



23<sup>rd</sup> January 2018

**Joint Committee on Communications, Climate Action and Environment  
*Meeting Ireland's targets under the 2020 Climate and Energy Package***

**Opening Statement of Stephen Wheeler, Managing Director, SSE Ireland**

Chairperson, members,

I'm pleased to have the chance to address the Committee on the opportunity presented by offshore wind energy to meet Ireland's 2020 renewable targets.

I speak as one of the companies that, as my colleagues in NOW Ireland have outlined, is ready to deliver an offshore energy project in the Irish Sea.

My company, SSE, is the largest renewable energy developer and generator in Ireland, with over 700MWs of onshore wind under operation, including Ireland's largest wind farm, the 169MW Galway Wind Park.

We're also a leading developer and operator of *offshore* wind energy – all told we are involved in over 8,000MW of offshore wind projects in the UK. 900MWs of which is *already* generating, providing energy to customers and contributing to the achievement of the UK's targets.

Closer to home in Irish waters, we co-developed Ireland's first and only operational offshore wind farm in 2004, the 7 turbine, 25MW Arklow Bank Phase 1. It was delivered at the time as a 'demonstrator project' to prove the opportunity that offshore wind energy could represent for Ireland. But, nearly 15 years later, that opportunity has not been seized.

In Ireland, we have one of the strongest offshore wind resources in the world; yet we are the only country in Northern Europe not currently developing offshore capacity.

At SSE we believe that offshore wind can play a key part in bridging the gap to Ireland's 2020 targets and beyond. Onshore technologies have served us extremely well to date, but we must be realistic that social acceptance to onshore energy developments is challenging, and greater grid and planning constraints are now in place. What has been successful for us in the past, does not guarantee future success.

If we are to make up ground on 2020 and beyond – and we believe we can – then we need to fast-forward the build-out of **large-scale renewable energy capacity**. Offshore wind energy can deliver large volumes of renewable

electricity in the short term and also set us on the right trajectory for more ambitious 2030 targets.

For our part at SSE, we're actively progressing plans to fully develop our Arklow Bank Wind Park project. It would represent an investment of over €1bn and deliver a minimum of 520MW of capacity.

Most importantly, our project can be delivered in a timescale from construction through to commercial operation that will qualify towards Ireland's 2020 targets - offsetting and potentially eliminating any fines.

Arklow Bank, and the other Irish Sea projects, are an efficient and realistic way to take the big strides we need to hit our targets. Looking beyond 2020, we are very excited that new floating foundation technology will allow Ireland to harness the resource off southern and western coasts and thereby stimulate very significant regional development.

However, we can only do this as a sector if the right market conditions are in place. Those conditions include having a support scheme that supports offshore wind, an effective connection policy, and efficient management of the consenting process.

As this committee knows, the Department has consulted recently on the design of a new Renewable Electricity Support Scheme. In our response, SSE called for the inclusion of offshore wind as a separate category in the first of the new Support Scheme Auctions.

The technology-neutral approach proposed will not give offshore wind projects investment clarity in the timeframe that we need, or enable a local supply chain to develop. We fear that it will result in an over-reliance on onshore technology, and as I have mentioned we have doubts that a sufficient quantity of that technology can be delivered in the timeframe required.

A technology neutral approach fails to capture the diversification benefits of offshore wind. These benefits include:

- typical load factors in excess of 40%, which is considerably higher than most other renewable electricity sources;
- delivery of consistent and predictable power to our national grid, providing significant system demand benefits;
- requires one connection to bring power to where it's needed, making it simpler than developing lots of small decentralised projects.
- The potential scale and strategic location of offshore wind can meet the future energy demands of clean-tech multinationals, particularly large-scale load from data centres.
- economic investment benefits in coastal regions and consequent employment opportunities,
- upskilling for more ambitious 2030 targets and demand growth as heat and transport decarbonise through electrification.

From a cost perspective, following several years of innovation, and de-risking, offshore wind is now a scalable, proven and maturing technology which offers considerable benefits to consumers and society. Costs continue to fall and I believe Ireland should be part of this story.

It may be that offshore wind remains more expensive than onshore wind, but the gap has been narrowing and I believe support is justified considering the challenges of developing onshore, the climate change backdrop, Ireland's international reputation and impending fines. This is not to mention expected grid cost efficiencies and reduction in the wholesale cost of energy. As a supplier of energy, through our SSE Airtricity brand, we are acutely aware of the need to keep costs to a minimum but as a society we also need to decarbonise. While decarbonisation does come at a cost, not doing anything will cost us more and mean missed opportunities for Ireland.

We have a window of opportunity right now to transform the way in which we generate power in Ireland, and to do so in a way that reaffirms Ireland's commitment to our EU targets and accelerates the deployment of new and diverse energy technology. Aside from the climate imperative, we can also avoid unnecessary costs to the exchequer from failure to meet our targets domestically.

In so doing we can restore our reputation as a leading low carbon economy in Europe and the world, proudly supporting greener energy, and attracting inward investment from across the globe to support jobs and our economy as a result.

Ladies and gentlemen of the Committee, I'd ask you to support our efforts in this regard.

Thank you.

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