

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,

1 but I want to repeat what I said there here now. I  
2 think you should be commended for the fantastic work  
3 you have done as a Commissioner for the European Union  
4 for all the peoples of Europe and for particularly the  
5 development of the renewable energy sector. I think 15:39  
6 your time as a Commissioner, the last four years,  
7 having seen it at close hand for the last two, has been  
8 exemplary. I think the work you have done was fair. I  
9 think it has been hugely effective and I just want to  
10 take that opportunity of thanking you for that work and 15:40  
11 hope maybe the next commission you might be able to  
12 continue it in my mind in the same spectre but  
13 regardless of where you go, I wish the very best of  
14 luck. I want to thank you, on behalf of the Irish  
15 people, for the work you have done. (Applause). 15:41  
16

17 I am relieved that we have a yes vote in the Lisbon  
18 Treaty so you are not coming over to a country that  
19 would have been racked with difficulties and trouble  
20 and I want to commend Brendan Halligan as well for the 15:42  
21 work that he did in that regard. (Applause). He is  
22 also now a man who can get his life back and go back to  
23 work in his usual hectic schedule of just about dealing  
24 and working with just about everything.

25 15:43  
26 The reason why I think maybe I wanted to laud that work  
27 of the Commissioner and his Commissioner colleague,  
28 Commissioner De Masse in particular, is because I think  
29 what I saw in the European Commission in the last two

1 years was a remarkable political achievement to get a  
2 climate change package agreed in a very clever way.  
3 Getting the targets agreed first with Heads of  
4 Government level and then the Council of Ministers and  
5 the Heads of Government to agree the mechanisms of 20  
6 percent emission reduction target across the Union or  
7 20 percent renewables target and our 20 percent  
8 efficiency target.

15:44

9  
10 Brian, to be honest to answer your first question the  
11 answer to it, in terms of what are planned, is set out  
12 in those targets and it is set out in the Directives  
13 that have come from them. That is where policy is set  
14 now. There is no turning, regardless of the  
15 composition I believe of Government here at home, or  
16 regardless of market forces because the remarkable  
17 achievement was, I believe that political achievement  
18 was to give real certainty in Europe as to what our  
19 policies are. It is renewables development number 1.  
20 That is where we have a Directive. It is emissions  
21 reductions and it is targeted based on real figures and  
22 a pathway. That is why I particularly wanted to thank  
23 Commissioner Piebalgs here today because that was a  
24 huge political achievement.

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25  
26 The second reason behind it mand climate change  
27 obviously was one of the areas where I saw Commissioner  
28 Piebalgs in operation, but the other area was in the  
29 combined area of energy security. We saw in the

15:48

1 Council of Ministers last winter on an ongoing basis  
2 real insecurity in the provision of gas in particular  
3 to Europe due to the disputes that were occurring  
4 between Russia and Ukraine. That was a very large  
5 threat. It didn't effect us here at home in Ireland. 15:50  
6 It didn't really impinge on our consciousness but in a  
7 sense it mirrored the reality as I see it, the insecure  
8 reality around future gas availability that we face  
9 here.

10 15:50  
11 If you look at where we are getting gas from I think it  
12 is, whatever, 85 percent, Padraig would know this  
13 better than I do, from the North Sea effectively and if  
14 you look at the graph of where North Sea availability  
15 is going to be from both oil and gas it goes off a 15:52  
16 cliff in the middle of this next decade. You know  
17 North Sea gas peaked at, what was it, the early part of  
18 this decade. It is set on a climb pattern of 6, 7,  
19 whatever percent per annum. That is a real security  
20 issue for this country. That requirement for us with 15:53  
21 our British colleagues to have to move on then to  
22 Norwegian or to Algerian or to Qatar gas or Russian gas  
23 is an insecurity that we have to prepare for now and  
24 actually diminish or reduce the greatest possible  
25 extent. 15:54

26  
27 Commissioner, not to be quoted, but if I can quote one  
28 thing that was said to me in a side meeting one time, I  
29 can't remember what country you were in but some

1 country in Central East Asia when you said you were  
2 going there like a beggar on behalf of the European  
3 people to make sure we had gas for the future. That  
4 stuck with me when I heard you use that phrase in a  
5 private capacity I said to myself "that's true" and 15:56  
6 that is where we are and that is what we need to avoid.  
7 We avoid that by switching to fuel sources where the  
8 security is not in question, where the emissions are  
9 minimal and that is for this country in our renewable  
10 resources we have them in abundance and we need to 15:57  
11 switch to them.

12  
13 We, like Europe, have a fairly, I hope it is a fairly  
14 clear easily understood policy. It mirrors the  
15 European policy. The central policy development now 15:57  
16 for us, development of our renewable energies and  
17 promotion of energy efficiency. That is the government  
18 policy. That is what we all have to set ourselves to  
19 as the best way of meeting the European emissions  
20 targets, the best way of maintaining security here. 15:59

21  
22 So, what does it mean coming down to reality, coming  
23 down to actually specifics? In the electricity sector,  
24 only one third of the overall area of responsibility  
25 but a crucial one. We set the target of a 40 percent 15:59  
26 renewable electricity component by 2020. That is  
27 challenging. It would probably put us right up at the  
28 top of the world if we were to achieve it in terms of  
29 levels of renewables but particularly in a grid which

1 is relatively small. So, it requires real flexibility  
2 and ingenuity as to who we manage that level,  
3 particularly large block of wind damage. So 40 percent  
4 by 2020. What are the figures behind it? We have done  
5 the studies. The advantage of this is we have been 16:12  
6 planning for many years so we have the background work  
7 done.

8  
9 As I see it is roughly, and this is going to vary,  
10 circumstances will change. It was roughly 4,000 16:13  
11 megawatts of onshore wind is what we will need and  
12 roughly in the next ten years, 2000 megawatts of  
13 offshore to meet that 40 percent target. But that is  
14 only a short term target.

15 16:13  
16 In energy products I think the Chief Executive of Exxon  
17 Mobil, who I don't often quote, but I think he gave a  
18 speech to Congress on energy and he was berating the  
19 politicians because he said: "You guys only think of  
20 the electoral cycle. In energy we think in decades." 16:14  
21 And he is right because in energy policy you have to  
22 think in decades. You build grids that actually will  
23 last for 50 and 100 years. You build plant that will  
24 last for 20, 30, 40 years. So 2020 isn't sufficient  
25 for us in terms of actually where we are going. We 16:17  
26 need to think beyond that and for me, when I look at  
27 emissions claims that are going to have to occur, when  
28 I look at the world that will exist as peak oil occurs  
29 and we will see contraction in oil supplies and a

1 corresponding difficulty in terms of getting gas flows.  
2 I think we need an empire. I think for Ireland we are  
3 going to go beyond that 40 percent target and in my  
4 mind therefore the zero emissions energy policy. Go  
5 for 100% renewables policy.

16:19

6  
7 Go to being annex porting renewables nation because  
8 this is an area where we have a comparative and  
9 competitive advantage. All of Europe we know is going  
10 in a certain direction. We know in the European  
11 renewables Directive that they have to have a certain  
12 percentage of renewable electricity in their system.  
13 They will not find it easy to meet that. Why would we  
14 not get ourselves the task of selling it of actually  
15 helping them meet their targets? So that is where the  
16 policy is going. It is that short term policy but  
17 actually beyond that we aim to be an exporting nation.

16:20

16:21

18  
19 That is where I think the offshore comes in  
20 particularly because it is the area where I see the  
21 greater scaleable opportunity. The first priority I  
22 would have to say, and I will be frank and honest at an  
23 off-shore conference, is building our onshore grid and  
24 tapping into that 4,000 megawatts of onshore wind which  
25 we can build and develop. It is the system that is  
26 most urgently needed but that is not to say we do not  
27 at the same time go offshore. We see that as the  
28 development which actually allows us to meet the real  
29 target of being an energy exporter.

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In terms of how we do that and I can maybe answer some of your other questions as I go into some of the details, Brian. Yes, we do have the refit over in a Brussels and we are confident we will get State aid approval for it. We designed it in a way, I would have to say, where it would be competitive. We did not want to put ourselves out of the market and we did block it. The German pricing system, refit type system, UK type system obviously is different but we did it in a way where we did want to be in the business that we were up for it.

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16:25

It is interesting and look at the Germany, obviously you can look at the headline figure, or in Britain you can look at their rock system, you realise I think that it isn't just the price. It is actually the combination of measures which you may put in place which will attract investment or not. So, for example, in Germany it seems to me that their refit prices is one part of their successor their planned development but actually the other aspects, particularly the grids development aspects, seem to be a key factor in supporting investment decisions one way or the other. So, our price is one part of the response we have to make but it is not the only response.

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16:28

The key second part, as I said, it seems to me is grid. I was very glad to go to that conference in Stockholm

1 some two or three weeks ago because it was a very  
2 useful way of tapping into what is happening in  
3 offshore grid development technology. To look at what  
4 is the latest HVDC transmission grid systems and see  
5 what implications it might have for the developing 16:57  
6 technology for how we develop. I also want to maybe  
7 consider in that regard what Europe is doing because  
8 within the overall policy framework that I mentioned  
9 the 20, 2020 targets there is now starting to evolve  
10 further developments in Europe, in terms of how we 16:58  
11 actually implement those policies. There was first of  
12 all the European stimulus plan. Recognising the  
13 economic crisis we are in an injunction of significant  
14 funds to get an economic stimulus. If you look at one  
15 of the main areas of that stimulus it was in offshore 16:59  
16 transmission and in interconnections and offshore wind  
17 farms. I know talking to the Commissioner I think that  
18 is one of the areas where it has been most successful  
19 but the quality of applications coming in has been most  
20 advanced, most realisable, and I am very pleased in 17:00  
21 that regard that our own east/west connector was  
22 included for support in that scheme, is a project that  
23 we now have planning permission for, that we have the  
24 funding in finance from the EIB and others for and that  
25 we are ready to go with. So, we build it on time 17:01  
26 within target in 2012.

27  
28 Similarly, the European Union has set a strategic  
29 energy plan looking at where is the areas of particular

1 investment or where is Europe going to go. One of the  
2 ones in that it was originally put down in the European  
3 policy paper as the North Sea Offshore Energy  
4 Development Plan. We changed it to the letting of the  
5 North Sea and Northwestern waters because we wanted to 17:03  
6 get Scotland and Ireland in and the Irish Sea and the  
7 Atlantic ineffectively, the northwest Atlantic which  
8 was done. It is Europe saying that that is a strategic  
9 development that Europe is looking to do to advance the  
10 development of energy security and low emissions energy 17:05  
11 here at home.

12  
13 For it to work the concept behind it I think has to be  
14 a European grid, a connected up European, particularly  
15 offshore and inter country grid which actually allows 17:05  
16 us to transport energy across Europe in a much more  
17 effective manner. If I was to be critical of aspect of  
18 European policy at the present time it is that actually  
19 we still do not have a competitive open free market in  
20 energy in electricity or gas. I think the ability to 17:06  
21 break that fragmented, uncompetitive, insecure market;  
22 insecure because the Russian's can actually plague, can  
23 actually work off the differences we have to create  
24 some difficulties we have seen in recent years. So I  
25 see it as a strategic development Europe that offshore 17:08  
26 grid is actually a strategic development that would  
27 benefit Europe in security terms in competitive free  
28 supply.

1 we in Ireland I believe can play our part with this  
2 energy resource we have. We can actually connect into  
3 the rest of Europe in a way that allows us to power the  
4 continent but also get power back when our renewables  
5 aren't available. That is why I am particularly 17:09  
6 pleased that we have develop a study, supported by the  
7 European Union in conjunction with the UK  
8 administration and Northern Ireland to do a grid study  
9 down the Irish sea and up into North western Scotland  
10 to see how these sort of offshore transmission grids 17:10  
11 may develop. We have the tenders in. I am told they  
12 are really high quality. That people obviously not so  
13 busy maybe this year as they were two or three years  
14 ago. We have got some very competitive tenders with  
15 some very advanced thinking and they will be signed up 17:11  
16 shortly and the work begins.

17  
18 It is important because I think it is that study will  
19 lead to us developing our plan, particularly in the  
20 Irish sea but also off the northwest coast as to how we 17:11  
21 develop our grid and that is crucial, to answer your  
22 question, Brian, as to what is our plan? How do we  
23 actually deliver this? It is timely, I believe,  
24 because that sort of study should allow us to go back  
25 to Europe in something like 2011 to actually say "this 17:12  
26 is our plan." I will be going to Commissioner Piebalgs  
27 or whoever his successor is, and saying: "Let us make  
28 sure that the European funding and European support  
29 systems marries -- or marries to or is similar to its

1 energy policy." If we develop these interconnections,  
2 these offshore grid which actually are part of a wider  
3 European grid, can we get European support to help  
4 build them and actually start then looking at  
5 connections across the UK and over to France and over 17:14  
6 to Norway as well, so we start connecting up our  
7 market. That is the plan as I see it. That is a bold  
8 long-term, ambitious plan but I think it is the right  
9 one. The scale of the challenge we face is huge. The  
10 scale of the response has to match it. That is the 17:15  
11 development that I see happening.

12  
13 The projects we have, and you mentioned some of them,  
14 will I suppose have variety of outcome. Some, as you  
15 say, hopefully we will be able to match the ones we 17:15  
16 have consent with the ones with the group connection.  
17 I would like to see immediately projects tapping into  
18 the Irish grid and playing their part in meeting our  
19 renewables target, to meet that 20 target. That needs  
20 to happen quickly. Others maybe happen on a slightly 17:16  
21 more medium term basis, short term 2020, but medium  
22 term in terms of financing operations which actually  
23 maybe might connect into this grid that we are looking  
24 to see developing down the Irish sea and off the north  
25 and west coasts. So, that is the grid aspect as I see 17:17  
26 it in very broad terms and we will have to go into  
27 detail as we do our detail studies as to how it is  
28 meant to work.

29

1 The other aspect we need to get right is our planning  
2 system. We might have to hold our hands up and say our  
3 planning and our consenting and our foreshore system is  
4 not working has to be radically changed. It must be  
5 deeply frustrating for people involved in the industry, 17:19  
6 not just this industry but anyone working I think  
7 trying to get foreshore, easy decisions have been very  
8 much frustrated by what has been a very difficult  
9 system. We need to change that system.

10  
11 We are engaged or started, Sustainable Energy Ireland  
12 are working with our ocean energy unit on a strategic  
13 review of our energy resource around our coasts, it is  
14 the first key thing to do, and then to set up a  
15 completely different planning and consent system that 17:25  
16 works, that gives certainty and fairness as well as  
17 environmental protection. That, I would say, is the  
18 third element we need to get right. It is not there  
19 yet but we recognise there is a problem and it has to  
20 change. 17:26

21  
22 I better be quick here because I am interested to hear  
23 what Padraig and Brendan have to say and then answer  
24 questions. I just actually had breakfast with David  
25 Puttnam, who is a very famous filmmaker but also 17:27  
26 climate change campaigner. He was interesting. He was  
27 saying what I am picking up from a few different people  
28 that there is going to be a real challenge for us to  
29 get a deal in Copenhagen in December. I think it is a

1 real task now to see whether there will be a deal  
2 there. Even if there isn't, if you talk to people  
3 involved in climate change and in their responses to it  
4 there is a recognition that regardless of the targets  
5 that are set or the overall package, the reality is 17:29  
6 now, the important thing is that we get down and start  
7 doing things. We don't wait and wait until there is  
8 this one big deal that actually brings everyone along.  
9

10 It is a time now for action, particularly for energy 17:30  
11 ministers and I believe finance ministers to tackle  
12 climate change. This is the one area where we have the  
13 best opportunity of doing it. It makes economic sense  
14 for us as well as environmental sense. It is set  
15 within a policy planning context that is fairly well 17:31  
16 defined now and we are committed to it in government.  
17 We include it in the renewed programme of government,  
18 which we were working for last week. You will see  
19 reference to that concept of Ireland playing its part  
20 in the development of an offshore European super bid. 17:32  
21 We won't deliver it in the lifetime of this government  
22 but we will actually, I believe and I am absolutely  
23 committed to, setting out the conditions to make it  
24 happen and to release what I believe is the right  
25 long-term ambition for us is to be a renewable energy 17:33  
26 export to the rest of Europe, particularly in that  
27 context from offshore wind. Thank you. (Applause)?  
28 NEW SPEAKER: Minister Ryan has agreed to take on during  
29 Padraig McManus and Brendan Halligan's papers, so I am

1 going to take questions with everybody at the end. I  
2 would just like to say one thing, Minister, that is  
3 really good news about the grid study down the Irish  
4 sea because I think you have got to look into the  
5 future in terms of offshore, helping Ireland meet its 17:35  
6 renewable targets some of the projects will come on  
7 land but ultimately that grid study, if it results in a  
8 connection over to the UK for the large scale offshore  
9 that is planned in the southeast Irish sea, well that  
10 is good step forward. And on the consenting, let us 17:36  
11 just try and break the lobe down and those that are in  
12 the system they are ready to go, try and get a  
13 mechanism to allow them to go forward. Thank you very  
14 much for those comments and for taking the questions on  
15 the nose, we appreciate that. 17:37

16  
17 I would now like to introduce Padraig McManus. Padraig  
18 a CEO of the ESB took up his appointment in 2002 and  
19 has recently been appointed for a further three years.  
20 But when you look at what Padraig has achieved during 17:38  
21 his time, the ESB under his leadership has grown in  
22 value from approximately two-and-a-half billion to  
23 six-and-a-half billion and the company last year  
24 announced one of the largest capital spends in the  
25 history of the State. 17:39

26  
27 With the new wind division in the ESB, I know that  
28 there is an increasing focus on renewables but, you  
29 know, just look back to 1927, ESB started and completed

1 the first major renewables energy generating project  
2 with the Ard na Crusha hydropower station and it was  
3 built in 11 months. So that shows you what can be done  
4 when you want to do it back in 1927. Let us see what  
5 Padraig might reveal this morning about the ESB's 17:42  
6 latest plans in the area as he presents his paper:  
7 energy an Irish and international prospective", Padraig  
8 McManus. Thank you.

9  
10 **MR. MCMANUS:** Thank you very much, Brian. 17:42  
11 I am always delighted to  
12 share the platform with my boss. I am delighted that  
13 he is continuing on. I think he has been a fantastic  
14 Minister. It is always nice to have an opportunity to  
15 say that about your boss, isn't it? But the 17:43  
16 relationship I think between the ESB and Minister has  
17 been very good. When he became Minister, you know,  
18 people across Europe said to me it must be difficult  
19 for a utility to have a green Minister, well quite the  
20 opposite. You might not always agree with what he says 17:44  
21 but he never leaves you in any doubt as to what his  
22 views are. So, I think I am delighted that he is  
23 continuing as Minister.

24  
25 Brendan Halligan is a good friend and I would just like 17:45  
26 to have the opportunity to clear up something. Brendan  
27 Halligan was not deported from Portugal in 1969.  
28 However, an intermediary advised him that if he hadn't  
29 decided to move on within 48 hours he might have a