

September 2025

# 1 ABOUT SIMPLY BLUE GROUP

Established in 2011, Simply Blue Group is an ambitious, values-driven company at the forefront of the global blue economy. Headquartered in Cork, Ireland, the Group combines deep technical expertise, innovation and strong stakeholder engagement to advance the transition to a cleaner and more sustainable energy future.

Simply Blue Group is actively developing a significant renewable energy portfolio, including 8 GW of floating offshore wind and 4 GW of fixed-bottom wind projects across multiple markets.

With an experienced and dedicated team operating from offices in Cork, Dublin, Belfast, Newquay, Pembrokeshire, Edinburgh, Bilbao, and Nova Scotia, Simply Blue Group is strategically positioned to deliver large-scale renewable energy projects.

In Ireland, SBG is in a Joint Venture with EDF-Power Solutions to deliver a portfolio of GW-scale floating offshore wind projects. Since 2023, SBG is developing the Aird Mhór na Mara fixed-bottom offshore wind project at Li Ban / Site B of the South Coast DMAP.

The company is committed to generating long-term local economic benefits while ensuring that its projects coexist harmoniously with communities and the natural environment.

To find out more about us, please visit www.simplybluegroup.com

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# **2 EXECUTIVE SUMMARY**

Simply Blue Group (SBG) welcomes this initiative from MARA and its consultants to respond to the Competitive MAC draft framework. Our key messages are:

- Policy clarity is needed on the scale of Ireland's ORE deployment ambitions for the Competitive MAC framework to function effectively. To justify running Competitive MAC (Competitive MAC) processes, Ireland must first set out a compelling case that sites will be supported through to market. Without this, the risk of sites awarded via a Competitive MAC process becoming stranded assets will be considered too high and auctions will have limited interest. At a high level, this includes commitments to route to market support and grid access.
- Design options should remain open until the auction objectives have been clearly defined. There are instances in the response where MARA favours certain design criteria and rules out others. This is done sometimes prematurely due to an absence of information on what is being auctioned e.g. how many sites, for what route to market, to meet what policy objectives, in what ORE market context. While we appreciate that MARA intends to create a simple framework with less parameters for consideration, we recommend at this stage that the final framework retains optionality to respond to future auction design. In other markets, we routinely seen auction parameters adjusted from one leasing round to the next in other to compensate for changes in the market, and to correct for unwanted outcomes having the option to adjust already built into the framework will make Competitive MAC auctions comparatively more agile.
- 3) FLOW demonstration Competitive MACs will require different auction parameters and contract structure. FLOW demonstration sites should be awarded based on NPFs such as ability to scale, innovation, and their ability to enable the development of ports and harbours. Furthermore, such MACs should consider diversified MAC fee structures so that they enable a demonstration-sized project (200–400 MW) to scale to commercial capacity (~1 GW) without being burdened with commercial-scale MAC fees.
- 4) A risk-based approach is required when considering auction parameters. The perceived risk of developing a site is higher in the absence of information, and this must be balanced against the liabilities MARA places on the MAC holder. For example, if minimal data is available on a

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site at the time of auction, the non-delivery disincentives for the Competitive MAC auction and MAC terms will need to respond to this. This can be accomplished through a variety of methods such as adjusting price caps, payment frequency, bid bonds etc. and facilitate competitive auctions still encouraging deliverability and addressing MARA's objectives.

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# 3 CONSULTATION RESPONSE

# 3.1 Section 1 – Overall Approach

Simply Blue Group welcomes this initiative from MARA and its consultants to develop a Competitive MAC framework, and the opportunity to respond to this draft framework.

It is challenging to assess the comprehensiveness of the model, as the underlying analysis behind the decisions has not been presented. This makes it difficult to assess why MARA has chosen certain design criteria over others. We kindly request access to this work in the interest of developing a clearer understanding between industry and MARA.

### **Model Inputs**

The model should map out the policy decisions which are inputted into it. This could be set out as a phase before the model outlined by MARA, as a range of inputs from other parts of the plan-led system e.g. DCEE, DETE, Eirgrid, to which MARA's auction design framework must respond. Examples of these inputs are as follows:

- 1) Route to market clarity: As a general principle, DCEE should set out the Route to Market for any site which it wishes to allocate to MARA for auction and provide a clear statement of its intentions in this regard. The framework does not consider how it will react to such intentions: What is the route to market for a site, what are the implications of this for the design criteria used in a Competitive MAC auction, as well as the definition of the MAC terms and conditions itself.
- Availability of site data: The approach to site investigation and data provision will have a substantial impact on the auction design parameters. For example, DMAP areas brought to auction with limited seabed data available will be viewed as relatively higher risk than those brought to auction with adequate seabed site data to conduct engineering studies. This will have impacts for key criteria such as the financial and non-financial delivery incentives a developer is willing to accept to bid on the site, as well as the annual development levy, and where the price limited cap is set.
- 3) **Industrial policy objectives**: Auctions can be used to encourage supply chain development which can unlock cost reductions, as well as capturing gross value add (GVA) for the Irish economy. For example, an auction for FLOW demonstration sites should target the

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development of ports and harbours as an enabler of commercial-scale FLOW projects. This is an important factor which will influence the design of a Competitive MAC auction in terms of NPFs.

4) **Number of sites to be auctioned**: It is unclear at this stage as to the number of sites which will be auctioned off at a time. This will also have implications for subsequent ORESS rounds which sit outside of this process but should also be considered due to their impact on project risk and therefore the attractiveness of an auction to developers.

### Other Considerations

Partial DMAP bids: The auction framework should enable developers to bid on part of a DMAP area in instances where a developer does not wish to develop the entire area. This is likely to attract more interest from developers as the resulting sites would have greater cost efficiency. While this will not impact the bid per km2, it could impact the total annual development levy and hence the gross bid for the site. MARA should consider how this will be incorporated into the design framework.

### 3.2 Section 2 – Allocation Model

#### 3.2.1 Pre-qualification

Capability-based pre-qualification criteria are favoured by SBG. It is important that the full details of these criteria are set out early in the auction process, ideally as part of a consultation process in advance of launching a Competitive MAC process.

Pre-qualification criteria should be objective and communicated well in advance, allowing adequate time for consultation. It is also important that pre-qualification continues to allow for fulfilment of criteria through support entities.

More clarity is needed on what MARA defines as a "Light Touch" approach. The existing financial prequalification criteria issued by MARA as part of the Tonn Nua auction are onerous in comparison to SBG's other markets and could therefore not be considered a "Light Touch" approach.

To enable this, MARA should consider using a smaller selection of easily quantified and provable metrics, enabling easy submission and review.

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### 3.2.2 Competitive Allocation Model

There is a good case to be made for heavy weighting of NPFs. However, there is a good case to be made for the inclusion of Price Based Factors (PBFs) and we recommend that MARA approaches the question of weighting NPFs vs PBFs on an auction-by-auction basis.

NPFs will require careful consideration and definition, particularly if they are to be used for the early MAC rounds. This has proved challenging in other markets and may not lead to the optimal outcome for allocating sites.

We note the possibility that NPFs will be mandated for subsequent ORESS auctions under the Net Zero Industry Act. Consideration will need to be given to how these two auctions align so as to avoid duplicating criteria.

#### Considerations for FLOW Demonstration Projects

Competitive MAC auctions for FLOW demonstration projects should prioritise NPFs over PBFs.

The main policy objective for developing demonstration-scale FLOW projects, rather than going directly to commercial (GW) scale, is to support the development of the Irish supply chain so they can service commercial scale projects. Therefore, demonstration projects must have the ability to scale to commercial scale to take advantage of the economic benefits of developing a FLOW industry in Ireland.

It is important therefore that the selection of projects for FLOW demonstration include the following NPFs:

- Supply chain development: the project should have access to ports and harbours capable of not only delivering a demonstration-scale project, but also capable of scaling to service commercial-scale projects. The demonstration project should enable investment into infrastructure, so that it can scale alongside the demonstration project and develop the capacity to service commercial scale projects. It should also consider training and development of skills in the local supply chain. This will support MARA's secondary objective of 'social and environmental value creation'.
- Innovation: To what extent does the project help push floating offshore wind tech forward;
  potential for cost reductions in future; possibility of replicating or scaling; creative technical

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solutions etc. The INTOG leasing round provides a good model for this. This will support MARA's secondary objective of delivering innovation.

Ability to scale: To what extent can the project expand to commercial scale Commercial scale
 FLOW is needed to drive down costs of electricity through economies of scale. This will support
 MARA's secondary objectives of achieving 'Cost Effectiveness for consumers' and 'Supporting a
 secure and resilient energy system'.

# 3.3 Section 3 – Price-based factors (PBFs)

### 3.3.1 Payment Period

SBG agrees that all options can have benefits. As stated, annual development levies incentivize delivery and are therefore perhaps best considered as the default option.

MARA should consider a risk-based approach to MAC fees whereby fees increase as the project progresses. This approach could be applied in instances where the perceived risk of developing a site is higher e.g. where developers have limited access to site data in advance of an auction. This could be accomplished in a number of ways:

- Setting significantly lower auction caps for higher risk sites
- Phasing in levies as the project achieves development milestones e.g. 50% annual levy applies until planning submission
- Waiving the development levy entirely and instead using a one-off fee as a PBF

#### Considerations for FLOW Demonstration Projects

Projects built-out first as a demonstration project and then as a full-scale project should be charged an annual development levy commensurate to the development underway.

The business case for a FLOW demonstration project in the 200-400MW range will be linked to the ability of that project to scale to commercial scale i.e. GW-scale. As a result, acquiring a MAC capable of accommodating 1GW+ of FLOW is considered a necessary first step for a FLOW demonstration project.

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However, as the project will be built out in stages, it is important that the FLOW demonstration project is not burdened with MAC fees for a GW-scale site. Therefore, when developing a seabed auction for a demonstration project, it is important that MAC fees be phased in based on the scale of the project under development at the time i.e MAC fees for a demo-scale sub-section of the site are due immediately on award, with fees for the full site becoming due once development is underway for the full site.

This approach will strengthen the investment case for FLOW in Ireland—both for developers and the supply chain (e.g. ports/harbours)—by providing a pathway to commercial scale, while also protecting the economic viability of a FLOW demonstrator project by not burdening it with commercial-scale MAC levies.

### 3.3.2 Revenue Type

As a general principle, Simplicity and clarity are key to ensuring deliverability and investor confidence. Therefore, a flat fee is the good option for the development stage of a project.

Taking into account MARA's right under the MAP Act to keep levies under review, the development stage levy needs to be as fixed/predictable as possible in order to be factored into financial models accurately in advance of Competitive MAC auctions.

The mechanism for setting the appropriate levy is key here, and staggered introduction of this fee, or applying a one-off charge, can help make auctions more attractive where perceived risk is higher e.g. where there is limited site data available.

SBG considers revenue sharing and a flat fee as potential options for the operational phase, depending on the auction and the level they are set at. A flat fee has the benefit of increased simplicity, while revenue sharing shares project risks and successes with MARA.

### Considerations for FLOW Projects

Consideration must be given to different levels of fees for floating wind. At present, turbine density for FLOW semi-sub platforms are typically modelled at 3MW/km², compared to 5MW/km² for fixed wind, and hence does not produce as much revenue per km² of seabed (NREL, 2024). FLOW projects today require a greater MAC area to produce to same amount of electricity (and hence revenue) as fixed wind projects. As a result, MARA should expect a lower €/km² annual development levy from FLOW projects so as not to overly impact a project's business case.

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### 3.3.3 Price Bidding

A price-limited bid is the appropriate mechanism for price bidding. This allows for some level of price competition, while avoiding a situation that undermines deliverability.

However, careful consideration should be given to where to set the cap to avoid limiting deliverability and preventing speculative bidding. A cap set at twice what the market can bear is a cap in name only and will fail to deliver any of the above benefits.

In addition, MARA should consider a minimum price for an auction to ensure it is receiving a minimum viable levy for the allocation of the site.

The cap should be considered on an auction-by-auction basis and in the context of the auction's objectives, market conditions and other design parameters.

#### 3.3.4 Bid Mechanism

SBG recommends not ruling out either 'sealed bid' or 'ascending clock' approach to auctions.

An ascending clock auction provides a better framework for the market to 'discover' the appropriate price and avoid blind over-bidding to secure sites, which can come at the expense of deliverability. While this may be less appropriate in the context of NPF-dominant auctions, the option should be maintained for a scenario where PBF-dominant auctions are potentially re-int

In the context of a multi-site leasing round, ascending clock auctions provide an opportunity to bid on different sites, allowing developers more opportunities to secure a site e.g. by switching bidding to a second preference site when a first preference site becomes too expensive. This approach supports MARA's ability to allocate a greater number of sites in a multi-site auction, whereas under a sealed bid approach, all bids could potentially focus on one site only, which may then require MARA to run further auctions to allocate the outstanding sites.

While sealed bids can deliver viable prices such auctions have in the past delivered questionable prices which have subsequently challenged projects' economic viability and deliverability.

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## 3.4 Section 4 – Non-price factors (NPFs)

#### 3.4.1 Environment Criteria

While we generally agree with the rationale set out, we require more detail to comment further.

It is unclear what specific quantitative assessment criteria MARA intends to use. Without clarity on these metrics, it is difficult to assess whether the proposed approach will be effective, fair, or aligned with broader policy objectives. Access to the detailed report by Baringa is required to appropriately respond to this point.

Secondly, there is a broader strategic question around alignment with the Department of the Environment, Climate and Communications (DCEE) plans to develop non-price criteria (NPC) in accordance with requirements in the Net-Zero Industry Act (NZIA). As DCEE will be consulting and making the ultimate decisions regarding the inclusion of NPC in future auction designs, MARA's assessment framework must be developed in close coordination to ensure consistency and policy coherence.

#### 3.4.2 Choice of NPFs

SBG is supportive of efforts to enhance biodiversity outcomes. However, we caution that metrics in this area are not standardised and scoring will be challenging to develop as a result.

Under Ireland's plan-led system, there is likely to be limited information available in advance of seabed auctions which will limit a developer's ability to generate a biodiversity baseline, and to realistically commit to positive biodiversity impacts. Furthermore, such commitments are challenging to make in advance of the planning process as the sensitivities and opportunities for the site would not be sufficiently understood. As a result, SBG advise that inclusion of criteria seeking to score impacts on biodiversity will not be appropriate at this early stage of the offshore wind development process.

The recent French auction model provides an alternative approach and scores a monetary commitment to increase biodiversity, rather than one based on impact. This could represent a more objective way forward for biodiversity.

Commitments to supply chain sustainability should be maintained as an option, where there are objective and easy to measure criteria which align with DCEE and MARA objectives.

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### 3.4.3 Developer Derisking

We agree with the preferred option and rationale provided.

However, SBG would encourage DCEE and MARA to only bring sites to auction which can acquire a grid connection in a timely manner.

#### 3.4.4 Socio-economic criteria

Community Shareholding has proven to be very challenging to enact in other markets and SBG strongly cautions against this approach. The arguments set out against this are strongly laid out in the Wind Energy Ireland submission. Creating a viable, long term Community Benefit Fund is a better option in this regard.

For FLOW auctions, particularly for FLOW demonstration project sites, SBG encourages MARA to develop criteria for supply chain development. As noted elsewhere in this response, such criteria could be highly beneficial for choosing FLOW demonstration sites, where plans to develop nearby ports and harbours, and proof of ability to scale are seen as advantageous. The Utsira Nord auction, currently underway in Norway, provides a model for NPFs of floating offshore wind farms, for MARA's consideration.

Innovation is an important criterion for MARA and could be considered as an additional criterion for some auctions. Innovation can encourage long-term environmental and economic resilience and should be integrated into the Competitive MAC framework to reflect best practice and policy ambition.

While there are innovative elements included in the 'system integration' category, these are focused on offtake and grid elements and are less related to the wind farm and the MAC location itself. SBG would point to its experience in the INTOG auction, and its innovation criteria, as a methodology for how this could be accomplished.

# 3.4.5 System Integration

It is appreciated that MARA is giving consideration to Competitive MAC allocation without ORESS. However, it will not be possible for projects to secure a PPA so early in the process – in advance of consent, site investigation, or securing any rights around seabed occupancy or access. Furthermore, MOUs are non-binding and do not provide any real certainty in terms of commitment. As a result, we do not recommend that MARA bases its scoring on MOUs for PPAs either.

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To progress non-ORESS projects, MARA could consider the development of a phased system which allows access to the site for investigation under less onerous conditions, with no / no-go milestones around securing progress on PPAs.

Some measures, such as battery storage and hydrogen electrolysis, involve investment at a similar scale to the wind farm itself and carry significant risks, which could increase costs for consumers. It should be noted the other criteria suggested (generation profile or a PPA), are not equivalent and therefore should not score as highly. This approach is likely best suited to more mature offshore wind markets.

SBG would like to better understand the rationale for encouraging projects with higher yields, as developers will naturally seek to maximise yield from sites already. This could lead to unforeseen circumstances such as commitments to use unrealistically large turbines to boost energy yield from a site. Furthermore, should MARA wish to proceed in this area, it will need to develop a standardised methodology for assessing energy yield of one farm versus another. We would caution MARA that this is a complex area and has proven contentious in other markets.

## 3.5 Section 5: Accessing Delivery Incentives

### 3.5.1 Financial Delivery Incentives

SBG considers a Supporting Entity Guarantee along with annual development levies as sufficient financial incentive to develop a site as quickly as possible, particularly in the case where a minimum threshold levy is applied.

A performance bond will needlessly tie up capital and increase the risk associated with acquiring a MAC without adding incentive to speed up delivery. Furthermore, it is not clear what the milestones for release of this performance bond might be, and whether they are in the control of the developer: for example, Phase 1 projects have been significantly delayed by processes outside of the respective developers' control.

Performance bonds are appropriate for ORESS CfD contracts, but less so for seabed allocation, particularly in the context of a developing market such as Ireland.

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## 3.5.2 Non-financial delivery incentives

Consideration must also be given to market maturity in this context. More onerous conditions may be acceptable in more mature, established offshore wind markets, but the Irish offshore wind market is still developing, and therefore the conditions must be reflective of that. We therefore consider bans from future auctions as an inappropriate incentive.

SBG appreciates the requirement to encourage progress through milestone dates and agrees that MARA must retain the right to revoke permits for non-delivery. However, given the annual development levies, and potentially a performance bond, developers are already strongly incentivised to progress their projects. We would therefore encourage MARA to consider permit loss as a last resort, with a long-stop date around milestone achievement, as executed in UK Crown Estate leases.

As highlighted elsewhere, a number of elements throughout the development process sit outside of the developers' control, and it would not therefore be appropriate to penalise the developer for delays arising from such processes. A potential solution to this is found in the Capacity Remuneration Mechanism in the SEM market. When a contract is awarded, there are provisions for extensions for circumstances outside the control of the developer. This strikes the right balance between a non-financial incentive and recognising risks that developers cannot control.

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