

NOW IRELAND 4TH ANNUAL CONFERENCE ON TUESDAY, 15TH NOVEMBER 2011

CLOSING REMARKS BY NOW IRELAND SECRETARY, BRIAN BRITTON

Ministers, Ladies and Gentlemen

I remember Brendan Halligan, speaking at our conference in 2009, saying that wind could be the new grass for Ireland, that offshore wind could be as important for Ireland's economy as agriculture, but that we needed vision. He invoked the approach of TK Whitaker in building an export led approach to the Irish economy. He said Ireland had grown as an economy because we took that vision, we harnessed our natural resources and we developed an economy around them.

Export of renewable energy and particularly offshore wind can be at the forefront of the recovery of the Irish economy, whether it is through direct connection of Irish wind farms to the UK or through interconnection with a far broader energy market in the European Union.

The quality of our renewable energy resources, particularly wind, mean that Ireland can be the driving force in ensuring that EU climate change targets can be met. In a recent presentation to the International Institute of European Affairs (IIEA) Martin Finucane, DCENR, illustrated how Ireland could produce annually up to 65GW of offshore energy resource. The EU will need us and if we can deliver we will have a market for clean green Irish energy.

Irish civil servants are working with their UK and European partners to create the market mechanisms which will open the routes to market for Irish wind. I am especially pleased with the progress reported this afternoon by our UK colleagues. There is a shared opportunity for both the UK and Ireland in the creation of a long-term market which will benefit consumers in both countries and thereafter in the EU. These market mechanisms will allow Ireland to benefit from the sale of our wind resource, ensuring a return for the state. I believe that this export opportunity can be developed quickly for Ireland.

In addition to providing a huge export opportunity for Ireland, domestic offshore wind will be the resource which will ensure that we reach our own 2020 targets. Based on our own analysis and that of other organisations, it is very clear that those targets will not be reached with onshore wind alone. In fact, I am yet to meet anyone in the industry who believes that under current financing arrangements, grid constraints and planning difficulties, that onshore alone will deliver the energy we need for 2020. Even allowing for some slippage in terms of energy demand, which is far from certain, we will still require the full complement of 550 MW of offshore wind outlined in the National Renewable Energy Action Plan.

Let me be clear about this. The EU have made it very clear to our organisation and to the public, targets are non-negotiable. The only change to climate change and renewable energy targets is likely to be an upward one. The EU, the International Energy Agency, The UN and virtually every other **credible** international body is saying, Climate Change must be addressed. Climate Change is the greatest enduring challenge facing our world. Against this backdrop, it is inconceivable that targets will change. They will be enforced and it is envisaged that countries which fail to meet them will face heavy fines.

Domestic targets should be easily achieved. We are sitting on one of the best wind regimes in Europe. Our offshore wind resource provides us with scale. It offers high load factors. We have the best sites, sites which would have been developed in any other of our competitor European countries. We have the projects ready to go. Our project fundamentals are sound. We have Irish and international investors ready to facilitate the development of these projects. These investors are asking why offshore has not happened in Ireland. All that is now required is for the Government to send the REFIT application to Brussels, the REFIT for offshore which was first raised by Dermot Ahern in 2002 and which has been publicly supported and endorsed by each successive Government and Opposition since then. Then we would be on a level playing field with each of our neighbours in North Western Europe.

We appreciate the challenges that Government face. It is critical, however, that in dealing with our short term challenges that we do not lose sight of our opportunities. Energy is a long term investment. Offshore wind provides Ireland with an incredible opportunity to create badly needed jobs, attract inward investment and growth in a new indigenous sector, using our natural physical advantages.

With the development of mechanisms which facilitate the export of offshore wind and the implementation of a REFIT scheme based on the targets in the National Renewable Energy Action Plan, Ireland's offshore sector can flourish. Under such conditions Ireland will see over the next five years;

- The development of its indigenous offshore projects and direct connection of projects to the UK
- A spend on investment of €8bn, much of which will be foreign investment into our economy, a substantial portion of which will come to the Government

What will the results of this be for Ireland?

- It will support construction jobs and create many thousands of permanent jobs.
- It will be the only way of ensuring we meet our domestic RE targets and thus avoid fines
- Domestic offshore wind can reduce Ireland's fuel bill by up to €6bn
- It will see up to 2GW of Irish wind available to export to the UK and further afield before 2020
- It will establish Ireland as a centre for offshore supply chain in manufacturing together with operation and maintenance, sustaining many thousands of jobs
- It will enhance Ireland's security of supply
- It will open the door to a further 10GW of export potential as technology develops further
- It will see an immediate investment, with no REFIT payable until 2016, and that only on the small percentage of renewable energy used domestically

In short it will provide the stimulus to this economy which is so badly needed.

Your colleague, Minister Howlin spoke last week about PPP and the need for industry to play a role in investment. This industry is offering the economy a huge, front loaded investment. We are offering the means of meeting our treaty obligations, of creating jobs and securing our energy security. This is a genuine public private partnership. We will bring the investment and the experience. We ask only that the Government creates the environment necessary to make this happen.

When we built Ardnacrusha, this state hadn't a farthing. But it had vision. The same brand of naysayers who existed in the twenties are still peddling their chorus of doom. Vision is about looking beyond where we are to where we can be, where we want to be and using what we have to get there.

Offshore wind and renewables are industries, which like tourism and agriculture, are based on our natural physical resources. We have in the winds around our coasts, a glorious opportunity to grow our economy. Minister, let us work together to get on with putting Ireland front and centre in Europe's green revolution.

I thank you for your attendance.....