

The New Energy Era: Offshore Wind Power

April 2009



Northern Ireland's renewable electricity consumption, particularly from wind, has grown by 60% since 2005. At present around 6% of our electricity consumption is from renewable sources and our renewables target requires that this will have increased to 12% by 2012. The renewable electricity is generated primarily from onshore wind. At present there are 19 wind farms across Northern Ireland which have a combined total capacity of just under 240MW.

The European Commission Renewables Directive sets out targets for 2020 and makes it imperative for governments to maximise and develop all renewable technologies. As the UK has one of the best wind sources in Europe it is inevitable that wind will remain the prime renewable source of electricity generation for the foreseeable future here.

The Energy Act 2008 received Royal Assent on 26 November 2008 and extends (in most parts) to Northern Ireland. Its principal aim is to update the legislative framework to make it more appropriate for today's energy market which has grown to comprise many new, sustainable and environmentally friendly technologies. As there is little electricity network infrastructure currently installed offshore there is no regulatory regime in place that deals exclusively with offshore development. The Department of Energy and Climate Change and Ofgem are currently working together towards developing such a regime in order that significant amounts of renewable offshore generation can be connected to the onshore grid. The 2008 Act amends powers in order that Ofgem is able to run the offshore transmission licensing scheme more effectively.

The 2008 Act also aims to strengthen the Renewables Obligation (RO) in order to increase the diversity of the UK's electricity mix. The RO was introduced in 2002 and places an obligation on licensed electricity suppliers in the UK to source an increasing proportion of electricity from renewable sources.

In November 2008 the then Energy Minister Arlene Foster launched a scoping paper for a new strategic energy framework for Northern Ireland. A full consultation is expected to take place this year.

The possible adverse environmental impacts in developing offshore energy projects has been recognised with the Offshore Electricity Development (Environmental Impact Assessment) Regulations (Northern Ireland) 2008 coming into force on 5 March 2008. Where consent is sought from the Department of Economic Development relating to the construction etc. of offshore generating stations it will not be granted unless environmental statements, where required, are included with the application and consideration must also be had of other environmental factors.

A strategic environmental assessment commissioned by the UK Government suggests that the bulk of development will have to be a significant distance offshore, more than 12 nautical miles, in order to protect the coastal areas which are home to many habitats. The report, published in January 2009, confirms that there is scope to build between 5,000 and 7,000 more wind turbines off the coasts of the UK. It said that plans to develop another 25GW of wind power were feasible and that this, in addition to the existing 8GW currently built or in development, would provide enough energy to power the equivalent of almost all the homes in the UK.

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Following the publication of the report the Energy and Climate Change Secretary Ed Miliband said, "In terms of electricity, offshore wind power could potentially make the single biggest contribution to our 2020 renewable energy target so it's vital we maximise the UK's natural resources to help in the fight against climate change."

The cost of building the technology may seem like too large a financial gamble for some companies to take. Some commentators have suggested that the Government ought to find ways to ensure that companies have real long-term financial incentives to develop wind farms.

Cleaver Fulton Rankin have extensive experience advising on all aspects of renewable energy and have a strong reputation for wind farm work. Cleaver Fulton Rankin can advise on the following:

- construction and financing of wind farms;
- planning and environmental advice;
- generating and supply contracts; and
- regulatory advice.

If you require any further information please contact Karen Blair or Maria O'Loan.

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