



# Mayo Energy Group Renewable Energy Precinct

Response to CRU

Large Energy User Connection Policy

18:03:2024

## SUBMISSION

The Mayo Energy Group submission to the CRU consultation on Review of Large Energy Users connection policy responds primarily to those Questions 15–20 which deal with Location of LEUs although it clearly has implications for a wider range of topics and considerations. It is made in the context of the proposal to establish a Renewable Energy Precinct in North Mayo which would deliver very significant National, Regional and Local benefits as outlined below. The accelerated deployment of the appropriate policies in the areas of private wire connections and connections to both gas and electricity grids for large energy users, conversion and storage are critical key enablers for the delivery of these major public policy objectives.

## CONTEXT

The Mayo Energy Group (MEG) is an association of four independent renewable energy producers, leading industry experts and established consultants who have come together to promote the development of a unique renewable energy opportunity in North Mayo for the benefit of local communities, County Mayo and the Northern and Western region.

### MEG – Renewable Energy Precinct

A strategy for the development of renewable energy in North Mayo which will help Ireland meet our binding climate change targets and deliver on our ambition to de-carbonise the national grid and deliver sustainable low carbon electricity. More cost effective and lower risk than the equivalent off-shore.

**Meeting National Targets:** - Hitting our binding climate change targets is an increasingly urgent National priority and meeting crucial milestones will require innovative interventions supported by significant investment and accelerated delivery.

One of the locations which can assist in meeting our objectives is North Mayo, where a unique opportunity to bring a substantial quantum of renewable energy on-stream can be delivered relatively quickly. The area has the potential to supply in the order of 1.2GW of additional power to both the national grid and to local energy hubs for large energy users and for conversion and storage. Extensive work and investment by a number of independent energy developers has opened up this unique prospect which is not replicated elsewhere. This group of developers came together to collaborate on delivering a solution to address climate action plan targets and market failure on transmission infrastructure.

**The Opportunity:** - Four independent renewable energy developers collaborating to deliver windfarms, solar arrays, conversion and storage facilities which collectively will deliver massive benefits for local communities, the north west region and for national energy resilience.

## CONCEPT - The Mayo Renewable Energy Precinct

The Mayo Renewable Energy Precinct comprises the following key elements;

Hubs: - Two renewable 100 / 200 MW RE Hubs – both on brownfield sites building on previous industrial and generation use – linked by an umbilical combining Gas, Electricity, Water and Fibre.

Generation Capacity: - Independent wind farms – producing circa 1.20GW Wind with additional Solar to come on stream

Connection: - Private wire connections to two RE hubs.

Utilisation: - Two RE hubs accommodating 100 / 200 MW Large Energy Users

Conversion: - Two 100MW Hydrogen conversion plants – feeding into national gas grid with on-site storage for LEUs

Transmission: - High Voltage DC underground connection to the grid in the GDA.

Fibre: - AEC1 – landed at Killala – and AEC2 – landed at Old Head – networked through established Landing Station at Killala and connected via gas grid fibre ducting to Dublin/UK/EU. Additional cables in development – to land at Killala.

The Impact: - The MEG Strategy is based on a unique renewable energy opportunity, combined with established investor commitment and conservatively assessed future potential. The strategic intent is to combine local harvesting and utilisation with export to deliver very significant benefits locally, regionally and nationally.

National: - The MEG Strategy is designed to deliver major National benefits. It will be a concrete step in reversing regional decline and will assist in redressing current endemic imbalance. It will also help to deliver binding national climate change targets and will improve our overall National energy security and provide some of the increased range of energy options which are required for any resilient modern energy system

Northern and Western Region: - The delivery of renewable energy projects of scale has the potential to make a significant economic contribution at regional level. This is particularly important given the scale of the challenges being experienced by the Northern and Western Region's economy.

The scale of these challenges is evident from the European Commission's decision to classify the Northern and Western Region as a "Transition Region", the only NUTS 2 Region in Ireland to hold such a status.

The European Parliament Committee on Regional Development has also categorised the Northern and Western Region as a "Lagging Region" - a region characterised by extremely low growth which is divergent from the rest of its country.

These high-level economic challenges are now translating into rising regional disparities which are clearly evidenced by;

Income Disparity: - The difference in disposable income per capita between the Northern and Western Region and the Eastern and Midland Region – as a percentage of the State average – was 18% in 2021 as against 9–10% in the mid-2000s.

Population Distribution: - The Eastern and Midland Region accounted for 55% of all population growth between 2016 and 2022, with the Southern and the Northern and Western Regions combined accounting for only 45%. It is clear that the distribution of this growth is contrary to the stated objectives of the National Planning Framework (NPF) and the Regional Spatial and Economic Strategy (RSES) of the Northern and Western Region. The delivery of renewable energy projects of scale has the potential to assist in addressing these high-level economic challenges, to reduce regional disparities in Ireland and to support the delivery of balanced regional development in line with the vision and objectives of the NPF and the RSES of the Region.

The Key benefits to be delivered by the MEG strategy would include,

- Direct employment in delivering major infrastructure and building projects.
- Thirty-year economic activity and employment in operation and maintenance.
- Community gain funds over the economic lifetime of the projects.
- Capacity and skills development and associated research opportunities.
- Population growth and more even age distribution.

## DELIVERABILITY

- Timescale: - The Majority of generation projects are currently at planning / approval / financing stage. A number of conversion and storage projects have been approved and others are in development.
- Market: - The Strategy is based on established Large Energy Use demand.
- Impact: - More cost effective and less risk than equivalent offshore generation at scale with significant associated local community economic and social benefits.

## RESPONSES to CRU Consultation Questions - Location of LEUs

- 15 Should new LEUs be located close to areas of renewable generation and/or storage or within energy parks

Response: - Yes – to the greatest extent possible LEUs should be located as close as feasible to the source of energy generation. This would deliver on multiple National policy objectives including Regional Balance and help to spread the benefits of significant investment to the west coast.

- 16 What type of measures to facilitate this approach could be introduced to encourage new LEUs to locate close to renewable generation

Response: - A clear statement of policy encouraging location of LEUs close to established or emerging generation locations would be critical first step. There are already a range of LEUs looking to develop facilities in the North Mayo area which are at risk of migration to other EU locations. Clarification of national policy supporting location close to renewable generation and clarification of policy regarding on-site back-up generation and connection to gas and electricity grids is urgently required to enable a multi-billion wave of investment to move ahead.

- 17 Should there be any exemptions to locational requirements for certain LEUs? How could this be assessed? If so what type of connection conditions/requirements might these require?

Response:- Yes – clearly some LEU facilities are latency and location critical. These applications should be dealt with and permitted with the appropriate connection conditions on a case-by-case basis as an exception when need for a central / constrained location is clearly and objectively demonstrated.

- 18 Comments are invited from interested parties on the level of proximity between LEUs and renewable generation? How should this be measured? Should this value apply across the board or be determined on a case-by-case basis?

Response: - Proximity is clearly related to location. The distances at play in North Mayo are clearly greater than elsewhere and a private wires connection policy which enables connection over tens of kilometres is obviously needed. A master-planning approach to defining energy precincts within either Local Authority or Regional Assembly functional areas would be helpful in this regard.

- 19 If locational requirements are introduced, there is a need for better integrated planning of the network, generation and demand. What are the roles of the System Operators and enterprise agencies in supporting/facilitating this?

Response: - Yes – Systems Operators and Enterprise Agencies – both EI and IDA - need to be engaged in the discussion around and preparation of integrated masterplans for Renewable Energy Precincts of scale.

20 If introduced on a mandatory basis should locational requirements be implemented using a glide path?

Response: - Clarity on national policy regarding location of LEUs and a reasonable and workable approach to on-site generation and connection to both gas and electricity grids is urgently required if Ireland is to have any chance of stemming the current migration of LEUs to other EU locations. Clearly a rationalised policy will take some time to be implemented but the timeframe needs to be short and to recognise the current national crisis in this area.

## CONCLUSION

The Mayo Renewable Energy Precinct is a unique opportunity which can contribute to the delivery of significant benefits locally, regionally and nationally. The MEG Strategy as outlined is key to unleashing that potential. It needs a clear policy statement on the location of future LEOs and a workable set of guidelines covering connection to both gas and electricity grids. These steps are required as a matter of utmost urgency to ensure that future investment and the downstream benefits thereof do not continue to migrate to other more receptive EU locations.

The Mayo Energy Group appreciate the opportunity to contribute to this consultation and look forward to further engagement with the Commission and with other stakeholders as the process moves forward.