

15 year support for renewable energy sector

“Companies can be confident of return on investment” – Minister Ryan

Dublin, 9th September 2009

Energy Minister Eamon Ryan today announced detail of support prices for new categories of renewable energy generated in Ireland. The Renewable Energy Feed in Tariff (REFIT) is designed to stimulate the growth of the renewable energy industry in Ireland, and prices are payable on energy produced from wind, ocean and biomass sources.

The existing support price is €66 per megawatt of electricity produced and applies to large wind based projects. In order to guarantee financial return for investors, the new, higher prices will not be subject to indexation (CPI) and will be payable for a period of fifteen years:

Biomass: A price of €120 per megawatt of energy produced.

Offshore wind: A price of €140 per megawatt of energy produced.

**Ocean Energy
(Wave and tidal)** A price of €220 per megawatt of energy produced.

To be eligible for REFIT, developers will require planning permission, signed grid connection offer and an offer of a power purchase agreement from a registered supply company. Many new projects are now nearing connection and thus, the tariffs for new categories of renewable energy now come in to operation.

“Governments worldwide are moving in a low carbon direction,” said Minister Ryan.
“The economies of the future will be based on alternative energy sources, rather than a carbon based supply.”

Clean energy will help provide the answer to our economic and energy difficulties. Developing a viable renewable industry will not only stimulate economic growth and reduce our overall level of carbon emissions, but will help us reduce our dependence on imported oil and gas.

This is a relatively new sector, and project developers must be confident of a return on their investments. For this reason, we’ve fixed support prices up to 2025, as an incentive and assistance for new projects.

It’s a clear demonstration of the Government’s commitment in this area.”

ENDS

Note to editors:

The amount of renewable electricity generated in Ireland has increased very significantly in recent years from just over 4% in 2003 to over 12% in 2008.

The Renewable Energy Feed in Tariff scheme will be similar to the existing tariff bands in that developers will require planning permission, signed grid connection offer and an offer of a power purchase agreement from a registered supply company. Details of the eligibility requirements are available at www.dcenr.gov.ie

New tariffs are subject to State aid considerations, will not be indexed against Consumer Price Indexes and will be payable for a period of fifteen years. Higher tariffs have been set so as to stimulate investment and support the high start-up costs in the sector.

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