

Tight timescale means urgent action needed for Irish offshore wind

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Lee Clarke: “Irish government may need to find a way to fast-track offshore wind outside the RESS process”

The Irish Government’s Climate Action Plan includes a commitment to 70% renewable energy by 2030 and around 3.5 GW of offshore wind, but time is of the essence if targets are to be achieved.

Although welcomed by the renewable energy industry and offshore wind developers, leading analysts suggest the government in the country will have to act quickly if the targets are to stand a chance of being met.

The Renewables Consulting Group chief operating officer Lee Clarke told *OWJ*, “Ireland has slipped on its efforts to meet 2020 targets under the EU’s Renewable Energy Directive, ranking 26th out of the EU countries in terms of progress towards meeting the targets. As a consequence, Dublin is likely to face penalties.

“A key reason for missing the targets has been Ireland’s failure to embrace offshore wind as technology capable of delivering capacity at scale. Despite being an early adopter with the Arklow offshore windfarm, operational in 2005, progress stalled due to regulatory failure, grid connection issues and the consequences of Ireland’s severe economic recession.”

The Climate Action Plan maps out indicative sectorial targets, with the deployment of significant offshore wind capacity. The decarbonisation pathway presented has 1 GW of offshore wind capacity in 2025 and 3.5 GW by 2030, although Mr Clarke said the exact level of each renewable technology adopted in Ireland will be determined by a new system of competitive auctions and recognises that enablers such as building out grid infrastructure are required to stimulate offshore wind.

To assist deployment, the Irish Government is planning to implement the Renewable Electricity Support Scheme (RESS), a process similar in structure to the UK’s Contract for Difference approach. The scheme will likely include a series of auction rounds over the next decade supporting the required level of additional renewable electricity capacity.

Cornwall Insight head of Ireland Conall Bolger told *OWJ* that the Climate Action Plan shows a marked development in the Irish Government’s thinking on climate change, setting out targets and proposing action across a range of sectors, but agreed that adoption of offshore wind on a large scale would not be an uncomplicated process.

“For the electricity sector, the plan sets out measures for a transformed industry, including initiatives across offshore wind, corporate power purchase agreements, electric vehicles and microgeneration incentivisation,” he explained.

He noted that for offshore wind the plan provides the clearest policy signal yet of willingness to support the development of the sector and highlighted the fact that it states that the terms and conditions for offshore wind will be included in the second and third RESS auctions.

“The RESS will determine the final mix of renewable electricity on the Irish system, and the indication that the RESS budget is to be increased to facilitate renewable electricity growth has been well received by the industry,” he said.

“However, to achieve the 2030 targets, it is necessary to move into detailed planning and specific implementation of those measures.”

RCG’s GRIP database shows that in addition to Arklow, Ireland currently has almost 2 GW of consented offshore wind projects, with a further 1.7 GW in planning, and an additional 3 GW of potential capacity scoped out.

Mr Clarke said that this means that there is sufficient potential pipeline to meet the government’s ambitious plan, but early deployment will require a clear route to market and technology neutral RESS auctions will not facilitate the investment needed to accelerate offshore wind development. Nor, he said, will it build confidence in the local supply chain which will be required to bring down costs and increase local content and local service provision. In fact, in Mr Clarke’s view, the Irish government may need to find a way to fast-track offshore wind outside the proposed RESS process, for example through bilateral contracts with administratively set strike prices.

“Whilst, in the short-term prices may be higher than competitive auction prices seen in more mature markets,” he explained, “the reduced risk for early projects will lead to more rapid construction and could yield lower future prices by increasing the visibility and scale of the future pipeline.”

“In a sector that plans in decades, 2030 is not such a long time away,” said Mr Bolger. “The plan suggests offshore wind projects coming through in the 2024-2026 window; experience elsewhere suggests for that to occur we will want to see the detail of the second RESS auction in 2020.

“Even before that, the timelines and the policy suggest a need for urgency on delivering the first RESS auction and the building-out of grid infrastructure if we are to meet those targets. If achieved, we may come to look back on this plan as transformational.

“The main challenge now is to implement such a wide-ranging plan effectively, to budget and within the time frames indicated,” Mr Bolger said.

“Ireland has an opportunity to take some bold steps to accelerate offshore wind and at the same time kick-start an infrastructure capable of delivering ambitious clean energy capacity at scale, along with a local supply chain capable of competing in European and global markets,” Mr Clarke concluded.

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https://www.owjonline.com/news/view,tight-timescale-means-urgent-action-needed-for-irish-offshore-wind_58250.htm