



Eastern and Midlands Regional Assembly

SSE response to

**Public Consultation on East and Midlands Regional Assembly draft Regional Spatial
and Economic Strategy**

January 2019

1. 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 750,000 homes and businesses on the island. Through our retail arm, SSE Airtricity, we're proud to provide 100% green energy*. 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, 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.

As a leading developer and operator of offshore wind energy in Great Britain, we believe offshore wind has the potential to transform Ireland's ability to respond to climate change. SSE is currently progressing the development of Arklow Bank Wind Park – Phase 2 off the coast of Arklow, Co. Wicklow. In 2004, SSE and GE co-developed Phase 1 of the Wind Park which consists of 7 turbines with an installed capacity of 25 MW; this is Ireland's only offshore wind farm. Phase 2 will see a minimum of 520MW installed.

The location of the wind park is ideally suited to the efficient development of offshore energy infrastructure being relatively close to the coastline, thereby minimising subsea cable connection distances, and in shallower waters at Arklow Bank. It is also ideally located to feed large energy demand centres along the East Coast. SSE will invest around €1bn in capex to develop the project which could generate around 1.75TWh annually.

Creating an environment that promotes offshore wind energy will act as a catalyst to both Ireland's and the East and Midland Region's maritime sector. SSE estimates that a development on the scale of Arklow Bank Wind Park could sustain around 60 operation and maintenance (O&M) jobs once the project moves to operational phase. Typically, this could involve a range of companies within the O&M supply chain, including vessel services, water and fuel, technical inputs, and loading and unloading of project cargoes.

2. Introduction

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

We welcome the vision of the RSES *“to create a sustainable and competitive region that supports the health and wellbeing of our people and places, from urban to rural, with access to quality housing, travel and employment opportunities for all”*. As the East and Midlands region is the economic driver of Ireland, a strong RSES will be necessary to not only support the growth of the region but also Ireland's sustainable development more broadly.

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

SSE welcomes the 16 Regional Strategic Outcomes described in the draft strategy which are aligned to those identified in Ireland’s NPF and the UN’s Sustainable Development Goals. In particular, we welcome those which prioritise building climate resilience; supporting the transition to low carbon and green energy; enhancing green infrastructure and; building a strong economy supported by enterprise and innovation.

We strongly support the Assembly’s commitment to develop a regional decarbonisation plan, the identification of climate action as a core regional priority and the Assembly’s support for the continued deployment of renewable energy in the region. Explicit objectives such as this are needed so that a clear vision and direction is given to all stakeholders, including potential investors, communities and Local Authorities. Offshore wind offers exciting opportunities for the region. SSE has considerable experience in progressing offshore wind projects in other jurisdictions and would welcome further engagement with the Regional Assembly on this matter.

We outline our views on the Regional Policy Objectives (RPOs) relevant to energy, the environment and climate change below covering the decarbonisation of electricity, planning, wind energy development, energy efficiency and the electrification of transport and heat. We also comment on the guiding principles – healthy placemaking; climate action and economic opportunity – which underpin the draft RSES.

4. Three key principles: Healthy Placemaking; Climate Action; Economic Opportunity

Climate Action: *The need to enhance climate resilience and to accelerate a transition to a low carbon economy recognising the role of natural capital and ecosystem services in achieving this.*

SSE supports the EMRA in its identification of climate action as a key principle underpinning the region’s RSES. Global temperature rise, diminishing snow and ice cover, and sea level rise indicate that our climate is changing. Failure to address climate change will heighten the costs and risks to society. More ambitious climate targets are on the horizon with Ireland’s draft National Energy and Climate Plan (NECP) indicating higher energy efficiency and renewable energy targets in line with the legislative proposals of the EU’s third Clean Energy Package. Ireland’s regions will need to be on the front foot.

Climate action will continue to increase in importance as Ireland’s population and economy continue to grow over the next 20 years. Estimates from the ESRI put Ireland’s population at 5.6 million by 2040 with the greatest population growth projected in Dublin and mid-east¹. According to the ESRI, the Irish economy continues to perform significantly better than most OECD economies and is once again likely to register the fastest growth rate in the Euro Area in 2018². Whilst welcome, rapid growth places increased strain on resources due to the clear link between economic success and increased

¹ ESRI Report: ‘Prospects for Irish Regions and Counties: Scenarios and Implications’: <https://static.rasset.ie/documents/news/2018/01/esri-report.pdf>

² ESRI Report: Quarterly Economic Commentary: Autumn 2018: <https://www.esri.ie/system/files/media/file-uploads/2018-09/QEC2018AUT.pdf>

emissions. We welcome the acknowledgement by the Regional Assembly that this RSES will need to drive decarbonisation at a regional level.

The climate challenge facing Ireland is sizeable and a step change is needed to ensure Ireland is able to meet future climate obligations. Failure to prioritise implementation of the appropriate policy measures at a regional level will only increase the costs of measures in the future and exacerbate the impacts of climate change. The recent commitment made by Minister for Communications, Climate Action and Environment, Richard Bruton to make Ireland a leader in responding to climate change is encouraging and should underpin plans for meeting our 2030 energy and climate targets.

We also welcome the draft strategy's focus on healthy placemaking and economic opportunity. Creating the right conditions for the region to realise sustained economic growth and employment opportunities for all is essential. Healthy place-making is intrinsically linked to decarbonisation. Decarbonising electricity, heat and transport will bring about better living conditions, decreases in air pollution and benefits to people's health.

SSE supports the regional approach to climate action outlined in the draft RSES as set out in RPOs 7.28-7.33 which commit to carrying out an assessment of transport emissions in the region; compiling a GHG inventory and developing a regional decarbonisation plan. When it comes to reporting emissions from other areas, SSE believes the EMRA should consider well-established reporting mechanisms such as the Carbon Disclosure Project so that a robust and comparator mechanism is chosen, and to ensure there is no duplication of effort. SSE also notes the Assembly's commitment to quantify sectoral emissions and allocate a series of sectoral emissions reductions targets. The EU's Emissions Trading Scheme (ETS) mechanism is focussed on reducing emissions from a range of sectors, including the energy sector. We would therefore caution against an emissions reduction approach that cuts across or duplicates Irish businesses obligations under the EU ETS.

We welcome the EMRA's focus on promoting a clean and healthy environment, sustainable transport, strategic green infrastructure and an ecosystem services approach as part of its climate action strategy. As identified by the EMRA, at a Local Authority level, green infrastructure approaches offer an opportunity to develop integrated strategies around economic development, urban place-making and rural policy. We look forward to engaging with the EMRA and Wicklow County Council as we progress the development of Arklow Bank Wind Park.

5. Decarbonising electricity generation

We welcome the strong support for renewable energy in the draft RSES. The draft strategy supports an increase in the amount of new renewable energy sources in the Region and that Local Authorities need to harness the potential of renewable energy across the technological spectrum from wind and solar to biomass. An increase in renewable energy will be necessary to meet the increase in demand – between 22% and 53% by 2030 - projected by EirGrid³. This increased demand will need to come from renewable sources to not only meet our renewable energy targets but also the CSR agendas of large corporates and FDI. According to a recent KPMG report, meeting future renewable electricity demand, while also meeting EU renewable targets, will require Ireland to deploy between 400MW –

³ EirGrid, 'All-Island Generation Capacity Statement 2018-2027'
http://www.soni.ltd.uk/media/documents/Generation_Capacity_Statement_2018.pdf

700MW of new renewable energy capacity per year, against a historic onshore wind deployment rate of 200MW per year⁴.

The following sections focus on the role of planning, grid development and renewable energy (onshore and offshore wind) within the EMRA area.

6. Planning

Alignment between national, regional and local planning policies is of critical importance to all those involved in infrastructure development. We welcome RPO 7.35 which says that planning policy at a local authority level should adhere to the Wind Energy Guidelines, the DCCAE Code of Practice for Wind and other relevant policy. It's important that there is consistency at local authority level to provide clear guidance for project promoters and other stakeholders, who make large investments in bringing projects to planning stage and to thereby ensure Ireland is able to meet its climate targets.

6.1 Strategic Energy Zones

The draft RSES includes an RPO in relation to Strategic Energy Zones:

RPO 7.34: *EMRA shall, in conjunction with Local Authorities in the Region, identify Strategic Energy Zones as areas suitable for larger energy generating projects, the role of community and micro energy production in urban and rural settings and the potential for renewable energy within industrial areas. The Strategic Energy Zones for the Region will ensure all environmental constraints are addressed in the analysis. A regional landscape strategy should be developed to support delivery of projects within the Strategic Energy Zones.*

The *Ireland 2040: Issues and Choices paper* published by the Department for Planning, Housing and Local Government for public consultation in February 2017 said that 'at a national level, it may be an option to create strategic energy zones or corridors... as areas of national priority for renewable energy investment'. The issues paper does not suggest that Strategic Energy Zones be created at a regional level as put forward by the EMRA.

SSE notes that these Zones have not been included in the final NPF document. While the Assembly may have a role in co-ordinating, promoting and supporting strategic planning and sustainable development, the identification of Strategic Energy Zones by the Regional Assembly could create different regimes across regions. Such zoning would require very careful criteria analysis to ensure that areas identified are suitable for renewables and may require in-depth impact assessments to be completed by Local Authorities.

Strategic Energy Zones could also be relevant to marine planning. The Maritime Area Foreshore Amendment (MAFA) Bill which is yet to be enacted, provides the Minister for Energy with powers to create renewable energy zones, within which the primary objective will be the production of renewable energy. Therefore, SSE would encourage the Regional Assembly to ensure that any such future designations are reflected in its plans.

⁴ KPMG report: 'Offshore Wind: Ireland's Economic and Social Opportunity'
<https://assets.kpmg.com/content/dam/kpmg/ie/pdf/2018/11/ie-offshore-wind-nov-2018.pdf>

6.2 Grid infrastructure

SSE supports RPOs 10.14-10.19 which aim to support the roll out of the Smart Grids and Smart Cities Action Plan; support the reinforcement and strengthening of the electricity transmission and distribution network; facilitate the development of the North-South Interconnector; facilitate the development of further interconnection with mainland Europe and; support EirGrid's strategic plans for enhanced energy infrastructure. We also welcome the acknowledgement that the development of offshore renewable energy will place new requirements on our electricity grid which need to be addressed.

SSE considers the progression of the North-South interconnector to be of vital 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 term⁵. The interconnector is also needed to enable the new integrated Single Electricity Market to function more efficiently.

Additional interconnection has been proposed for Ireland in the coming decade with the Greenlink interconnector between Great Britain and Ireland and the Celtic interconnector between Ireland and France, as mentioned in the draft RSES. SSE is cognisant of concerns around security of supply in light of Brexit, and highlights that any interconnection projects should be evaluated by way of a rigorous and comprehensive Cost Benefit Analysis. Our view is that projects should only proceed where there is a net positive for customers.

7. Onshore wind

The Regional Assembly's recognition that wind energy is a sectoral opportunity for rural areas including large and small towns in the region is welcome. The opportunity for communities is significant. 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. More than 100 local businesses provided products and services including local suppliers of stone, concrete, steel, haulage plant and machinery, grid substation equipment, catering and security services⁶. In addition to the 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. This has supported community investment in energy efficiency and sustainability projects through annual community funds associated with wind farm projects.

In the case of Galway Wind Park (GWP), Ireland's largest wind farm, SSE has awarded over €210,000 to community groups in the vicinity of the development through the Local Community Fund so far. This represents 50% of the overall 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.

The electricity sector has been one of the most successful at decarbonising due in large part to the deployment of onshore wind. Emissions related to the power generation sector have approximately

⁵ 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>

⁶ Galway Wind Park Sustainability Impact Report: http://ireland.sse.com/media/18737/Galway%20Wind%20Park_Sustainability%20Impact%20Report_WEB.pdf

halved since 1990. 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. RPO 7.35 which states that Local Authorities need to reflect and adhere to the principles and planning guidance set out in Department of Housing, Planning and Local Government publications relating to Wind Energy Development and the DCCAE Code of Practice for Wind Energy is therefore welcome.

8. Offshore wind

We welcome RPO10.19 which supports the sustainable development of Ireland's offshore renewable energy resources in accordance with DCCAE's *Offshore Renewable Energy Development Plan*.

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.

Offshore wind is an exciting opportunity for the East and Midland region as conditions in the Irish Sea are particularly conducive to fixed bottom offshore wind turbines. Offshore wind will not only help Ireland reach its climate targets, reduce reliance on fossil fuels, and improve air quality, it will also bring significant socio-economic benefits to the region. There are a number of proposed offshore wind energy projects in Irish waters, predominantly in the Irish Sea which are at different stages of development. It is estimated that these projects can deliver up to 4.5GW of renewable energy in the coming years which would go a long way in addressing the increased energy demand in the EMRA region.

SSE believes that an offshore wind industry in Ireland can deliver sustained economic benefits to the Eastern and Midland region while contributing to the decarbonisation of the Irish economy. In Great Britain, it has been estimated that every 1GW of offshore wind capacity installed delivers an economic boost of €2bn to the economy⁷. 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-2025⁸. Employment opportunities in offshore wind could also regenerate local ports around the island, bring highly-skilled jobs to the regions, and stimulate supply-chain development particularly around regional ports and harbours. We hope to bring the benefits of offshore wind to the East and Midlands region with our proposed development at Arklow Bank Wind Park.

Separate reports recently published by [KPMG](#) and [Cornwall Insights](#) have set out how Ireland can exploit the enormous potential of its offshore wind resources. A viable offshore wind industry has the potential to play a successful role in delivering carbon emission reduction and security of supply targets. Ensuring regional policies such as the RSES incorporate this ambition and take a forward looking view on investment to support this industry is crucial to ensure the EMRA region benefits from the opportunities presented by Ireland's energy transition.

The case study below outlines our experience in the Scottish town of Wick close to where SSE is currently constructing the Beatrice Offshore Wind Farm.

⁷ 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>

⁸ SEAI Wind Energy Roadmap: https://www.seai.ie/resources/publications/Wind_Energy_Roadmap_2011-2050.pdf

Case Study: SSE and Beatrice Offshore Wind Farm⁹

SSE is currently constructing the 588MW Beatrice Offshore Wind Farm located 13km off the Caithness Coast in Northern Scotland. Wick – historically a fishing port which had seen a steady decline in activity over the past decade – was chosen as the operational base for Beatrice. SSE worked with the Highland Council to establish the availability of buildings on the harbour quayside which could be utilised as an O&M base, subject to renovation. Two historic derelict buildings on Wick’s harbour front have been purchased by SSE for restoration and development into the operational headquarters. It will also see a disused corner of Wick harbour brought back in to operation with the installation of berths (pontoons) and associated facilities for up to 6 Crew Transfer Vessels.

The approximate £15m investment will transform the buildings and see them returned to maritime use. Around 90 employees needed to safely maintain and operate the wind farm during its 25-year lifespan will be based in the buildings once complete.

The construction of the offshore wind farm has delivered significant local economic benefits including increased local spend in the region during construction, hotel use particularly during the winter months and a significant uplift in income and employment. There will be a gross average of 890 people employed during the construction phase as well as sustained operations roles. In addition, the project represents a £2.6bn investment which is expected to add £1.13bn to UK GDP.

8.1 Port infrastructure

The importance of regional ports has been recognised in the draft RSES as important centres of economic activity. The EMRA also supports the undertaking of a feasibility study to examine the different options and potential for facilitating offshore renewable energy development at ports which is welcome.

SSE believes that offshore wind energy can act as an enabler to unlock new infrastructure investment in the Region’s ports. The East and Midlands Region’s ports are important centres where future renewable and offshore energy projects could be based to stimulate new employment and investment opportunities. The operation and maintenance for Arklow Bank Wind Park – Phase 1 is located in Arklow Harbour. Given the anticipated scale of investment in Phase 2 there will be a need to scale up the level of personnel and support services to support the wind farm. SSE is assessing location options for the new base which will result in targeted investment in the early 2020’s. We expect the revised Irish Ports Offshore Renewable Energy Services (IPORES) report to be published shortly, this will provide an extensive summary of the existing port infrastructure and facilities and set out the requirements for marine renewable energy developers.

We provide information in the case study below on the key role that Galway Harbour played in the development of Galway Wind Park.

⁹ Beatrice Socio Economic Impact report: http://sse.com/media/475202/Beatrice-Socio-economic-impact-report-v2_BMF_FINAL_200717.pdf

Case Study: SSE and Galway Harbour

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 SSE and Coillte's 169MW 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.

8.2 Integrated land and marine planning

To ensure offshore wind delivers for the region, integrated land and marine planning is essential as identified in RPOs 6.19 and 7.1 which seek to ensure consistency and alignment between land and ocean-based planning. Consistency between the upcoming National Marine Spatial Plan and regional approaches to marine planning is also emphasised. Sustainable approaches are also key to ensure Ireland can achieve and maintain 'Good Environmental Status' for marine waters as required by EU directives and identified by RPO 7.2.

9. Security of supply

As acknowledged by the EMRA, there is an established tradition of energy production in the Midlands. National environmental policies are, however, necessitating the wind down of traditional fossil fuel powered stations in the region. While this shift is welcome, flexible, thermal generation which can provide low carbon, efficient baseload power will continue to be required in the medium term to manage 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 aims to increase this gradually to 75% over the coming years. Flexible, thermal generation will be needed to balance this. This is all the more important for the EMRA region which has a significant energy demand due to the concentration of economic activity and the demographics of the area.

SSE has proposed a development within the EMRA region to provide strategic support to the national electricity system during peak times, providing electricity backup when customer demand exceeds generation supply. This will assist in ensuring and maintaining security of supply in the region.

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

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

10.1 Energy efficiency

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 RPOs 7.38 – 7.40 which focus on delivering on the government’s target of a 33% increase in the energy efficiency of public buildings and including policies in statutory land use plans to promote high levels of energy conservation. We also welcome the commitment to promote the use of renewable energy sources in existing buildings, including retro fitting to enhance the energy efficiency of the existing building stock. SSE believes that the electrification of heat has a significant role to play in terms of 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 EMRA’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 and renewable energy obligations.

10.2 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.

SSE welcomes the priorities identified by the EMRA which seek to support investment in infrastructure and behavioural change interventions to encourage a shift to sustainable modes of transport and innovative approaches to reduce car dependency.

SSE supports RPO7.41 which focuses on the importance of encouraging and facilitating an increase in electric vehicle use, including measures for more recharging facilities and prioritisation of parking for EVs in central 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.

11. Conclusion

The RSES is an opportunity for the EMRA 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. SSE as an investor in Ireland sees significant opportunities for development of the East and Midlands region particularly to support Ireland's offshore wind industry.

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

