (BnM) is evolving to deliver essential climate solutions for Ireland. Having ceased peat harvesting, our focus is on developing Climate Solutions in renewable energy, sustainable waste management, carbon storage and biodiversity conservation.

BnM has a long history of contributing to Ireland’s energy demand with both conventional and renewable energy and we are actively considering development options that respond further to energy needs of the Irish system while supporting the low carbon transition. We currently have over 500MW of generation assets under management and we are actively progressing projects totalling 1.5GW across our landbank.

At BnM we are taking real and tangible action by building and managing large scale renewable energy infrastructure to deliver clean power for the national grid. We are a leading developer of onshore wind in Ireland and continue to work across solar, biomass, biogas, storage and other technologies to help achieve Ireland’s 80% renewable electricity target by 2030<sup>1</sup> – to provide Energy Security for the future.

## 2. Response

### General Comments

Bord na Móna welcomes the opportunity to respond to the CRU Proposed Decision on Offshore Grid Connection Assessment for Phase 1 projects. The publication of the Proposed Decision is a significant milestone marking the first step in the development of a new regulatory framework for the connection of offshore wind in Ireland. Earlier this month the DECC published an update to the Climate Action Plan (CAP) which included an increased renewable electricity target of 80% by 2030 and a reaffirmation that offshore wind is expected to meet the greatest proportion of the additional renewable generation to meet the increased target. In addition, EirGrid published “the

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<sup>1</sup> Climate Action Plan (2021). <https://www.gov.ie/en/publication/6223e-climate-action-plan-2021/>

inaugural Shaping Our Electricity Future Roadmap”<sup>2</sup> which provides an outline of the key network, operation and market developments needed to support a secure transition to 2030. The ambition for onshore wind in the roadmap is disappointing. The view to 2030 only envisages 1300MW of additional onshore wind capacity, a proportion of which is already under development or construction. To achieve the 80% renewable electricity target all viable options will be required and onshore wind is not only commercially viable, but developers have also proven they can deliver the generation capacity required in the timeframes needed.

BnM has a significant development pipeline particularly in the midlands and we are actively progressing large scale renewable projects totalling over 1 GW across our landbank. We are also aware of a number of other developers progressing in the midlands and would urge EirGrid to ensure that these projects can access the grid on a firm basis to maximise RES-E and the value of investment. Offshore Wind is certainly needed to meet Ireland’s 80% 2030 renewable targets, but progressing onshore wind is a no regrets approach to alleviating carbon emissions in the near term and viable projects in both areas should be given every chance to progress to commercial operation.

While Bord na Mona is predominantly an onshore renewables developer today, we welcome the recent positive steps taken in the offshore wind sector. We note that this consultation was published in parallel with the DECC consultation on the Terms and Conditions of the first Offshore Competition under the Renewable Electricity Support Scheme (ORESS 1)<sup>3</sup>. The paper includes ambitious high-level timelines for the offshore wind auctions to provide a route to market for Phase 1 and Phase 2 projects before 2030.

Offshore wind is a global market that requires specialist equipment and as a starting point, early certainty would appear to be critical for its successful development. It would be helpful to have a

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<sup>2</sup> EirGrid, 2021, Shaping Our Electricity Future. [https://www.eirgridgroup.com/site-files/library/EirGrid/Shaping\\_Our\\_Electricity\\_Future\\_Roadmap.pdf](https://www.eirgridgroup.com/site-files/library/EirGrid/Shaping_Our_Electricity_Future_Roadmap.pdf)

<sup>3</sup> DECC Consultation on ORESS 1 Terms and Conditions, 2021. <https://assets.gov.ie/201092/8051b109-9e01-4a89-b7d5-eafddbcb42e.pdf>

firm view of the auction timetable included in the DECC decision which is due next year given the interdependencies between the auction results and supply chain establishment. Providing a firm timeline will enable developers to consider and progress contracts with suppliers.

BnM also notes that offshore wind developments in Ireland are reliant on the enactment of the Maritime Area Planning Bill which is currently going through the houses with a view to publication by the end of 2021. The Bill provides for the establishment of the new Maritime Area Regulatory Authority, an agency that will have responsibility for the granting of Maritime Area Consents (MACs), licences and the enforcement of the new regulatory regime. Given the importance of offshore wind contribution to our National Climate Action Targets, BnM would reiterate that sufficient urgency and resources are needed to enable the timely establishment of the new planning regime.

Meeting the 2030 5 GW Offshore Wind target<sup>4</sup> will require projects beyond the 'Phase 1' projects. Phase 2 projects will bridge the gap in offshore capacity that will be delivered by ORESS 1. It has been indicated that there will be a consultation on Phase 2 in the coming months and this is welcomed. However, to ensure these projects can continue their progress, decoupling them from the Phase 1 GCA process is recommended. This will provide an opportunity for Phase 2 projects to engage meaningfully with EirGrid at an earlier stage to understand connection method options, and to define onshore connection arrangements. This information is fundamental to these projects developing auction bids in support of our 2030 offshore wind target.

### **Future Grid**

In its' Grid Connection Assessment for Phase 1 Projects (CRU/21/112a) published alongside the CRU paper, EirGrid has identified "a number of existing/planned reinforcement projects are critical to integrating offshore wind on the east coast" and "... a number of additional reinforcements" that are critical to integrate the offshore projects on the East coast, whatever the connection

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<sup>4</sup> CAP, Action 115. <https://assets.gov.ie/203558/f06a924b-4773-4829-ba59-b0feec978e40.pdf>

method. Five of these reinforcements are 220 kV cable replacement projects in the Dublin region<sup>5</sup>; the additional three are 400kV upgrade projects in North Dublin, Meath, and Kildare<sup>6</sup>. These reinforcements are at various stages of development – some having been defined many years ago, while others are emerging. BNM strongly suggests that these projects are progressed by EirGrid as no-regrets infrastructure projects to facilitate the connection of offshore wind, especially in light of the number of years associated with constructing new infrastructure projects.

As a developer and operator of power generation, BnM is acutely aware of the impact delays in the delivery of grid infrastructure can have on operational assets and development projects. To ensure we meet our 2030 Climate Action targets we would strongly urge the relevant authorities, and EirGrid to work together to ensure that the planning framework facilitates the rapid progress required to do so, and that appropriate resources are allocated to delivering these reinforcements. More generally, in light of the accelerated timeline for RESS 2, which indicates an auction in May 2022, and the complexity and scale of offshore projects, BnM request that sufficient resources are made available to ensure the timely processing of GCAs as well as standard connection offers for RESS 2 projects.

It is also important that any potential impacts of new offshore capacity on existing operational assets onshore are well understood. If an impact is identified, now or at a later stage, it should be accompanied by mitigation measures, either physical or operational, and these should be progressed to minimise negative outcomes for existing assets. **Continued investment in the electricity network to 2030 and beyond is absolutely imperative.** Given the delivery timelines for infrastructure projects and the anticipated evolution of the energy market in the medium to long term, a resilient electricity grid is the cornerstone of the Irish economy.

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<sup>5</sup> EirGrid Offshore Phase 1 Projects – Grid Connection Assessments. <https://www.cru.ie/wp-content/uploads/2021/10/CRU21112a-EirGrid-Offshore-Phase-1-Projects-Grid-Connections-Assessments-March21.pdf>

<sup>6</sup> IBID.

### 3. Response to consultation questions

BnM's view is that the proposed timeline for issuance of GCA after an application is processed is reasonable. We note the short timeframe between the publication of a CRU decision and the date for applications, it may be necessary to extend this given the volume and complexity of information required to submit a GCA application.

The CRU has proposed that the validity period of GCAs is not exclusively tied to the outcome of the ORESS 1 auction and that there is flexibility for 'unsuccessful' projects to seek an alternative route to market, perhaps through a Corporate Power Purchase Agreement (CPPA). This flexibility is welcome particularly given that the CAP includes a specific target to "Ensure that 15% of electricity demand is met by renewable sources contracted under Corporate Power Purchase Agreements"<sup>7</sup> by 2030. It may also be worthwhile extending this option to onshore developments in the next iteration of ECP.

Given the already stated importance of the so called 'Phase 2' projects in meeting the 2030 5 GW Offshore wind target, and in order to ensure that subsequent 'Phase 2' projects have an opportunity to progress in timely manner, the CRU should consider whether it is reasonable to allow 'Phase 1' projects to hold onto their GCA. It is important that developers of Phase 2 projects are not unintentionally disadvantaged in terms of getting clarity on their connection particularly if there is an assumption that capacity at a particular node remains with a Phase 1 project.

The CRU has also proposed that where there is competition for capacity at a specific location, that such a connection point would be allocated through the GCA process which is a reasonable approach. However, the CRU has also considered a subset of this option, (i.e., the ORESS 1 auction allocating scarce grid capacity to the most efficient project. It would be helpful to understand how 'efficiency' is defined in this context i.e. is it determined based on auction outturn, connection method build out requirements or some other criteria.

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<sup>7</sup> Climate Action Plan (2019). <https://assets.gov.ie/25419/c97cdecddf8c49ab976e773d4e11e515.pdf>

The information in the GCA should be as close to final as possible. The process set out by DECC in its' proposed timeline requires developers to submit bids based on the GCA. Given the uncertainty around nodal assignment, the developer will likely price this risk into their bid ultimately leading to a high cost for consumers. To minimise this risk in future, options for grid connection need to be defined earlier so that the prerequisites for planning such as EIAs and technical assessments can be completed, and this certainty can be accounted for.

BnM also notes that there is circularity in the eligibility criteria between the MAC, GCA and ORESS processes. Alignment between relevant Government departments and the CRU will be required to make sure that conditions of the GCA are known and accounted for to ensure that all parties are treated fairly.

#### **4. Conclusion**

This is an important first step towards establishing an offshore wind industry in Ireland. Offshore wind is a key enabling technology for Ireland in plans to meet our National Climate Action targets for 2030, and net zero ambition for 2050. The TSO has identified areas on the grid which can support the 5GW offshore wind target; as an industry we now need policymakers and authorities to ensure the delivery of this crucial infrastructure. Ireland will risk missing its targets if a concerted effort to facilitate onshore and offshore wind projects does not emerge. While there are several concept projects at present, we have also seen the recent exit of a global offshore wind player.

Enabling efficient project delivery by providing an environment conducive to positive grid and planning outcomes as well as a bankable auction outcome is the fundamental in meeting our net zero ambition.