



NORTHERN AND WESTERN REGIONAL ASSEMBLY

SSE RESPONSE TO

Public Consultation on Northern and Western Regional Assembly Draft Regional
Spatial and Economic Strategy

FEBRUARY 2019

About SSE

At SSE we're proud to make a difference. From small beginnings we've grown to become Ireland's second largest energy provider, supplying green electricity and natural gas to over 800,000 homes and businesses on the island. Through our retail arm, SSE Airtricity, we're proud to provide 100% green energy¹. At SSE, we are committed to playing our part in ensuring society realises the ambition of the Paris Climate Agreement to bring net greenhouse gas emissions down to zero.

Since 2008, SSE has invested over €2.5 billion in growing our energy business here – creating jobs in Ireland, sustaining employment, driving competition and greening our economy. Our 29 onshore wind farms have a combined generation capacity of 740MW, making us the largest generator and provider of renewable energy in the integrated all-island Single Electricity Market. Our portfolio includes Ireland's largest onshore wind farm, the 169MW Galway Wind Park (GWP), which was jointly developed with Coillte. We forecast that Galway Wind Park will produce over 600GWh of green energy each year – enough renewable energy to power over 140,000 Irish homes, the equivalent of every home in Galway city and county and offsetting over 220,000 tonnes of harmful CO₂ emissions. SSE believes that onshore wind will continue to play an important role in Ireland's transition to a low carbon economy and opportunities abound for the Northern and Western region in this space.

1. Introduction

SSE wishes to make the enclosed submission for consideration as part of the Northern and Western Regional Assembly's (NWRA) public consultation on its draft *Regional Spatial and Economic Strategy*. SSE welcomes the publication of this draft and supports the central role that the RSES will play in implementing the National Planning Framework (NPF).

The Northern and Western region faces specific challenges due to its comparatively peripheral location and associated lower levels of infrastructure capacity in relation to Ireland's other regions. As stated by the NRWA, the region is an untapped source of great potential – economically, socially and environmentally. This makes it all the more important that a strong regional strategy is developed to promote the sustainable economic development of the region in a manner consistent with the National Planning Framework to deliver benefits to the communities and businesses located there.

2. SSE considerations on the draft Regional Spatial and Economic Strategy

We welcome the vision and ambition of the Regional Assembly to "play a leading role in the transformation of the region into a vibrant, connected, natural, smart and great place to live". The North-West region has the ability "to lead the new clean economy of the future" as emphasised by the Assembly. Creating a long-term vision in relation to the region's ability to generate renewable energy is of vital importance to the region's decarbonisation and its ability to attract inward investment. The availability of green energy supplies are a key consideration for FDI companies. Improving the region's infrastructure is key to its competitiveness and longer term sustainability.

This response outlines our views on the Regional Policy Objectives (RPOs) relevant to energy, the environment and climate change below covering wind energy development, planning, energy efficiency and the electrification of transport and heat.

¹ 100% green energy based on Fuel Mix Disclosure and CO₂ Emissions for 2016, published by the Commission for Regulation of Utilities (CRU), October 2017. Largest provider of 100% green energy claim based on Retail Market Reports published by the CRU for the periods Q1-Q4 2016.

3. Wind energy development

3.1 Onshore wind

We welcome the Assembly's recognition of the potential for growth in renewables in the North-West region and its' view that policies need to encourage an increase in our energy security, increase efficiency in the development of renewable energy and encourage practices to reduce the production of CO2. In this context we welcome RPO40 which seeks to raise awareness and public understanding of renewable energy; encourage market opportunities for the renewable energy industry and; promote the development and growth of renewable energy businesses. The region has a pivotal role to play in delivering a successful transition with rich renewable energy resources throughout the region. We welcome the NWRA's acknowledgement that there is still significant potential for all new outputs to Ireland's electricity grid.

3.1.1 Benefits of onshore wind development

The electricity sector has been one of the most successful at decarbonising in Ireland due, in large part to the deployment of onshore wind. Emissions related to the power generation sector have approximately halved since 1990. Onshore wind has not only reduced carbon emissions and improved air quality, it has also contributed to rural regeneration and revitalisation. Further opportunities exist in the region to build on this success.

Wind energy development has brought significant benefits to the North-West region. Galway Wind Park resulted in a €90m contribution to Irish Gross Domestic Product during construction with a further €20m spent with local suppliers and contractors. The construction of Galway Wind Park is so far responsible for supporting 1,657 years of full-time employment in Ireland. GWP's sustainability impact report shows that at peak construction 63% of all civil contract workers and 43% of all grid connection contract workers lived within 30km of the site².

In addition to project investment, SSE has made significant investments in the communities living in the vicinity of its windfarms over the past decade; over €6.5m since 2008, supporting community investment in energy efficiency and sustainability projects through annual community funds associated with wind farm projects.

In the case of Galway Wind Park, SSE has awarded €200,000 to community groups in the vicinity of the development through the Local Community Fund so far. This represents 50% of the overall annual Community Fund which also includes a Major Projects Fund, supporting larger-scale projects in the area, and a Scholarship Fund for local students. The GWP community fund will deliver approximately €400,000 in funding per annum. In Donegal, over 1,000 people participated in the 12th SSE Airtricity's Meentycat and Culliagh Community Fund sponsored walk. Through our Community Fund programme, the money raised by the participating groups is topped-up by annual payments. Community groups have received over €1million since 2007.

The NWRA region has some of the strongest wind resources on the island of Ireland. SSE is committed to continuing to invest in Ireland and will seek to progress further wind developments in the region.

² Galway Wind Park Sustainability Impact Report:
http://ireland.sse.com/media/18737/Galway%20Wind%20Park_Sustainability%20Impact%20Report_WEB.pdf

3.1.2 Port infrastructure and renewable energy

SSE also welcomes RPOs 61-63 which commit to supporting the upgrade and improvement of the Region's marine infrastructure; support the sustainable expansion and upgrade of Galway Harbour and Galway port and; examine the potential of the Region's other main ports to enable them to contribute to areas including trade, fisheries, marine tourism and renewables.

SSE has direct experience in the transformative role that energy infrastructure development can play in stimulating growth in regional port infrastructure in Ireland. In 2016/2017, Galway Harbour played a key role in the development of Galway Wind Park, now the largest onshore wind farm in Ireland.

Galway Harbour worked with SSE to overcome existing port infrastructure constraints to upgrade the facility so as to enable it to be used for the delivery and storage of turbine components for the nearby development. Providing support to SSE and Galway Wind Park was critical to Galway Harbour's ongoing sustainability and the promotion of its own plans for new port facilities with increased capacities.

As a result, Galway Harbour has maximised local economic benefits from the project during construction, including a significant uplift in income and employment over a two-year period. More importantly, the strategic investments made mean Galway Harbour is now ideally placed to support and benefit from the delivery of other renewable energy projects in the region into the future, especially floating offshore wind in the Atlantic when this becomes financially viable

3.1.3 Planning

SSE notes RPO 39 which states that the NWRA shall coordinate the identification of the potential renewable energy sites of scale in collaboration with Local Authorities and other Stakeholders within three years of the adoption of the RSES. While a coordinating role has been envisaged for the Regional Assembly, a function such as this in relation to renewable energy has not been outlined in the National Planning Framework. SSE believes it would be particularly beneficial for the Assembly to include within its focus the detailed scrutiny of local development plans to ensure they adhere to national climate policy and the Wind Energy Guidelines. This Regional Assembly function is outlined in the Planning and Development (Amendment) Act 2018.

In recent years there has been an issue with various local authorities not adhering to the Wind Energy Guidelines when making decisions in relation to wind energy development. Divergent approaches at local authority level continue to be a concern for developers with some local authorities choosing to arbitrarily put large tracts of land out of scope of development in their development plans, by applying criteria that are not included in the Wind Energy Guidelines. In recent years' development plans within the NWRA have varied despite the Minister for Energy calling for a uniform approach across local authorities. This creates uncertainty for developers and makes the proposition of seeking permission for new wind farms a challenging prospective.

With the rollout of a new Renewable Electricity Support Scheme (RESS), onshore wind will continue to play a key role in Ireland's transition to a low carbon economy. We welcome the NWRA's acknowledgement that there is still significant potential for new outputs to Ireland's electricity grid. Challenges to the continued development of wind energy projects identified by the Regional Assembly include the new Wind Energy Guidelines which we expect will be published for consultation in the coming weeks. While the changes in the new Guidelines may present challenges for wind development, we would encourage the consistent application of the Wind Energy Guidelines from a national, regional and local perspective to support the development of renewable capacity to deliver Ireland's energy and climate targets. As a responsible developer, SSE is committed to best practice in developing our

projects, clear standards assist us in doing so and in progressing projects with confidence; unclear standards discourage investment.

In the case of existing developments, there is a risk that not adhering to the Wind Energy Guidelines could lead to the de-energisation of wind energy projects once the turbines have come to the end of their asset life if they no longer meet the requirements of local or county development plans. This could result in an inability to ‘repower’ projects by replacing the old turbines with newer, more efficient ones. This can have a negative knock on impact on Ireland’s ability to meet its energy target but also on the local economy, community investments associated with windfarms, and the annual rates payable.

3.1.4 Offshore wind

Up until now, the primary focus for renewable deployment has been on land-based renewables, mainly onshore wind. However this is likely to change over the lifespan of the RSES as acknowledged by the Regional Assembly. This is linked to optimal sites becoming more scarce and available grid capacity being used up. Therefore the offshore renewables will be critically important if Ireland is to meet its 2030 renewable energy and climate targets. The Western seaboard has played an important part in testing marine renewable technologies with installations like that at Belmullet.

In relation to planning, we support RPO56 which commits to reviewing, and where necessary amending the RSES upon the adoption of the Marine Spatial Plan to ensure alignment and consistency between land use and ocean-based planning, and to ensure coordination which supports the protection of the marine environment, and growth of Ireland’s Marine economy.

We also welcome RPO43 which supports the appropriate development of offshore wind energy in line with national policy and in a manner that is compatible with environmental, ecological and landscape considerations. This objective is linked to promoting the growth of the marine economy and the objectives of *Harnessing our Ocean Wealth – An Integrated Marine Plan for Ireland (HOOW)* which targets a doubling of the value of the maritime economy by 2030 is of vital importance to Ireland and the North-West region.

Separate reports recently published by [KPMG](#) and [Cornwall Insights](#) have set out how Ireland can exploit the enormous potential of its offshore wind resources and the benefits it can bring. In Great Britain, it has been estimated that every 1GW of offshore wind capacity installed delivers an economic boost of €2bn to the economy³. According to the Sustainable Energy Authority of Ireland’s (SEAI) Wind Energy Roadmap, onshore and offshore wind could create 20,000 direct installation and Operation and Maintenance jobs in Ireland by 2040. According to the SEAI, offshore wind represents a significantly greater employment opportunity than onshore wind post-2025⁴.

Offshore wind development opportunities are likely to initially be in the Irish Sea which is best suited to fixed bottom wind turbines which are being installed in European waters. The Western sea board has been identified as suitable for floating offshore wind, a technology which is moving towards commercialisation as seen with the recent energisation of Hywind Scotland⁵, the world’s first floating

³ ORE Catapult (2017), ‘The economic value of offshore wind’: <https://ore.catapult.org.uk/app/uploads/2017/12/SP-0012-The-Economic-Value-of-Offshore-Wind-1.pdf>

⁴ SEAI Wind Energy Roadmap: https://www.seai.ie/resources/publications/Wind_Energy_Roadmap_2011-2050.pdf

⁵ Equinor, Hywind Scotland <https://www.equinor.com/en/what-we-do/hywind-where-the-wind-takes-us.html>

wind farm. Over the coming years the cost of this technology will reduce and in the meantime, Ireland can lay the groundwork by developing a domestic offshore renewable energy industry and supply chain.

4. Security of supply

European and national environmental policies are necessitating a move away from traditional fossil fuel powered stations towards renewable energy. While this shift is welcome, flexible, thermal generation which can also provide low carbon, efficient baseload power will continue to be required in the medium term to support the decarbonisation of the sector and increase security of supply. So far the DS3 programme has enabled EirGrid to increase levels of renewable generation on the system from 50% to 65%. EirGrid's aim is to increase this gradually to 75% over the coming years. Flexible, thermal generation will be needed to balance this.

We would encourage the NWRA to recognise the role these types of energy developments can play as part of their strategy and include an RPO which encourages Local Authorities to consider this as part of their local plans.

5. Grid infrastructure

We welcome RPOs 187-190 which emphasise the Assembly's support for the development of a safe, secure and low carbon electricity network and investment in new electricity transmission infrastructure to ensure renewable energy can be accommodated and future energy needs can be met. As previously highlighted, EirGrid's DS3 programme has been successful to date in increasing the levels of renewable generation on the system. It is essential that this work continues to ensure Ireland can transition to a low carbon economy. We therefore welcome RPO40 which seeks to encourage the development of the transmission and distribution grids to facilitate the effective utilisation of energy generated from renewables. Grid reinforcements in the Region could unlock its economic potential and deliver on its significant renewable energy potential, as emphasised by the Regional Assembly. Renewable energy is a key requirement for FDI companies when choosing where to locate, enabling secure sustainable energy production could entice companies to the North West bringing inward investment, jobs and secondary economic benefits.

We also welcome the Assembly's commitment to support the reinforcement and strengthening of the electricity transmission network including regionally important projects such as the North-South Interconnector. SSE considers the progression of the North-South interconnector to be of vital regional and national importance. According to the Commission for the Regulation of Utilities (CRU), the absence of the North South Interconnector is currently costing the consumer approx. €20 million annually in terms of increased production costs and a reduced ability to share generation capacity across the island. The CRU estimates this could well rise to €30 - €40 million in the medium term⁶. The interconnector is also needed to enable the new integrated Single Electricity Market to function more efficiently.

6. Energy efficiency and the electrification of heat

In addition to contributing to a reduction in emissions, increased energy efficiency and the electrification of heat and transport will deliver a better quality of life for citizens – helping to address the various concerns outlined in the draft RSES. The adoption of energy efficient and sustainable practices -

⁶ CRU consultation paper: Proposed Incentive for the Delivery of the North-South Interconnector: <https://www.cru.ie/wp-content/uploads/2013/07/13149-consultation-paper.pdf>

including increased electrification and the deployment of smart devices and electric vehicle charging infrastructure – will help drive decarbonisation in the region.

SSE welcomes the recognition within the draft RSES that improving energy efficiency is vital in order to reduce energy consumption while maintaining or improving economic growth. Energy efficiency not only helps tackle Ireland’s climate change objectives, but also reduces energy bills, increases comfort and health standards and improves social inclusion.

SSE welcomes RPO 19 and 45 which focus on achieving high energy efficiency standards in new and refurbished dwellings as well as on the utilisation of renewable technologies and retrofitting. SSE believes that the electrification of heat has a significant role to play in realising Ireland’s decarbonisation potential and reducing air pollution. The on-going decarbonisation of electricity supply and recent innovations in electricity based renewable technologies including air source pumps, make electricity an attractive option as the clean, low carbon energy choice for heating.

SSE believes that energy efficiency should be seen as a critical infrastructure priority in the NWRA’s RSES. Retrofitting or refurbishing existing building stock to meet higher energy efficiency standards into the future is essential if Ireland is to meet its energy efficiency obligations.

7. Electrification of transport

Transport as a sector is one of the significant contributors to our national Green House Gas (GHG) emissions. The need to transition to a low carbon society by reducing transport usage and move to lower carbon options is a key aspect of Ireland’s response to climate change. The region is highly dependent upon the private car for travel to work and school, with approximately 70% of the population having commuted by private car according to the Census 2016, up from 66% in 2011. In this context, key challenges for the Assembly include enhancing connectivity and managing the environmental impacts of transport.

SSE welcomes the priorities identified by the NWRA which seek to reduce dependency on the fossil fuel powered vehicles and support infrastructure investment and encourage a shift to sustainable modes of transport such as rail, bus and cycling.

We also welcome RPO 134 which promotes the deployment of targeted, convenient and safe electric vehicle recharging infrastructure across the region to meet the changing needs of commuters with particular emphasis in public parking areas and employment locations.

Given the Region’s high reliance on commuter vehicles, long term planning and investment policies will need to support the deployment of the infrastructure required to transition to a low carbon economy so this is welcome.

8. Conclusion

The RSES is an opportunity for the NWRA to define the focus of future investments in the region and to ensure that employment opportunities and the services needed to support them will be delivered. The implementation of Project Ireland 2040 and the economic policies and objectives of the Government will deliver a long-term strategic planning and economic framework for the development of the Regions.

Ireland needs to double down in its efforts to decarbonise and to meet its energy and climate targets to 2030. There is a focus at national, European and Global level to address the significant challenges we face in terms of sustainable development and decoupling of economic growth and emissions. The NWRA

has an opportunity to ensure its strategy reflects the Government's ambition and delivers a cleaner future for Irish citizens.