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to the European Wind Energy Association, Vienna

**SIGNIFICANT ROLE FOR WIND ENERGY IN EUROPE
BEYOND 2020**

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I am pleased to address this event during Ireland's Presidency of the EU. Like many European countries, Ireland has seen huge growth in wind-generated electricity in recent years. Last year, almost 18% of our electricity consumption was from renewable sources and renewables will make the single greatest contribution to achieving our 2020 targets.

Indeed, wind generation will play a significant role in every Member State's National Renewable Energy Action Plan. The 2009 Renewable Energy Directive has been instrumental in providing the necessary stability for development of the renewables sector, as was acknowledged in the December Energy Council Conclusions.

The scenarios envisaged in the Commission's Energy Roadmap 2050 foresaw continuing significant development of renewable energy up to 2050 as a "no regrets" option, that is, an emission reduction option with net negative costs. It is clear that, given its potential in so many countries, wind energy will continue to play a key role. I know that your industry would like certainty about the landscape post-2020, to allow you make

investment decisions now. Realistically, however, it is too early to expect a final decision: some states would prefer an overall low carbon target without a separate renewables target while others, including Ireland, favour a continuation of the current regime. Governments need to finalise their thinking, while recognising that the content and timing of our decisions are critically important to the trajectory for renewable energy.

There are several interesting debates in Europe at the moment, including on the reform of support schemes and on the use of co-operation mechanisms. We expect guidance from the Commission on both these topics in the first half of this year.

In parallel, there are discussions on the reform of markets and the new infrastructure needed to create true single electricity and gas markets in Europe. Debates on capacity payments and system services tie in closely with the discussion on support scheme reforms. As we increase the amount of renewable energy in the electricity mix, we need the physical ability to trade it and payment mechanisms that are sufficiently flexible and robust to respond to cope with such a mix.

Ireland intends to reach 40% RES-E by 2020, with the bulk coming from wind. We are already actively upgrading the grid and putting in place the necessary operational grid measures. As an island system, we are perhaps encountering some issues ahead of other

countries and we are sharing our learning on the challenges and on possible solutions.

There is a great deal still to be done to deliver the internal energy market and much of the work is highly technical. But, while new framework guidelines and network codes are necessary, paper preparations will not be sufficient. Consumers will only acquire the real benefits of the internal market when electricity is being transmitted across frontiers, at scale. And that requires infrastructure. The Connecting European Facility will be critical in that regard.

This issue of infrastructure links to another issue, the potential for international trade in renewable energy. The enabling cooperation mechanisms under the 2009

Renewable Energy Directive are in their infancy and, in reality, they will not be used unless they result in clear benefits for governments and developers.

Two weeks ago my UK counterpart and I signed a memorandum of understanding on energy cooperation.

My hope is that we will be able to facilitate projects of scale in green energy with attendant economic benefits for both countries.

I have described this as a win-win scenario. On the one hand, the UK has challenging renewable energy targets to meet. On the other hand, Ireland has excellent wind resources, as well as thousands of acres of cutaway bog and extensive afforestation.

Complementing our natural resources, there are also interesting proposals from both parts of the island for electricity storage solutions, to facilitate the integration of renewables into conventional energy supply.

As we move from an island-based, stand-alone energy system to a more interconnected and integrated single market, Ireland now has a real opportunity to develop our abundant natural resources and to become a renewable electricity exporter of scale.

Ireland and the UK are at the vanguard in having reached this preliminary stage of our discussions: the memorandum of understanding is a first step. Pending completion of our analysis and an agreement between the two governments, nothing is yet decided. If we can

reach agreement, then a transparent procedure for project selection will be needed in order to decide what projects get the go-ahead.

But our ambition is not confined to providing a framework for renewable energy export. As I've said, the Internal Market for Energy can deliver real benefits for consumers only when electricity is being traded and transmitted across frontiers, at scale and at competitive prices – which requires infrastructure.

This is just one of the issues for the UK and Ireland to examine. We need to study all the infrastructure, connection, operation and delivery options, in detail. I would hope it proves possible for us to fully optimise the

infrastructure associated with these projects in a way that benefits both Irish and UK customers.

If it is achievable, I would prefer a plan-led approach, one that makes optimal use of the additional infrastructure, if this can result in real improvements in terms of greater system security, lower system development costs, greater levels of renewables penetration and greater links to other energy markets.

And renewable energy export projects that achieve greater interconnection may be more likely to qualify for EIB and CEF support. I note that, in its call for proposals for projects of common interest, the Commission says that particular attention will be given to projects that

contribute, *inter alia*, to optimising network capacity and the integration of the internal energy market.

On a final note, we all know that securing public acceptance for renewable energy can be a major challenge. Many people are concerned about the impact that transmission lines and other infrastructure such as wind farms may have on the landscape, the environment and local communities.

Public acceptance is achieved in part by requiring industry to address and mitigate human, environmental and landscape impacts and to deliver the best possible engineering solutions. It is also achieved in part through transparent planning, construction and licensing procedures.

It is important that industry communicates the local as well as the national socio-economic benefits flowing from investment projects. A recent Irish Government policy statement on the matter acknowledges the need for social acceptance and for project developers to examine appropriate means of building community gain considerations into project planning and budgeting.

Many energy project developers have already done this and industry as a whole should take the lead from best practice. Irish legislation on the planning process for strategic infrastructure, which is now recognised as an exemplar, allows planning authorities to require developers to build or finance local facilities and

services that confer a substantial gain on the community.

In conclusion, there are challenges facing the wind sector but the growth in wind in recent years shows that the European policy environment has provided a sound basis for investment. For the period beyond 2020, I believe one thing is clear: renewable energy will continue to play a significant role and we can plan for it and invest in it on a “no regrets” basis.