WIND ENERGY IRELAND

Wind Energy Ireland Submission on the Design of the Competitive MAC Framework Stakeholder Engagement Consultation

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Introduction

Wind Energy Ireland (WEI) would like to thank the Maritime Area Regulatory Authority (MARA) for the opportunity to provide a submission on the Design of the Competitive MAC Framework Stakeholder Engagement Consultation, as published on Thursday 21 August 2025.

Ireland must achieve a carbon neutral economy by 2050. To do this, Ireland will need to deliver a secure net-zero power system at a much earlier point in time. That is no easy feat and will require considerable effort across society to achieve. Delivery of Ireland's offshore wind potential will be central to this and to build out offshore wind successfully, we need to not only consider delivering the wind farms, but also how we maximise the value of the generation and build a robust electricity grid to minimise wasted energy.

There is no foresight of opportunities beyond the Phase One projects and the 900 MW ORESS Tonn Nua project, which is creating a fog around the future of the Irish offshore wind market. Without the undeterred commitment of both industry and Government to see these initial projects built, there is effectively no Irish offshore wind industry. Clarity and certainty are needed on timelines to facilitate and de-risk longer-term investment decisions and to maintain Ireland's competitiveness in the global offshore wind market.

Developing the offshore wind pipeline and providing long-term consistency, certainty and market stability is crucial. This can be achieved by clearly defining how, where and when future offshore wind developments, both fixed and floating, will be commissioned in Irish waters. We must prepare and implement a robust process that will ensure a realistic volume of offshore wind energy is delivered to commercial operation within a realistic timeframe. This process must cover site allocation, consenting, grid connection and route to market.

Who we are

WEI is Ireland's largest renewable energy organisation with over 200 members who have come together to plan, build, operate and support the development of Ireland's onshore and offshore wind generation.

Key Points of Feedback

- As stated in the *WEI Offshore Wind Action Plan* (May 2025), WEI are supportive of the Competitive MAC approach where the following elements are known and in place at the time of allocation of the MAC:

  - Transparency on the method for identifying and allocating sites for future projects (ensuring mechanisms for fair access) as well as clarity on what exactly is being allocated at that point in time, and the sequence of steps to follow, with the key objective being to support delivery of Financial Investment Decision (FID) on offshore wind farms.
  - Certainty on viable route-to-market option(s) to develop the site(s) identified at the earliest possible opportunity.
  - Clarity will be needed on the offtake options – i.e., grid, grid-limited or hybrid, non-grid/private wire – this will be dependent on the assessment of grid capacity in the southeast region and policies being developed for offshore grid transmission and green energy parks to support demand growth in the region, as well as the recently published private wires policy.

- The approach for how MARA will engage to determine and select site and objective specific criteria for each call should be communicated upfront, with a clear and transparent process put in place. WEI would advise that MARA engage and consult with industry on the criteria to be implemented for each round and the detail of specific weightings and scoring for the selected criteria.
- The design of the Competitive MAC framework cannot be determined in isolation. The decisions made regarding this framework will be of critical importance to the wider offshore wind development process and sequence of steps, including offtake options and therefore proceeding with a Competitive MAC process, must be linked into DCEE assumptions on future auctions and overall market development.

Consultation Questions

Overall Design Approach – Proposed Criteria

1. *The graphic contained on page 12 of the consultation document summarises the design options considered across all components of the draft competitive MAC framework and highlights MARA's preferred options, which are explained in more detail in the consultation document. MARA believe that this is a comprehensive model.* **Do you agree? If not, why not?**

WEI response

WEI notes that this consultation is a high-level overview covering a suite of options that could be considered for all future MAC allocations. It is expected that a more detailed consultation will accompany each MAC round and potentially these rounds may look very different depending on the policy objectives and design criteria chosen. One set of design options may be more appropriate for one site whereas changes to design options may be needed for another site. We agree with MARA's intention to retain flexibility in the overall design framework.

However, the proposal is quite light on detail, so while the initial model presented appears to cover a number of key criteria and topics, the detail is not provided and therefore it is difficult to confirm how comprehensive the design is (or not). Without access to this information, it is also difficult to consider whether the findings are still current / relevant based on recent auction outcomes. It would have been beneficial to have access to the technical report developed by Baringa so that there would be a better understanding of the conclusions drawn at this stage by MARA and why some of these decisions were made.

MARA has determined that *'the purpose of this ORE competitive MAC is to assist Ireland in pursuing its climate and energy ambitions, whilst benefitting its people and environment. Its primary objective, therefore, at this point in time is the timely delivery of ORE. To deliver on this MARA has identified the following secondary objectives:*

- *Cost Effectiveness for consumers*
- *Social & environmental value creation*
- *Innovation*
- *Supporting a secure and resilient energy system'*

On the basis of this statement, it would be useful to more clearly understand how the process will support the timely delivery of ORE and to see a direct link in the framework design to delivering on the objectives outlined above. For instance, there is no clear link on how the framework or criteria selected will drive innovation. In addition, supply chain appears as a 'not preferred' NPF option, but if we wish to provide '*cost effectiveness for consumers'* and create a '*social and environmental value chain',* encouraging use of local supply chain and/or best practise in it would be a key driver. However, we note that supply chain resilience is a key requirement for consideration in the Net-Zero Industry Act (NZIA). We understand that there is legal clarity being sought on how the requirements under the competitive MAC framework will align with implementation of the same and would welcome further clarity and consultation on this.

The overall approach does not clearly consider the route to market for the site which is being allocated. While this is assumed to be outside of MARA's gift to define, design parameters will be influenced by this e.g. developer de-risking, system integration, financial / non-financial incentives etc. For example, MARA should consider the timeline required to bring a project to Financial Investment Decision (FID) where the route to market is not via grid, and how this interacts with the definition of the MAC itself.

As a general principle, DCEE should give careful consideration to 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.

Also absent from the model is DCEE's approach to pre-auction site investigation and data provision, which 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. Level of data availability will determine the readiness of the project and also the risk appetite of developers in a competition. 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.

As the sites have been selected under a plan-led regime, data necessary to set a baseline for some of the NPFs (e.g., 'environment') will be limited to what is available in the national datasets. Therefore, it may be difficult for developers to design and price appropriate and robust plans for scoring.

The consultation does not appear to take into account the EU's requirements on Renewable Acceleration Areas (RAAs) and how this may apply to sites to be auctioned by MARA. DCEE is currently consulting on this issue and intends to designate at least one RAA in the near-term (it has not yet been confirmed whether this will be onshore or offshore). Projects located in RAAs may benefit from a presumption of not having significant environmental effects and are therefore exempt from project-level EIAs under Directive 2011/92/EU, albeit with narrow exceptions. Benefiting from such a presumption would require the front-loading of environmental surveys. It is therefore important that Ireland integrates this requirement into the future offshore framework should there be an intention to designate RAAs offshore.

Finally, it is unclear why the framework has considered a number of criteria as '*not preferred options*'. Given that there is limited clarity on how sites will be commercially developed it would appear to make more sense at this stage to have optionality within the Framework so that MARA can respond to the changing landscape of policy and national priorities.

Allocation Model

2. **Pre-qualification - Capability pre-qualification:** *MARA favours a light-touch financial requirement (e.g., minimum threshold) for pre-qualification. In reaching this decision, MARA considered that having a qualification on capabilities is a relatively simply step that should enhance deliverability without creating an undue burden on bidders or MARA. In addition, while assessing only the provisional winner as part of the allocation process, this may save time and reduce administrative burdens on MARA. This must be balanced against the risk of creating uncertainty for bidders regarding their qualification status.* **Do you agree? If not, why not?**

WEI response

For both the prequalification stage and the assessment of the provisional winner, objective criteria for the capability criteria need to be **simple and clear to everyone what the bar is that needs to be reached.** This will lend itself to the submission of clear evidence by participants and ease of assessment by MARA.

Pre-qualification stage: Evaluation of qualification criteria should be based on objective pass-fail tests to facilitate a **straightforward assessment process with minimal scope for ambiguity**. All applicants should be evaluated against a simple threshold of technical and financial metrics at the pre-qualification stage to ensure that only applicants that meet the core eligibility criteria can proceed. This should limit the amount of work required by MARA at the pre-qualification stage and ensure developers with appropriate capability are admitted to the auction.

- Financial criteria should be aimed at assessing that applicants have sufficient financial resources to be able to deliver the project (e.g. financial turnover). A simple set of measures should be assessed at the qualification stage with a more thorough financial assessment of the provisional winner at the end of the process.
- Technical criteria should require evidence of recent competence/experience in each of the three phases of offshore wind projects: Consenting, Construction and Operation for a project of similar scale.

Provisional winner assessment of financial and technical criteria for a full MAC application: Assessment of qualification criteria should be based on objective pass-fail tests to facilitate a straightforward assessment process with minimal scope for ambiguity, and in keeping with the core elements of the current ORESS 2.1 requirements.

Finally, WEI would strongly recommend that the full details related to the financial criteria be shared in advance of each MAC allocation round, as part of the consultation to determine the full set of criteria to be used for a given allocation round.

3. **Competitive allocation model - NPF/delivery incentives:** *MARA strongly favours NPFs/delivery incentives mainly for the first round of competitive MACs. With deliverability prioritised and other objectives encompassing different forms of value, focussing mainly on NPFs and delivery incentives is most appropriate to MARA's objectives. A focus on achieving high prices could lead to threats to project viability in adverse conditions, while the dynamics of cost effectiveness for consumers vary depending on the funding model. As set out in Section 3 of the consultation document, it is MARA's intention that the design of the NPFs will be kept simple to avoid creating any burdens that could threaten deliverability. It is acknowledged that a shift towards price may be necessary in the future, but MARA believes that focusing on NPFs is preferred for getting capacity built and built sustainably.* **Do you agree? If not, why not?**

WEI response

WEI recognises that the primary purpose of this ORE competitive MAC process is to assist Ireland in pursuing its climate and energy ambitions, with timely ORE delivery as the primary objective.

While allocation rounds may be designed to address secondary policy goals, MARA should ensure that the design of criteria does not inadvertently undermine the central aim of enabling timely project delivery.

In particular, MARA should exercise caution when applying combined criteria. Overloading a single round with multiple policy objectives risks diluting focus and creating barriers to delivery. Introducing multiple non-price-criteria, whether by combining multiplied system integration factors or layering these with environmental, skills or other consideration, would add cost and complexity and may slow ORE progress or competition.

Instead, policy objectives should be set with a high degree or clarity and purpose. A high degree of focus enables both MARA and developers to design targeted, cost-effective solutions that address a specific issue(s). For example, this could include reducing bird collisions or porpoise disturbance during construction and operation or enhancing underwater nature through different artificial reef structures, etc.) or focusing in on a key issue in that region (e.g. regional training or back to work schemes).

In terms of the use of NPFs (with a weighting >50% versus price) whilst we understand the desire to move beyond price solely as a determinant, it is unclear to us, how the use of NPFs can or would ensure deliverability without at least confirming how the NPFs would be created. WEI would be concerned that the wording in the description, which suggests that the design will be kept as simple as possible to avoid creating burdens that could threaten deliverability, could make it very difficult to differentiate (on a quantitative basis) and would therefore undermine the objective of a competitive MAC.

Given the proposal for NPFs to have a higher weighting (>50% versus price), it will be important to ensure that both visibility of and alignment with DCEE on their plans for future sites for ORE (both within the current SC DMAP and the future National DMAP) are known and considered before the criteria for NPFs are considered, given the likely different permutations and focus for different future sites (i.e. is there / will there be access to onshore grid, is the objective to deliver hydrogen, will system integration be relevant).

Whilst WEI would agree that utilizing NPFs can provide greater clarity and evidence from the developer as to how they would intend to develop the site, without the use of additional criteria / factors, such as bid bonds, levies and or penalties for failure to deliver, then we are unclear as to how MARA (and Baringa) believe that NPFs will deliver greater positive outcomes in terms of delivery of sustainable offshore wind projects (versus another allocation method).

If NPFs are to be used in the first competitive MAC auction then WEI believes it will be extremely important to ensure there are clear, measurable and transparent guidelines that can be used to assess applicants based on NPFs - both at the PQQ and auction allocation stage. The bid criteria points, in addition to being clear and transparent, should be based on implementation of the putting the plan into place, as there will unlikely to be a baseline from which to measure the impact or are not totally within the developer's control (i.e. marine pollution or certain fishing practices).

We would also note in relation to the examples of different markets where NPFs have been used (as indicated within the consultation; including but not limited to Netherlands and the Scotwind) – that where NPFs were used in the competitive allocation process, these have in many cases changed.

In the case of Scottish offshore leasing processes, the ScotWind round was focused on NPF and numerous subjective criteria, coupled with a capped fee. However, the INTOG round, which followed ScotWind, changed to a price-based round with lower weighted NPF criteria. Whilst there are a number of reasons as to why Crown Estate Scotland adopted this new position, removing subjectivity from the results was an important factor.

While the Netherlands offshore wind offer has focused on NPFs and environmental criteria, it is worth highlighting that the sites on offer were more advanced than Scottish or Irish seabed allocation. It is our understanding that at this early stage the baseline environmental situation will be largely unknown, so it is difficult to commit to measure improvements from which a baseline would be needed. The criteria designed would need to bear that in mind and clarity about what is specifically being proposed and assessed is key. In the Netherlands example, criteria for positive diversity measures were easily measurable (e.g., number wind turbine locations with artificial reefs, with impact assessed by an extensive monitoring and reporting obligation) - but this level of information is not currently possible in the Irish context.

Auctions with a specific policy objective should develop NPF criteria which help meet that objective. Auctions for FLOW Demonstration Projects are a good example of this, where projects should enable the development of the critical supply chain actors i.e. ports and harbours, drive innovation which enables cost reduction and replication in the Irish context, and evidence the ability to scale to commercial size and drive down costs. These three criteria would enable three of MARA's secondary objectives of social and environment value creation, creating innovation, and supporting a secure and resilient energy system, respectively.

Price-based Factors

4. **Payment Period - All options:** *MARA recognises that all 3 options can present benefits. One-off fees can help avoid disincentives to continue development between MAC award and COD. Fees at development stage would provide an incentive for speed of delivery as developers would want to avoid additional annual payments. However, it can also be an incentive to halt a project depending on the level of the fees and the macroeconomic context affecting project viability. Operational stage fees do not incentivise speedy delivery but have a low present cost (i.e., good for cost effectiveness for consumers) and can be variable with other factors such as revenues and risk-sharing.*

   Therefore, MARA considers that all 3 of these options could be part of the framework, recognising, however that in the near-term it is most likely that fees at development stage will be important to achieve deliverability and incentivising timely delivery. **Do you agree? If not, why not?**

WEI response

In principle, maintaining the three options, and consulting on the preferred for each competition, is valid. Annual payments are a good way to spread risk during the development stage. One-off payments are generally not favoured by industry, save where they are used as a way to charge a significantly reduced overall amount pre-COD. This could be considered in circumstances where the number of years to COD is more uncertain, for example where the route to market is unknown at the time of the auction. **However, industry recommends that the route to market for sites is clarified in advance of MAC auctions, as such auctions are likely to attract limited interest.**

MARA should consider a risk-based approach to MAC fees whereby fees increase as the project progresses. As developers have limited information on sites at the time of auction, this approach would allow developers to acquire sites and investigate them at a lower annual MAC fee. This fee would escalate to the full amount as developers achieve milestones e.g. consent, FID etc. This approach would likely attract more interest from developers by reducing risk at the time of auction. An alternative to this option would be to consider a reduced development stage levy charge for certain auctions or seabed areas by setting a significantly lower price cap, or by waiving the development levy entirely and using a one-off fee as a price-based factor.

5. **Revenue type – Flat fee and Revenue Share:** *MARA considers that profit share model is, while theoretically attractive, likely to be too complicated for effective delivery. MARA's levy framework charges a flat fee at development stage and revenue share during the operational stage. MARA is of the opinion that this provides a good balance of incentives and risk-sharing and proposes keeping this model.* **Do you agree? If not, why not?**

WEI response

While the profit share model may appear attractive in theory, WEI agree with MARA's assessment that it is likely too complex for effective delivery. Experience from the UK, particularly with The Crown Estate, has shown that implementing profit share mechanisms can be administratively burdensome and difficult to model accurately.

Simplicity and clarity are key to ensuring deliverability and investor confidence.

MARA's current levy framework—charging a flat fee at the development stage and a revenue share during operations—strikes a reasonable balance between incentivising early-stage investment and ensuring long-term public benefit. However, for this model to be effective, several considerations should be addressed:

- **Clarity and Certainty**: Developers need clear guidance from MARA on how the flat fee will be applied, including available options and whether fee rates will be fixed. Certainty is essential for incorporating these costs into financial models.
- **Project-Specific Factors**: The fee structure should reflect what the developer is bidding for, including visibility of route-to-market and grid access, which significantly affect project risk.
- **Technology Differentiation**: Floating offshore wind (FLOW) projects require more seabed per turbine and generate less revenue per km² than fixed-bottom projects. MARA should consider lower €/km² annual development levies for FLOW to avoid undermining project viability.
- **Demonstration Projects**: These should be treated differently, potentially through lower fee caps, to encourage innovation and early-stage technology deployment. A differentiated fee structure could be used for demo projects such a DMAP area could be built out in two phases (demo, followed by commercial scale) without exposing the demo project to commercial scale MAC fees.

6. **Price bidding – Unlimited price bid or Limited price bid:** *MARA's preference is to have at least one price component bid set in a manner which allows for differentiation between bidders (uncapped or capped at a level high enough so that most bids are expected to fall below the cap). The higher weighting of NPFs in the overall framework will limit the overall importance of the price component and contribute to project deliverability (see Section 2 on Competitive allocation model). We anticipate that any bidding would focus on the development stage payments.* **Do you agree? If not, why not?**

WEI response

Industry agrees that a price component should be maintained in the auction.

Limited price bids which include a cap allows for competition between bids, while providing an upper limit on what a developer can expect to pay in an auction. This can have a positive impact on the attractiveness of an auction. It will also support the deliverability of projects by keeping costs at a reasonable rate.

However, careful consideration should be given to where to set the cap so as 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.

WEI suggest inclusion of a floor price as well as a maximum upper limit but this needs to be considered on an auction-by-auction basis in the context of the auction's objectives, market conditions, and other auction design parameters, and should form part of the consultation ahead of each MAC allocation round.

7. **Bid mechanism – Sealed bid:** *MARA notes that other countries that have used the ascending clock bidding mechanism, usually do so when they are not using NPFs. MARA strongly considers that sealed bidding is more appropriate when using NPFs and avoids administrative complexity.* **Do you agree? If not, why not?**

WEI response

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 should bidding on its first site go too high. 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, especially in the context of capped/limited price auction, such auctions have in the past delivered questionable prices which have subsequently challenged projects' economic viability and deliverability.

Industry does not recommend ruling out either 'sealed bid' or 'ascending clock' approach to auctions at this stage.

Non-Price based Factors (NPFs)

8. **Environmental criteria (Assessment Evaluation of NPFs) – Metrics and standards; Pass/fail and scoring:** *MARA's preference is to use metrics and standards, rather than plan, for assessment purposes both at pre-qualification questionnaire (PQQ) and at allocation stage. This avoids subjectivity and excessive administrative burden on bidders and MARA.*

   For PQQ, MARA would favour pass/fail scoring of individual criteria, which could then lead to a pass criteria of 6 out of 10 or could require 100% pass rate across all PQQ criteria. This reflects the objective of a prequalification stage, which aims at ensuring that minimum standards are met across the bidder pool.

   However, for allocation stage, MARA would consider scoring (granular or binary) where multiple criteria contribute to an overall score, and no individual criterion could fail the entire bid. Developers' bids would then be evaluated based on their total score with the highest-scoring bid being successful. **Do you agree? If not, why not?**

WEI response

While MARA's preference for using metrics and standards to assess NPFs is generally supported by WEI there are important considerations that need to be addressed.

Firstly, it remains 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 would be required in order 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.

Environmental criteria (Choice of NPFs) – Net positive biodiversity impact; Reduction of negative biodiversity impact: *In relation to supply chain sustainability MARA is of the opinion that this is a complex topic which would be difficult to score. Therefore, MARA supports the inclusion of both biodiversity criteria on the basis that metrics can easily be developed, assessed and monitored. In addition, various options can be applied to both (e.g., financial contribution/deployment of relevant technology), which enables them to be easily adapted for site-specific call.* **Do you agree? If not, why not?**

WEI response

While MARA's proposal for the inclusion of biodiversity criteria is supported, WEI would disagree with the assertion that these criteria are easier to develop, assess, and monitor.

Biodiversity impacts are highly site-specific and can be difficult to quantify, especially in early project stages. For offshore wind, Ireland's plan-led approach means developers have limited environmental data prior to seabed lease awards. This makes it challenging to design meaningful biodiversity criteria which can be priced and scored. The selection criteria will have to be flexible enough to accommodate these limitations. Monitoring and proving biodiversity outcomes over time is also resource-intensive and it is unclear how this will be enforced.

It seems counterintuitive to exclude supply chain sustainability from the criteria. The competitive MAC framework could be a powerful driver of supply chain and enterprise development in Ireland. Moreover, if this framework is to align with NZIA it would make sense to retain options for supporting local supply chain and/or encouraging best practise within the supply chain (e.g. circular economy commitments).

Other important criteria such as sustainability and innovation appear to be underrepresented. These are critical to long-term environmental and economic resilience and should be integrated into the competitive MAC framework to reflect best practice and policy ambition. Examples from INTOG or the Dutch auctions could be considered here.

9. **Developer de-risking – None:** *MARA proposes not including any developer de-risking criteria in the framework in order to avoid multiple participants seeking to undertake the same surveys, obtain grid agreements for the same area, or engage with the local population. The objective is to avoid incentivising a duplication of effort.* **Do you agree? If not, why not?**

WEI response

WEI agree with MARAs proposal not to include developer de-risking criteria within the framework. These criteria would not be appropriate to consider at this early stage of the development process, and within a plan-led model.

There are aspects of developer de-risking which are covered via the pre-qualification stage, which are considered more appropriate.

10. **Socio-economic criteria – Skills and training; Community shareholding:** *MARA considers that skills and training and community shareholding are the most appropriate criteria for the framework because they offer the best trade-offs between simplicity, measurability and impact.* **Do you agree? If not, why not?**

WEI response

While MARA's focus on skills and training and community shareholding as socio-economic criteria is a step in the right direction, the scope appears very limited given the broader range of NPFs that have been successfully applied elsewhere. For example, jurisdictions such as Scotland and the Netherlands have incorporated local content, sustainability, and innovation into their offshore wind frameworks. These criteria have proven to be effective catalysts for enterprise development, supply chain growth, and long-term community benefits. It is unclear why local content has been excluded from MARA's framework, especially given its potential to stimulate regional economic activity and job creation.

While we support the emphasis on training and upskilling, further detail is needed on how these outcomes will be assessed and verified. Without clear metrics or reporting requirements, there is a risk that commitments may not translate into tangible benefits.

We have found that the leasing stage is too early in the development process to be able to make specific skills commitments on areas such as apprenticeships and traineeships. However, it can be a useful opportunity to make a plan for it. For example, the recent Crown Estate LR5 had a focus on social value, which included a focus on skills development – such as "Not in Employment, Education or Training" (NEET)s and apprenticeships. What worked about this was the focus on key issues that region needed to address through the plans (e.g. a high proportion of NEETs). Making specific commitments on numbers and targets of for e.g. apprenticeships is more challenging at this stage of the development process.

An option to consider at leasing stage is a plan focused more on STEM/school engagement, university engagement in key areas relevant to the project, underpinned by knowledge of the local or regional skills gaps relevant to the project.

Regarding community shareholding, WEI questions the rationale that this is the most impactful way to deliver community benefit in a simple and measurable way. MARA points to Belgium as an example. But experience there shows that the bid criteria is actually difficult to develop, manage and implement. A review of the Belgian Princess Elizabeth Zone offshore wind tender indicates that the financial commitment (minimum 1%, maximum 4%) is complex to set up and manage due to the large number of small stakeholders involved and would likely have to be executed through energy cooperatives to simplify the management of the community shareholding.

There is also concern that introducing a community element as a NPF that it may conflict with existing policy on community ownership within current RESS frameworks and it's important to ensure that any proposed model aligns with national policy and does not create unintended barriers. WEI note that community provisions were initially designed into the RESS scheme when first implemented, including the requirement for CBFs from all projects, but also community-owned projects and a community investment scheme were considered. RESS 1 enabled a separate auction bidding process for community-led projects up to 5 MW, however ultimately this proved too challenging for communities and projects to accommodate the shared liability. A separate standalone scheme has since been created outside of RESS for small scale generation projects. In addition, the proposed design of the community investment scheme proved too challenging to reach a consensus on and ultimately could not secure approval to proceed.

If it is the aim of Government to ensure mandatory community funding across projects, this the would be better accomplished through a community benefit fund. Rather than be proposed as a NPF, this would be more appropriately facilitated through the revenue share section. This would be more in keeping with the principle of community benefit and expectations that have been established over the course of past RESS/ORESS rounds. If a community element is introduced in the MAC, it should not be duplicated later in the process (e.g. CfD).

Consistent community benefit funds create positive and lasting impacts, fostering meaningful partnerships between developers and local communities. More generally, our experience shows many communities have limited capacity or appetite to participate in shared ownership which can be very complex, and those who do often lack the technical, legal, and financial resources to fully understand or manage equity stakes in energy projects. Consideration of MARA ringfencing MAC fees to underpin a community benefit fund would be welcomed.

11. ***System integration criteria – All options:*** *MARA proposes to prioritise secured PPA offtake for initial calls for a competitive MAC without ORESS offtake. However, it also proposes keeping all options in the framework, including the potential to combine criteria in the future, in order to future-proof the framework for future evolutions and ways to manage energy integration.* ***Do you agree? If not, why not?***

WEI response

WEI recognise the importance of system integration, but it should not compromise the primary objective of timely offshore wind delivery. Any criteria must be proportionate, clearly aligned with policy objectives (e.g. grid congestion relief), and avoid creating unintended barriers.

Some measures, such as battery storage and hydrogen electrolysis, involve investment at a similar scale as 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.

While PPAs can support system integration, prioritising them at the leasing or MAC stage is premature. Non-binding MOUs do not provide certainty, and it is highly unlikely that offtakers could commit to offtake agreements at this stage.

Caution should be used in combining multiple system integration criteria within a single round, which would add cost and complexity, risking competition and delivery.

Mixing system integration with other categories (environmental or skills criteria) could create further misalignment, as sites optimised for integration (maximum generation) may conflict with those optimised for environmental outcomes.

Delivery Incentives

12. **Financial delivery incentives – Performance bond:** *MARA's preference is for a performance bond with progressive refund at milestones in the development stage. Such pre-operational milestones would be set administratively. The performance bond and associated milestones would be set in a manner which provides delivery incentives, while balancing the impact on developers of such sum being set aside over the pre-operational years.* **Do you agree? If not, why not?**

WEI response

WEI note MARA's preference for a performance bond with a progressive refund at milestones during the development stage. However, it is unclear at this time what milestones would be, what the expected development stage is and how this will factor alongside development expectations within other mechanisms such as ORESS. In addition, risk of deliverability, and the timescale for delivery, may not solely be in the developers control and can be dependent on factors external to the developer such as grid delivery, planning determination, ORESS auction timelines etc. as well as unknowns at the time of MAC application which may emerge following detailed site investigation.

Given this level of uncertainty, we recommend that a performance bond may not be appropriate, but we note that currently within MAC conditions there is a requirement for a ‘supporting entity guarantee‘, which underpins payment of the MAC fees to a given level. We feel that such a mechanism could be maintained as it provides financial certainty to MARA and sufficiently incentivises delivery by a project developer.

13. **Non-financial delivery incentives – Permit loss:** *MARA considers Permit loss as being appropriate to MARA’s regulatory role and it works in line with the progressive performance bond (i.e., permit loss if total loss of bond). It also preserves deliverability while a project is live and does not reduce competition by excluding bidders from future rounds.* **Do you agree? If not, why not?**

WEI response

WEI do not agree with the proposed ban from future MAC allocation rounds as a non-financial delivery incentive. However, the proposed permit loss, while we agree it to be the preferable option of the two suggested, would appear harsh when the delivery milestones are currently unknown.

As mentioned previously, MARA should consider a risk-based approach to MAC fees whereby fees increase as the project progresses. As developers have limited information on sites at the time of auction, this approach would allow developers to acquire sites and investigate them at a lower annual MAC fee. This fee would escalate to the full amount as developers achieve milestones e.g. consent, FID etc. This approach would likely attract more interest from developers by reducing risk at the time of auction. An alternative to this option would be to consider a reduced development stage levy charge for certain auctions or seabed areas by setting a significantly lower price cap, or by waiving the development levy entirely and using a one-off fee as a price-based factor.

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 very much in its infancy, and therefore the conditions must be reflective of that.

Another important consideration is that there may also be a number of elements throughout the development process which sit outside of the developers’ control, and for which it would not therefore be appropriate to penalise the developer in these instances. One potential solution to this used in the SEM market is the Capacity Remuneration Mechanism. 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.