

Address at the Irish Bioenergy Association's
National Bioenergy Conference

Castleknock Hotel

3 February 2016

(check against delivery)

- Good morning. I would like to thank the Irish Bioenergy Association for inviting me to open the 15th National Bioenergy Conference. Events like this are important opportunities to exchange views and learn from the experiences within the bioenergy sector, here and abroad.
- We are all aware that Ireland is still far too reliant on imported fossil fuels for our energy needs. While Ireland's import dependency did decrease to 85% in 2014 (from 89% in 2013), the cost of all energy imports to Ireland was still around €5.7 billion - or approximately 3.2% of Ireland's GDP.
- While this total energy import figure is down from €6.5 billion in 2013 due mainly to falling oil and - to a lesser extent, gas import prices - there is no certainty that prices will remain low or stable and it remains imperative, from

both an economic and an environmental perspective, that we reduce our reliance on these imports.

- This is why renewable energy is playing a key role in shaping Ireland's long term energy future. It is critical to delivering secure, environmentally clean and affordable energy supplies sourced indigenously. Allied to delivering improvements in national energy efficiency, it will help wean us off our dependency on carbon intensive fossil fuels, while maintaining and supporting competitiveness and enterprise development opportunities.
- Increasing the use of renewable energy across all sectors of our economy will also help achieve the primary vision of a decarbonised energy system by 2050 – the vision set out in the Energy White Paper published in December last.

- The White Paper sets a vision of a radical transformation of Ireland's energy system which is required to meet our climate policy objectives. This transformation will result in a low carbon energy system by 2050. This means that GHG emissions from the energy system will be reduced by between 80% and 95%, compared to 1990 levels.
- This is a hugely ambitious vision for Ireland's energy system and will require the active engagement of Ireland's citizens, communities, businesses, and local and national State agencies. It will also require better public awareness of the nature and scale of the challenges we face, and a robust consensus about the broad policy measures required to meet those challenges.
- I know that many people in this room were involved in making submissions in the development of the Energy

White, and I want to take this opportunity to thank you for your important contributions.

- While the ambition of the White Paper looks to 2030 and 2050, Ireland has more immediate targets to achieve by 2020 and I can report that we are making good progress in this regard. At the end of 2014, the amount of Ireland's overall energy demand met by renewables increased to 8.6%.
- While significant progress has been made in putting the electricity sector on a low carbon path. We need to ensure that the transport and heat sectors are set on a course to a low carbon future. This will be particularly important given our 2030 climate change targets will focus on the non-ETS sectors of which transport and heat are significant components.

- Energy from biomass has a critical role to play in meeting our ambitions for 2020 and beyond. It is expected that sustainable bioenergy will account for up to half of Ireland's 16% renewable energy target.
- At the end of 2014 it accounted for over 3.5% of the 8.6% delivered by renewables. Bioenergy is also helping position us to meet the emerging – and more ambitious – longer term challenges expressed in international emissions and renewables targets for 2030 and 2050.
- Critically, it is a resource we can develop indigenously. A vibrant bioenergy sector can, in an Irish context, contribute to the three pillars of European energy policy: security of supply, competitiveness and sustainability. A successful sector can also generate jobs and contribute to rural development. The SEAI estimates that it could be worth up to €200 million to our local economies each year.

- However, bringing about the development of an environmentally, economically sustainable, and viable bioenergy sector in Ireland will not be an easy task. Many challenges will have to be overcome.

Draft Bioenergy Plan

- Recognising the potential to significantly develop the sector, and to address the challenges involved in doing this, the Department published a Draft Bioenergy Plan in October 2014. Since then, the Department has been working alongside other Government Departments and agencies to introduce supply and demand-side measures to foster growth in the bioenergy area.
- The draft Plan sets out the broad context for the development of the sector, and outlines the current status with regard to the range of policy areas that must be

coordinated to create the conditions to support its development.

- The draft Plan proposes a number of policy and enabling actions, which fall into five broad categories:
 - demand-side measures that contribute directly to delivering renewable energy;
 - enabling policies that address the supply-chain challenges faced by domestic producers of biomass;
 - measures to support research, demonstration and development;
 - further market support and sustainability measures;
 - and
 - the governance of the Plan.

- Continued support for the significant bioenergy policies already in place – which include REFIT and the Biofuels

Obligation Scheme in the electricity and transport sectors respectively – is central to the draft Plan.

- Analysis underpinning the Plan demonstrates that an additional bioenergy-focussed measure in the heat sector would represent the most cost effective means of meeting a number of our policy goals. The Department intends to introduce a Renewable Heat Incentive for larger heat users in the non-ETS sector to change to heating solutions that produce heat from renewable sources.
- Once designed, the scheme will require state aid approval from the European Commission and, indeed it will require Government approval. The Department issued the first consultation document in the RHI development process back in July 2015 and while the original timetable has slipped somewhat, the design of the renewable heat

incentive scheme will be completed during 2016 and we intend to introduce it this year.

- The draft Plan also contains measures to stimulate and support the supply of Irish biomass. In this regard the key recommendations include:
 - The continued support for the Afforestation Programme
 - The continuation of the Bioenergy Scheme for energy crops
 - And the establishment of Bioenergy Ireland, a joint venture between Bord na Móna and Coillte.

- In terms of developing new sources of biomass, the draft Plan provides that the Department of Environment, Community and Local Government will endeavour to

optimise the availability of waste for energy, and that the Department of Agriculture, Food and the Marine will continue its support for innovative energy uses for animal by-products.

- As you know the draft plan will undergo strategic environmental and appropriate assessments, which will inform the content of the final Plan. These assessment processes, which will be overseen by the Steering Group, will also be subject to public consultation. Detailed work has already started on this process and we expect a consultation to issue in March this year.
- I want to finish by placing the renewable energy sector in a broader context. The move to renewables and better energy efficiency is contributing to our economic recovery and to sustainable job creation. The IDA and Enterprise

Ireland clean technologies strategies recognise the significant economic potential of moving towards a low carbon energy system.

- Reducing our heavy dependence on imported fossil fuels is already creating jobs through innovation in grid, ICT, engineering and energy efficient technologies.
- The development of renewables will see this industry and this country – which is blessed with huge potential in biomass and other renewables – replace expensive fossil fuel imports with jobs at home.
- As we develop the technological know-how to manage the energy system of the future, we are creating opportunities for Irish-based companies to be world leaders. We have many strengths, and I believe we can develop Ireland's reputation as a place of R&D excellence in renewables, energy efficiency and related technologies.

- The renewable energy sector will make a very significant contribution to this success. It will do that by leading the transformation to an indigenous, smart, low carbon and energy-efficient economy. This lies at the heart of this Government's energy policy.
- I want to thank you and your organisations for the important contribution bioenergy is making to this. And I want to thank you again for the opportunity to speak to you this morning.