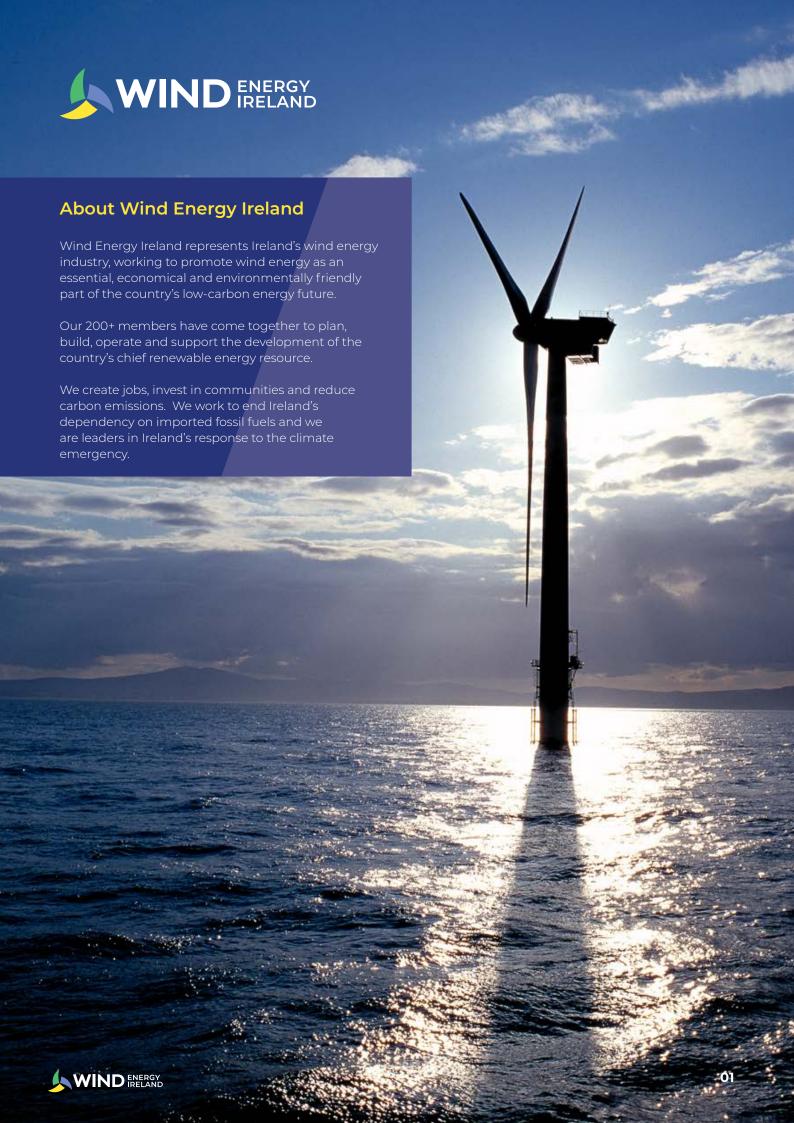


BUILDING A CLEAN ENERGY FUTURE FOR IRELAND

Pre-Budget 2025 Submission

www.windenergyireland.com





Ireland can be a leader in Europe's energy revolution. We have the natural resources, we have the project pipelines and we have the ambition to deliver a zero-carbon society.

The most recent <u>annual review</u> of the electricity sector by the Climate Change Advisory Council (CCAC) was a stark reminder of the urgent action needed to ensure that Ireland can end its reliance on fossil fuels, cut carbon emissions and provide security of energy supply for our local communities.

It stated

"Accelerated deployment of onshore wind...generation is crucial if the electricity sector is to meet its sectoral emissions ceiling for the first carbon budget period. However, the current connection rates observed for onshore wind...projects are significantly lower than what is required to reach the 2025 and 2030 Climate Action Plan targets."

Accelerating onshore wind energy in Ireland

Despite this call for accelerated delivery, we believe that 2025 will be one of the worst years in the last two decades for the connection of new onshore wind energy. Currently, it is likely that less than 50 MW will energise next year. By comparison we should be connecting nearly 700 MW per year to hit our targets.

The key reason for this is the failure to put in place an effective and resourced planning system that would support the delivery of the targets set out in the Climate Action Plan and the Programme for Government.

While Ireland has made good progress in laying the foundations for the growth of our wind energy industry, we are simply not building wind farms fast enough to keep up with the scale of renewable energy deployment required to meet our targets.

At present, there are nearly 14,000 MW of onshore wind energy projects at various stages of development, the majority of which are hoping to compete to deliver part of the 9,000 MW target by 2030.

The faster we can build and connect new onshore wind farms onto the electricity system, the more secure we make our supply of electricity in Ireland, the more money we put back in people's pockets and the more we cut our carbon emissions.

Momentum growing for Irish offshore wind

Last year also saw many firsts for Ireland's offshore wind energy sector and the Government deserves credit for bringing forward new policies that will help to shape the future of our offshore wind sector. The ambition to build it continues to grow.

The results of the first offshore wind auction under the Renewable Electricity Support Scheme (ORESS 1) in June 2023 were a breakthrough moment for Ireland's offshore wind energy sector and marked a significant step forward in the delivery of renewable energy in Ireland.

Another positive step was the launch of Ireland's first ever industrial strategy for offshore wind. This strategy will set out a pathway to 2030, maximising the economic benefit of achieving both Ireland and Europe's offshore wind targets by

creating a solid domestic supply chain and resilient industry. We have seen the first projects for offshore wind generation, both those successful in the ORESS 1 and those seeking alternative routes to market, entering the planning system and more will come over the next few months. We hope that these projects will be generating clean electricity by 2030 so that by then approximately 80 per cent of Ireland's electricity will be produced by renewable sources.

Earlier this year, there was also progress toward the next phase of development of our offshore wind farms with the announcement of Ireland's first Designated Maritime Area Plan (DMAP). This marked a historic moment for the development of offshore wind energy in Ireland.

If we meet the Government's capacity objective of 37 GW of offshore wind by 2050, it is projected that the Irish economy could benefit by at least €38 billion during the lifetime of the installed wind farms.

To achieve what we need to do, Budget 2025 should recognise and support Ireland's wind energy industry to sustainably deliver our 2030 onshore and offshore wind targets and provide an affordable, clean source of power to Irish families.

It must also start to lay the foundations for building a zerocarbon electricity system by 2035 as our first step towards securing our energy supply.

The Irish wind industry is ready to play our part but we need partners in Government and State agencies that have the funds and the expertise to deliver and accelerate efficiency in project delivery.



Noel CunniffeCEO, Wind Energy Ireland

That is why we are calling on the Government to use Budget 2025 to:

- 1. Resource the **planning system** to help Ireland meet its climate obligations;
- Allocate funding to develop Ireland's electricity infrastructure to support the electrification and the decarbonisation of our energy system;
- Invest in port infrastructure for the development of offshore wind energy;
- **4.** Invest in **skills development** to build the workforce the Irish renewable energy industry needs; and
- Drive Ireland's vision for the deployment of renewable energy post 2030.





Ireland's target to generate 80 per cent of our electricity from wind and solar power by the end of 2030 requires an unprecedented effort across the private sector and key State agencies like An Bord Pleanála (ABP) to deploy renewables in a short time span.

It is encouraging that additional resources are being deployed across Government departments and State agencies like ABP. Recent investments in ABP to facilitate planning processes have made an impact, resulting in faster decisions on planning applications.

But the reality is that national efforts to accelerate the delivery of renewable energy are being impeded by county councils across Ireland amending County Development Plans to zone out large areas of the country as being closed for wind energy development and our planning system for energy infrastructure remains underfunded.

The progress to date on the draft Planning and Development Bill is welcome. We need to reform our planning laws and policies to ensure people's right to object is protected while also ensuring decisions are made efficiently and in a way that recognises we are living in a climate crisis.

But reforming the planning system will achieve little if the level of resourcing that is needed is not in place.

Budget 2025 must provide additional resources to properly fund An Bord Pleanála, the National Parks and Wildlife Service (NPWS), local authority planning departments, the Maritime Area Regulatory Authority (MARA), the Marine Institute and statutory consultees who have a role in the planning system.

These organisations all need additional staff with the expertise required to assess and decide on an increasing volume of technically demanding planning applications for critical energy infrastructure.

In comparison to other jurisdictions, the functionality of ABP

and MARA is reflected across the roles of Crown Estate and Marine Scotland respectively which receive significantly more funding.

Crown Estate Scotland has an annual operational budget of around £10 million, which includes the management of a portfolio of property and estate assets. Maritime Scotland has an annual budget of approximately £60 million, but it should be noted that the organisations responsibility extends beyond MARA to include fisheries management and marine science.

With lengthy timelines for the delivery of infrastructure, it is vital that we put in place the resources needed to help Ireland achieve its 2030 target.

Our recommendations

- a. In partnership with An Bord Pleanála, the NPWS and local authorities involved in planning and environmental assessment of renewable energy, agree the number and type of staff they will need to achieve our Climate Action Plan targets. In Budget 2025 funding should be allocated for an independent resource assessment to support this work and to accelerate recruitment.
- **b.** Resource a fast-track recruitment process for key State bodies, as identified above, that are on the critical path to delivering a zero-carbon electricity system.
- c. Ensure that the Maritime Area Regulatory Authority (MARA) has the necessary resources to operate an efficient licensing system to support offshore wind delivery.
- d. Allocate €5 million for investment in environmental research, monitoring, protection and restoration, which will be integral to the delivery of Ireland's renewables commitments.



 Allocate funding to develop Ireland's infrastructure to support the electrification and the decarbonisation of our energy system

Ireland spends one million euro an hour importing fossil fuels to provide energy. A central part of any plan to cut our carbon emissions and to end our dependency on imported fossil fuels must be to electrify our heat and transport systems including aviation and shipping.

It is in this context that investment in upgrading the electricity grid infrastructure is vital for expanded future growth in electrification and to maximise our potential in producing affordable, clean electricity.

The more we can use electricity to heat or cool our homes and to travel to work or school, the more secure our energy supply and the fewer carbon emissions we produce. The move to electrification will directly displace imported fossil fuels while enabling greater use of Irish renewable energy instead.

To make the best use of electricity generated by wind energy, consideration should be given to ensuring that adequate funding and financial incentives are in place for key infrastructure e.g. EV charging points, to facilitate commercial car fleet electrification, industrial and domestic heat electrification and thermal storage.

We must see continued investment in the incentives for electrification to empower our society to a more sustainable and secure energy source in electricity and be leaders in our electrification revolution.

Our recommendations

- a. Ensure that the Department of Environment, Climate and Communications (DECC), EirGrid and the Commission for Regulation of Utilities (CRU) have the necessary resources to design and put in place investment frameworks, like the support schemes that exist for wind and solar, for long-duration electricity storage.
- b. Allocate funding to support the development of large scale demonstrators for long-duration energy storage. This will inform the development of Ireland's energy storage assets, which will be vital to secure our renewable energy supply.
- c. Allocate funding to DECC to carry out the necessary surveys and data compilation for the development of our offshore wind energy sector.
- d. The Government allocated €100 million in the period to 2025 through the National Development Plan to support investment in EV charging infrastructure. Continued investment in our EV charging infrastructure beyond 2025 will help to support Ireland's goal to electrify 30 per cent of its vehicle fleet by 2030.
- e. Reinstate the EV purchase grant to €5,000.
- f. Introduce a grant to encourage the purchase of private second-hand EVs at the same level as the grant for new EVs which, as above, should be restored to €5,000.
- g. Delay the phasing out of the Benefit in Kind (BIK) exemption on EVs beyond 2027.
- h. Apply a reduced rate of VAT to electric bicycles, as permitted under the new VAT Directive, to cut the VAT rate from 23 per cent to 13.5 per cent.
- i. Extend the home energy upgrade scheme beyond 2026 to support the adoption of heat pumps and low-carbon heating technologies.





3. Invest in port infrastructure for the development of offshore wind energy

The Irish offshore wind sector is picking up momentum. In the first half of 2024, we have seen the first offshore wind energy projects, both those successful in the ORESS 1 auction and those seeking other routes to market, entering the planning system with more to follow in the coming months. There is an urgent need to focus more closely on the practicalities of how offshore wind can be delivered.

The development of new ports, or the expansion of our existing ones, so that they can be used as staging and marshalling facilities needs to be a national priority if we want to build our wind farms from Irish ports. They are essential to the local supply chain, logistics and supporting ORE infrastructure such as equipment storage.

Several ports across Ireland have plans to expand their port infrastructure so they can be used to build our offshore wind farms, but these improvements require significant amounts of investment highlighted in WEI's most recent port funding report. The recent announcement of significant investment from the Connecting Europe Facility for the Port of Cork is very welcome. However, funding like this, and what the ports will raise themselves, will not be enough to put in place the infrastructure needed for offshore wind development. Support from the State is crucial to re-risking initial investment

As our report showed it is common practice across Europe for the State to invest in port infrastructure when there is a clear social and economic case for it to do so. The Government should update the National Ports Policy to facilitate direct investment in our ports for the development of offshore renewable energy.

Support from the Irish Government to help finance the development of Irish ports for offshore wind energy would de-risk upfront investment and plug any funding gaps. This support could be in the form of direct funding from the exchequer by way of Port Infrastructure Fund.

Our recommendation

a. Establish an ORE Port Infrastructure Fund to finance port infrastructure for the development of offshore wind energy. In Budget 2025 set a target for this fund of €80 million to be reached by multi-annual contributions of €20 million over four years. Ports looking to develop for ORE infrastructure could apply for funding from this fund to support their plans for development.

4. Invest in skills development to facilitate the workforce and development needs of Ireland's renewable energy industry

To deliver a zero-carbon power system by 2035 and support decarbonisation initiatives under the National Development Plan, supporting the workforce development needs of businesses within the renewable energy sector will be critical.

The Offshore Wind Delivery Taskforce is assessing the wind energy sector's future skills and resourcing requirements.

Wind Energy Ireland partners with Skillnet Ireland to administer Green Tech Skillnet (GTS) and we are grateful for Skillnet Ireland's support in growing GTS to offer a wide range of training courses for the renewable energy industry.

To date in 2024, GTS has supported over 500 individuals and delivered nearly 2,500 training days, which is set to increase during the second half of 2024.

Universities are also working on projects to coordinate on micro credentials whilst connecting with industry. Investment in R&D activity will play a pivotal role in supporting industry and academia working together to research, develop and steer our transition to a zero-carbon energy system.

A qualified maritime workforce will be needed to deliver offshore wind and additional resourcing is required by the National Maritime College of Ireland (NMCI) to ensure that Ireland's output of qualified maritime professionals matches the demand needed to deliver on offshore wind.

If Government and industry can work together to identify and invest in the right training initiatives, coordinate the work already underway in Education & Training Boards and third level institutions, and support Irish SMEs looking to get into the sector, we will sow the seeds for businesses to thrive in this field and pave the way for Ireland to become a world leader in renewable energy.

Resourcing a diverse talent pipeline through investments in skills and education will be critical if Ireland is to build the wind farms, and supporting infrastructure, we will need to achieve energy independence.

Our recommendations

- a. Increase funding to Government educational and training bodies like Skillnet Ireland and the NMCI to support the delivery of the renewable energy workforce across wind, solar and other energy assets. Leveraging a portion of the surplus in the National Training Fund to support these entities would help Ireland's renewable energy industry achieve its future skill requirements.
- b. Building on previous budgetary allowances for 2,000 Skillnet places in sustainable finance, green tech and climate change, allocate €4.5 million as part of Budget 2025 to allow for 3,000 places.
- c. Establish a skills fund which allows companies (or further education institutions in collaboration with companies) to bid in for match funding for appropriate training initiatives. Matching funding will help encourage investment in training programmes as companies will share the financial burden.
- **d.** Allocate €6 million for an international recruitment relocation package, like the one developed by the HSE, to recruit 1,500 workers to fill short-term skill shortages across the Irish renewable energy industry.
- Extend Tuition Fee relief for qualifying courses
 which will lead to upskilling of workers in areas related to
 decarbonisation.
- f. Increase the R&D tax credit rate to 50 per cent for R&D carried out on green technologies.





5. Drive Ireland's vision for the deployment of renewable energy post 2030

Ireland will be energy independent but it is the choices we make now that determine whether this is in ten years, or fifteen years or twenty.

And with the climate emergency at the centre of policymaking, Ireland will invest in structural and behavioural change to enable our transition to a climate-resilient country. Whether it is increasing our usage of electric vehicles or installing solar panels, educating businesses and communities about sustainable solutions should be a national priority if we are to inspire people to change.

The whole of Government communications response mobilised by the Department of An Taoiseach in response to the Covid-19 emergency is an example of a successful campaign, which sought to ensure clarity for citizens, businesses and our wider community in difficult circumstances.

The Irish Government should fund a communications campaign aimed at educating and empowering the response from Irish society to the climate emergency and to build support for our energy revolution.

As we transition to a zero-carbon future, Government must also ensure that the pathway to decarbonisation is

underpinned by affordability and security in how we access and use energy in our everyday.

Having an affordable, accessible and reliable source of clean energy is vital for consumers to have confidence in our green transition.

Our recommendation

- a. Allocate €4 million annually to a new Climate Emergency Communications Unit in the Department of An Taoiseach to devise and deliver a series of creative climate communications campaigns focused on amplifying climate messaging to target audiences across Irish society.
- b. Invest in the establishment of a high-level cross Government Group, with a brief to examine the costs of producing renewable energy in Ireland, develop policy recommendations on ways to reduce the price of renewable electricity and examine the design of renewable electricity auctions to maximise consumer value.



