

2ND ANNUAL OFFSHORE WIND CONFERENCE
HELD ON 12TH OCTOBER 2009

AT THE BANKING HALL,
WESTIN HOTEL, DUBLIN 2

TRANSCRIPT OF PROCEEDINGS

1 **MR. BRITTON:** ... as technology develops
2 to allow deeper water
3 installation the western seaboard offers massive scope
4 for future development. In the cost benefit analysis
5 published at our conference in 2008 identified an 14:27
6 economic benefit to Ireland of up to €3.8 billion from
7 developing a 1,000 megawatt project in Irish waters.

8 The benefit of this comes in terms of employment
9 opportunities, reduced import of fossil fuels, reduced
10 exposure to oil and gas price fluctuations, avoidance 14:29
11 of carbon fines and the long-term reduction in energy
12 prices.

13
14 But where are we now? In the two years since our
15 launch much has changed in the economy but there has 14:30
16 been little change in our sector. The potential still
17 exists. Indeed in the context of this changed economy
18 the potential is even greater. Ireland's most abundant
19 renewable energy source is the wind off our coast.

20 Already on land we have made impressive strides 14:33
21 building in excess of 1,000 megawatts of onshore wind
22 generation capacity.

23
24 Ireland now ranks fourth in the world in terms of
25 electricity generated from wind energy but the prize 14:34
26 offshore is a multiple of this. Ireland has ten times
27 the ocean area that it has land area. Our waters offer
28 higher on more consistent wind speeds leading to much
29 more efficient electricity generation load factors.

1 Ireland was a world leader. We developed one of the
2 first offshore wind farms in 2001 and we were the first
3 to use turbines over three megawatts. Since that
4 achievement the industry in Ireland has stopped in its
5 tracks. The EU needs energy imports. The EU will need 14:37
6 clean secure energy. Ireland has a non parietal
7 ability to be able to provide that energy from offshore
8 wind. In the near future Ireland must be part of a
9 European energy system interconnected and with a
10 pricing mechanism allowing us to export offshore power 14:39
11 around the EU.

12
13 Despite the strides which have been made onshore
14 without offshore wind and the scale it offers, Ireland
15 will not meet its renewable energy targets. Ireland 14:40
16 will not achieve energy security. Most importantly
17 without harnessing the power of offshore wind we will
18 waste one of our greatest national resources and the
19 export opportunity it brings.

20 14:41
21 Offshore also offers a wider benefit in the context of
22 building a green economy. The EWEA has estimated the
23 jobs benefit of 14 jobs per megawatt of wind energy
24 installed. This is based on building a sector which
25 will attract the upstream and downstream jobs needed to 14:42
26 support the development of projects, not only in
27 Ireland but also in the UK and further afield. Already
28 Harland and Wolff in Belfast is showing what can be
29 done, playing a leading role in providing engineering

1 solutions on the Robin Rigg project. I am aware that
2 some major European companies are considering Ireland
3 as a supply base for the offshore wind industry.
4 Ireland needs to capture jobs in this market. It
5 requires the political will to go after sectoral 14:45
6 companies in the same way as we targeted Intel, as we
7 targeted Microsoft. People in Europe have woken up to
8 the potential of this industry. Take Siemens, 450,000
9 employees committing one third of their resources to
10 the 300 billion forecasted European investment in 14:47
11 offshore in the next 20 years.

12
13 Look at the City of Bremerhaven, a massive increased
14 employment including further investment and a boost to
15 the economy. This success came because the German 14:49
16 Government decided to back its policy commitments with
17 action. NOW Ireland has for some time identified and
18 communicated the three barriers which exist to
19 achieving our goals. Broadly speaking they are grid,
20 consenting or planning and the pricing system in which 14:50
21 we operate.

22
23 NOW Ireland believes in a partnership approach to
24 addressing these issues with government and industry
25 working together. This is a new sector, a new 14:52
26 industry. Many of the delays which have stunted the
27 potential of this industry have occurred in areas where
28 legislation or procedure relates to different
29 industries or to different times. At present 5

1 government departments have an interest in the area of
2 offshore wind. 15 statutory agencies have a
3 consultative role in developing projects. It is no
4 wonder things aren't moving forward.

14:54

5
6 of the 5 offshore projects currently being developed in
7 Ireland, two have consenting and no grid connection and
8 three have grid connection but no consenting. So none
9 of these projects are in a position to proceed to the
10 next phase until they achieve both elements. It is
11 time to find a better approach with more joined up
12 thinking.

14:57

13
14 The consenting system for offshore wind is unlike any
15 other planning process and it does little to inspire
16 confidence among those who would consider going through
17 it. At present one can apply for and receive planning
18 permission for a gas powered plant in a small rural
19 village in one quarter the time it takes to obtain
20 permission for an offshore wind farm. A planning
21 system without time scales and definition will by its
22 nature be an efficient and the current system is one of
23 the primary barriers to the development of this
24 industry.

14:57

14:58

25
26 This country is not recognising what offshore wind can
27 achieve. Ireland can be a substantial energy export or
28 reversing the current dependency on imports. We need
29 to build a grid aimed at supporting this deployment of

15:00

1 large scale renewable projects. We must shift our mind
2 from the ways we have done things to what the future
3 requires. We are going to invest in a new grid for
4 Ireland, this will happen. What we must avoid is
5 designing one which meets the needs of the Ireland of 15:02
6 the past. We require a grid which allow us to exploit
7 our resources to their full potential and work with
8 Europe in achieving that.

9
10 The third barrier is the pricing system in Ireland. 15:02
11 The Department's recent announcement of a refit scheme
12 is welcome and it represents a starting point but it is
13 not competitive in European terms. Industry leaders
14 like Germany and the UK have developed superior systems
15 to ours. If we want to see companies invest in Irish 15:04
16 waters surely we need to ensure that our terms rank
17 with the best in Europe. The IDA offers competitive
18 terms to potential investors. Our tax regime is based
19 in offering investors an attractive package. Why then
20 when dealing with the development of the Irish 15:04
21 renewable sector are we offering terms which are not
22 competitive with those of our European neighbours?

23
24 Today we welcome the Minister for Energy, Eamon Ryan,
25 and EU Commissioner, Andris Piebalgs, along with our 15:08
26 other distinguished guests. The Minister's support for
27 renewable energy is clear and the Commissioner has
28 stated repeatedly that he believes Ireland has an
29 opportunity, indeed a responsibility, through export to

1 play a role in contributing to Europe's long-term
2 energy security. Both men clearly believe in Ireland's
3 potential but belief is like potential, it is nothing
4 without action. We now need action to get this
5 industry moving, an industry which has investors ready 15:26
6 to put up 6 billion developing over 2000 megawatts
7 immediately creating thousands of jobs, surely a kick
8 start to an economy which badly needs it.

9
10 Minister, can I ask you some questions? We need to 15:27
11 know what are the government's plans for offshore.
12 What are the targets for this specific sector? How is
13 the government addressing the issues in relating to
14 consenting, grid connection and pricing? Finally, how
15 do we get from the muddle we are in to the joined up 15:27
16 thinking which characterises other countries approached
17 to developing this great resource of offshore wind?

18
19 The next 12 months are critical for this industry and
20 we need the government to respond. Now as in NOW 15:28
21 Ireland, now is the time for the development of the
22 off-shore wind industry in Ireland and our goal for
23 2020 should not be to reach limited targets but to
24 achieve our greater potential.

25 15:29
26 Having asked the Minister the difficult questions, it
27 is now my pleasure to introduce the Minister to you.
28 This is our first session this morning is delivering
29 Ireland's energy future and our second session,

1 learning from the European experience. Minister Ryan,
2 you have been a very busy man of late and today a
3 relieved man, as you continue your implementation of
4 key policies in the energy portfolio. A TD since 2002,
5 a Green Party member. Most importantly one of only a 15:31
6 few Ministers who ran a business and I was lucky to
7 observe that first-hand when Irish Cycling Safaris were
8 expanding its routes into Donegal in the 1990's and I
9 have always respected a businessman as a Minister. To
10 open our conference; Going Offshore the Dawn of 15:32
11 Ireland's Green Economy, Minister Eamon Ryan.
12 (Applause).

13 **MINISTER RYAN:** Good morning everyone.
14 Brian, I will try and
15 answer some of your questions. I was saying to 15:35
16 Brendan Halligan and Padraig McManus, who are beside me
17 over there, that for me it is great to get back to work
18 this morning. I have been caught for the last month in
19 either banking or politics but the job that needs to be
20 done really is deliver change to this country, changing 15:35
21 the way our economy works, changing how we get energy
22 and that is what I am committed to in my programme for
23 Government.

24
25 I don't know if Commissioner Piebalgs is here, Andris, 15:37
26 oh, he is at the back. I am very glad you are here
27 because I was over at the Stockholm conference on
28 offshore wind energy and I think you had to leave early
29 so you maybe missed the contributions I had to make,