



Marine Renewables Industry Association

*Submission to Oireachtas Joint Committee on Environment, Culture and
Gaeltacht*

Maritime Area and Foreshore (Amendment) Bill

1. Marine Renewables Industry Association

The Marine Renewables Industry Association (MRIA) represents all of the main interests on the island of Ireland engaged in wave and tidal energy¹.

The Association includes firms engaged in device development and manufacture, utilities and site developers, professional firms and consultants, R & D businesses, supply chain activities and academic researchers. The Association is an all-island body. The relevant government agencies on the island sit on the Association's Council as observers.

It should be noted that the Association focuses on wave and tidal technology. Reference is also made, however, in this Submission to offshore wind (the other component of 'marine renewables') as it is inextricably linked to wave and tidal for consenting purposes.

2. Background to Consenting

The deployment at sea of wave and tidal devices currently requires permission from the State in the form of *licences* (typically for short-term data collection or experimental purposes) and *leases* whereby a developer leases an area of the seabed and, for example, generates electricity from a wave or tidal energy convertor device. This 'system' is popularly known as *consenting*.

However, the well founded perception among those engaged world-wide with marine renewables - ranging from developers and financiers to device manufacturers and researchers - is that Ireland has an unacceptable level of 'regulatory risk'. Consenting in the Republic of Ireland has in fact effectively been suspended in regard to leases pending the translation into law of this Bill. The old 'system' is outdated and unpredictable and is a blockage to developing marine renewables off our coasts.

¹ Wave + tidal energy = ocean energy (+ offshore wind) = marine renewables or marine energy

The lack of development off the Irish coast stands in serious contrast to the position in the UK where major offshore wind development is underway and where ocean energy, although at a development stage, is already an important young industry in Scotland. Ireland has the most energy intensive wave resource in Europe, a substantial portion of the European wind resource (and the highest wind speeds) and world-beating research and development and other facilities but..... without the early passage of this Bill, there is no credible legal framework for development and associated job creation to take place.

The overarching need of ocean energy project developers and, indeed, the industry as a whole is for a clear pathway, all the way from application for a modest permit to the granting of a lease for a major development, with predictable costs and timescales. An effective system of consenting and, separately, property management is vital. 'Marine Scotland', for example, has set time-targets to deliver decisions and the future Irish consenting regime should be benchmarked against these.

3. Welcome for Maritime Area and Foreshore (Amendment) Bill

The MRIA wishes to place on record its appreciation of the constructive manner in which the Department of Environment, Community and Local Government has dealt with consenting matters since it took responsibility for the area in January 2010 and to commend the Bill which, generally, captures the key issues highlighted by the consultative process which preceded the Bill.

There were four core issues in 'A New Planning and Consenting Architecture for Development in the Marine Area' for marine renewables, the consultative document which came before the Bill.

First, how should the Bill link the Foreshore area with the Continental Shelf and the Exclusive Economic Zone (200nm), either through integration of all three zones for consenting etc purposes or through some form of alignment between them (for marine renewables applications?)? We believe that this is being dealt with in the Bill.

Second, what criteria should apply in consenting marine renewables and which process should be followed? We are encouraged by the detail revealed so far in the Bill e.g. the requirement that applicants for Maritime Options should demonstrate their capacity to deliver the related project(s), thus limiting the scope for opportunistic 'land grabs'.

Third, which is the appropriate authority to deliver consenting, ranging from a central government model to one which involves significant devolution to local authorities? MRIA strongly advocated that marine renewables projects should be treated as strategic infrastructure and this is addressed in the Bill. MRIA believes that the only practical and appropriate way forward is to treat all marine renewables projects as Strategic and that An

Bord Pleanála (ABP) is the only body which has the authority and ability to develop and to attract appropriate resources to act as consenting authority:

- ABP is an experienced statutory body already dealing with (land-based) Strategic developments ;
- Arguably, it already has local knowledge through An Bord's inspectorate;
- ABP can hire in expertise in relation to marine renewables' matters although it would be best if the organisation could develop its own in-house expertise in this matter. This is a key issue as *ABP will be required to make scientific judgements about technology (wave and tidal) that is not mature and individual applications over the next five years or more will involve technology being demonstrated and tested for the first time;*
- In any event, the current *Marine Licensing Vetting Committee* system is part of the solution and should be developed into a major and low-cost source of significant expertise and placed on a statutory basis;
- Local authorities are already involved, as a statutory consultee, in the ABP process for strategic infrastructure;
- Most important of all, concentrating the consenting process in one agency with the strategic infrastructure powers and experience of ABP would reduce fragmentation, unpredictability and cost in the consenting system and generate scale in expertise;
- The focus of consenting in a 'one stop shop' for consenting (e.g. *Marine Scotland* and the arrangements emerging in Northern Ireland set the minimum bar) is the emerging norm and is expected by international industry.

Finally, what should the future property management (e.g. licences and leases) of the State's offshore territories look like? The Minister for Environment, Community and Local Government is, under the current procedures, both the source of consent and, also, the landlord. The landlord role received little coverage in the Consultation Paper (and in the Bill, although it may be an administrative matter and not require legislation) and, yet, it is a role of great importance. The landlord should take a strong and pro-active role (in consultation with other stakeholders) in managing the vast estate which 'belongs' to Ireland at sea—about 90% of the State's territory lies in the ocean. The landlord should promote the estate to developers and act as an information portal as well as deal with licenses, leases, policy etc.

MRIA believes that the Department of Environment, Community and Local Government should continue to be the 'landlord' and policy-maker for the foreshore and beyond. It should be the principal point of reference on offshore property matters, and the main 'port of call', for developers. The property management issues at sea are complicated and

organizational disruption should be minimised for the time being. At a later stage, once the new consenting and property management regime has settled down, it might be useful to revisit the matter and examine the scope to develop a Danish Energy Agency-type arrangement.

It is important to interpret the landlord role in a proactive way and MRIA recommends that the landlord develop a handbook on consenting etc (again, 'Marine Scotland' offers an excellent example) and also a dedicated website to support proponents.

4. Job Creation

Ocean energy is an emerging technology. Wave and tidal devices are still at the experimental stage – particularly wave technology - and the consensus among experts is that the industry is still some time away from technical stability and maturity. The other component of marine renewables, offshore wind, is mature and turbines are being deployed in large numbers by other European countries, notably the UK. Nonetheless, the capital intensive nature of ocean energy (wave and tidal), the enormous investments that will be required by individual commercial developments at sea and the long lead times associated with the energy industry determines that both industry and Government must make preparations now. The compelling factor, the reason that this industry should be singled out for special attention, is the scale of the opportunity it presents for jobs and income creation in Ireland.

Ireland has one-third of all of North West Europe's renewable energy resources (source: *Siemens*), including the world's most energy intensive waves and Europe's highest wind speeds. Ocean energy has the potential to make a significant employment and wealth creation impact over time. A study commissioned by the relevant State agencies on the island, SEAI and Invest Northern Ireland, on the potential economic impact of ocean energy² states that:

There is currently sound quantitative evidence that by 2030 a fully developed island of Ireland OE sector providing a home market and feeding a global market for Renewable Energy could produce a total Net Present Value (NPV) of around €9billion and many thousands of jobsIt is possible that an island of Ireland wave energy industry meeting the 500MW 2020 target could produce at least 1,431 additional FTE jobs and an NPV of €0.25bn, increasing to 17,000-52,000 jobs and an NPV of around €4-10bn by 2030.....Similarly a tidal industry providing 200MW of capacity by 2020 may deliver around 600 FTE jobs and an NPV of €111m, increasing to 8,500-17,000 jobs and an NPV of between 41.5-2.75bn by 2030 (SQW Executive Summary).

² *Economic Study for Ocean Energy Development in Ireland SQW, 2010*

If the Government creates the right environment for marine renewable energy and actively supports its development, Ireland can transform its economic position in two key areas. First, Ireland could become an *energy secure* and *exporting* country, replacing almost €6bn³ in imports with up to €10bn⁴ in exports with significant potential to revive our stalled economy. The initial export market is likely to be the UK, which faces a massive investment deficit in energy to 2020 and beyond. Second, we could develop a supply chain or *enterprise* dimension - R and D, finance, legal services, education and training, operations and maintenance, high value added component design and manufacture, device assembly....the list goes on - to support world markets. The natural consequence of this development will be **substantial job creation**

5. MRIA Recommendation to Joint Committee

The *Maritime Area and Foreshore (Amendment) Bill* is among the most important items of economic development legislation dealt with by the Oireachtas in recent memory. It is a key to unlocking the potential for job and income creation represented by Ireland's waves in particular and our expertise in ocean energy matters generally.

The key requests of the Marine Renewables Industry Association are, first, deal with the legislation as expeditiously as possible and certainly within 2014. We need to match our bountiful resource, research and development facilities etc with action on this legislation. Passage of the Bill into law in 2014 would allow the Government to run a 'leasing round' fairly soon thereafter and enable Ireland to catch up with Scotland who are ahead in this field at present but are ahead despite owning a less energy wave resource, grid challenges etc.

Second, the case for dealing with all aspects of the consenting of marine renewables as strategic projects - and handling them through An Bord Pleanála - are compelling and were summarised earlier. Any deviation from this path could strangle this industry before it commences! As mentioned earlier, Ireland has a poor reputation internationally in consenting and faces an enormous challenge in dealing with the fast-track and 'one stop shop' of *Marine Scotland*. The approach proposed will deal with our reputational issues, compete with *Marine Scotland* and, at the same time, ensure that community and environmental interests are catered for in a transparent and fair fashion.

³ €5.57bn imports of energy products in 2010, CSO External Trade statistics, 31 March 2011
(http://www.cso.ie/releasespublications/documents/external_trade/2010/extrade_dec2010.pdf)

⁴ Minister Eamon Ryan, Joint Oireachtas Committee on Climate Change & Energy Security, 24th March 2010
(<http://debates.oireachtas.ie/CLJ/2010/03/24/printall.asp>)