

Speech by the Taoiseach, Mr. Brian Cowen T.D.,
at the NOW Conference
on Wednesday 14 October 2010 at 1pm

Chairman,
Ambassador,
Ladies and Gentlemen,

I am delighted to join with you today at this important Conference.

I would particularly like to welcome the speakers and delegates from Northern Ireland, Britain and elsewhere.

Looking at your programme, I am sure you have had a constructive and useful morning.

As you all know, the Irish economy is going through a very difficult period. The Government is dealing with a uniquely difficult and complex set of international and domestic circumstances.

However, we will get through this period and restore the Irish economy to the path of sustainable growth.

We have provided much greater certainty about the final costs of the banking crisis. This cost is manageable, and we are dealing with the

issue in an upfront and transparent manner. This will restore our banking system to its core role of lending to business and consumers.

We are also taking decisive action to stabilise the public finances. Next month we will publish a multi-annual plan to return the deficit to 3% by 2014.

Importantly, this Plan will include significant measures to increase our potential growth rate and ensure that the labour market effectively translates that growth into jobs.

In the early stages of the crisis in December 2008, I published the Government's framework for economic renewal – *Building Ireland's Smart Economy*.

The central theme of this strategy is that Ireland cannot just survive through the global economic crisis, but that we must take the opportunity to reform and restructure our economy so that we emerge better prepared for the challenges of the decades ahead.

One of these key challenges is climate change.

The threat of climate change will have major implications for how we, and our children and grandchildren, live our lives.

As you are all aware, the European Union has set ambitious renewable energy targets as part of its overall Climate Change and

Energy policies, with an objective of achieving 20% of all energy in the EU from renewable sources by 2020.

Ireland has been given a national target of 16% and the National Renewable Energy Action Plan, which was published this year, sets out how we intend to achieve this target.

Our approach is reflected in our economic renewal strategy which identifies the twin imperatives of securing the supply of reliable and affordable energy, while at the same time achieving the transformation to a low-carbon, efficient and smart energy system.

While I know that much of your focus today is on future developments, it is also important to acknowledge the achievements of the renewable energy industry.

Ireland has made great strides in the development of electricity from renewable sources and we have reason to be proud of the progress in the last 5 years.

Over 14% of our electricity consumption in 2009 is estimated to have come from renewable sources, up from under 5% in 2003.

This year we look set to meet and exceed our 15% renewable electricity target.

There are now over 1700 Megawatts of renewable powered plant connected to our grid, with in excess of 100 wind farms installed. By year end we are on track to have over 2000 Megawatts of renewable electricity on the grid.

I understand that there are a further 1200 Megawatts of renewable generation contracted to connect, and around 4000 Megawatts of capacity due to receive connection offers over the coming months under the Gate 3 process, of which 780 Megawatts is offshore wind.

This investment is an important stimulus to the economy at the current time, while offering us scope to broaden and develop our economy.

Energy security for Ireland is another important reason for action. Our isolation from the European energy infrastructure makes us vulnerable and we need secure energy supplies, efficient energy infrastructure, and the development of indigenous energy resources.

But there is also a need for our energy system to be sustainable.

It is vital that the concept of sustainability in the energy sector is managed in a manner that secures the international competitiveness of Irish energy prices in the short and longer-term.

Ireland, as a country, has immense potential for the development of renewable energy, particularly wind energy - both on and offshore.

The presence of so many people here today is further proof of this potential.

Development and expansion of the use of renewable energy requires all the relevant Government Departments and Agencies to work in unison on their respective pieces of the jigsaw puzzle.

A lot of good work has taken place to provide our offshore renewable energy sector with an appropriate framework to allow the industry to develop, although I know there are some remaining concerns which we are working to resolve.

Given the scale of our offshore resources, we could potentially harness more energy than we need or could use ourselves. This brings us to the opportunities available to develop an offshore renewable electricity export sector.

The potential to export renewable energy could prove to be a significant part of Ireland's future economic story.

In order for this to happen, we will need to consider a number of factors in this exciting, but complex opportunity.

We need to balance the short and longer-term pressures in areas of cost, regulatory certainty, infrastructure requirements and market development.

We must ensure that we can develop a viable sector which serves Ireland's long-term economic interest, while taking full account of the short-term pressures on business and employment.

We must develop the strategic approach needed to marry the delivery of increased offshore energy capacity with other key policy objectives.

I know that Minister Ryan is paying great attention to the development of this policy and will be presenting proposals for consultation shortly before final Government decisions.

There is also an opportunity to develop new Irish export businesses in building, servicing and managing offshore wind facilities. Hopefully some Irish companies can become leaders in this sector over time and that is another important factor in our thinking.

There are also exciting developments at EU level, which may create new opportunities for Ireland, and may be able to help us meet the cost of required infrastructure investment.

I will be sitting down with my EU colleagues on 4th February next year to discuss future directions for EU energy policy, and the development of the offshore renewable energy sector will be an important element of the debate.

As we move towards the progressive decarbonisation of the electricity system in Europe, renewable energy will play an increasingly important role that is not to be underestimated.

Ireland has a vast ocean energy resource that could potentially make a significant contribution to that goal.

In conclusion, it is clear from the engagement here today, and the level of representation from key players in this sector, that there are great opportunities in the ocean energy sector.

The Government welcomes your interest and I hope to see the sector realise its potential in the years to come.

You are at the frontier of an exciting sector which can change the way we think about use of our ocean resources and the Government looks forward to working with the sector into the future.

Thank you for your attention.