

**Speech by the Taoiseach, Mr. Bertie Ahern T.D.  
at the Energy Forum at the Shelbourne Hotel  
Thursday 6th March 2008 at 9.30 a.m.**

**Minister Ryan,  
Ministers,  
Ladies and Gentlemen.**

**I am delighted to address this very important gathering this morning.**

**My presence here along with key Ministers underlines the importance of Energy Policy. The twin challenges of energy security and climate change are central to Government policy.**

**Our objective is an Energy Policy based on secure sources of supply, that promotes competitiveness, and is environmentally sustainable. The Government intends to provide the enabling environment for Ireland to unlock the immense opportunities that this new energy era can bring to our economy in job creation and inward investment.**

**This requires a 'Whole of Government' approach and, crucially, a partnership with all of the actors in the Energy sector. I am especially pleased therefore to see such a large turnout from here this morning.**

**The purpose of this Forum is to allow you to interact with the key political and official representatives in Government. The structure of the Forum, with its thematic breakout sessions, seeks to facilitate this interaction. It is an opportunity for you to raise key issues of concern with Government policymakers. I want to encourage open and constructive debate and to ensure ongoing follow up and liaison between Government and the Energy sector so that we can meet the challenges ahead in a determined, focused and co-operative way.**

**As you know, Government Energy policy is based on the Energy White Paper, which was launched last year. This set out the three pillars of policy: security of supply, price competitiveness and environmental sustainability. As we implement policy within the White Paper framework, we have to adapt our actions in the light of the changing policy landscape.**

**There have, in fact, been a number of very significant developments in the policy environment, which must inform Energy policy into the future. Chief amongst these are:**

- the continuing high price of fossil fuels especially oil,**
- the ever increasing reality that these fuels on which we are so dependent are finite, as well as costly, and**
- the imperative of action on climate change.**

**These factors are all interlinked and they point to one overriding policy fact – we must urgently reduce our**

**dependence on fossil fuels and redouble our efforts to promote renewable and environmentally sustainable energy sources across all areas from power generation to transport.**

**The European Union is committed by 2020 to reducing carbon emissions across the Union by 20% on 1990 levels. It is also committed to a 30% reduction in the event of an International agreement on Climate Change to follow on from the Kyoto accord.**

**Europe has therefore already shown real leadership in tackling climate change – we must do our part to support that. The forthcoming referendum on the Reform Treaty is about making Europe more effective in those areas where sharing sovereignty means real sovereignty. Climate change, along with issues such as globalisation or cross border crime, is perhaps the clearest example of an area where Ireland can only be effective if Europe is too. That is why, by approving the Treaty in the upcoming referendum, we can contribute to the EU's international leadership role in the global effort to combat climate change.**

**These EU commitments will require Ireland to make major reductions in emissions over current levels. The Energy sector will have the key role to play in ensuring that we meet our EU and International obligations. The Government is absolutely determined to give leadership in this regard.**

**We have established a Cabinet Committee on Energy Security and Climate Change to ensure a focussed approach to meeting our targets. I am also pleased to note the establishment of an Oireachtas All Party Committee in this area.**

**Today's meeting demonstrates the Government's commitment to unlocking the opportunities that this new energy era can bring to our economy. We can demonstrate our leadership in this area best by what we do on the ground. This is what today is about.**

**We will tease out any obstacles or untapped opportunities that exist in the development of this industrial sector. We want to take a direct, interactive approach to inform future Government actions so that Ireland becomes a leading low carbon economy.**

**Our incentive to tackle the climate change challenge is all the greater because the actions we need to take will also protect our economy from future oil and gas supply shocks.**

**Currently 90% of our energy comes from imported fossil fuels. This is an extremely high exposure - the average import figure for other EU countries is closer to 65%. Around 60% of the energy we use comes from imported oil products. We are using 165,000 barrels of oil each day, which is some ten pints of oil for every man woman and child each and every day of the year.**

**We have already seen the price of oil climb above \$100 a barrel as global supplies are stretched to meet rising demand. We have to prepare now for a future when conventional oil supplies start to contract rather than continue to expand. In this future, those countries which have weaned themselves off the use of oil will have a real competitive advantage. Our over-reliance on oil and gas, and the volatile prices in both these markets, are already key factors pushing up energy prices and threatening our competitiveness.**

**Such scenarios are already influencing decisions that we are making across all areas of Government. This morning, the Tánaiste, Brian Cowen, is putting the Finance Bill through the Dáil, which includes a provision for a tax incentive for companies purchasing specified energy saving equipment.**

**100% capital allowances will be available in the year of purchase to those companies investing in specified high energy-efficient equipment. This will increase companies' cashflow, reduce their energy expenditure in the long term and, importantly, their carbon emissions, in one fell swoop.**

**The Finance Bill also includes radical amendments to our motor taxation system so that there is a real incentive for the public to switch to more fuel efficient vehicles.**

**The Minister for the Environment and Local Government has set out progressive new building regulations. These will cut**

**the fuel bills for new home owners, reduce our emissions and provide a major stimulus to industries providing renewable heating systems.**

**The Minister of Transport has committed to the development of biofuels within our public transport fleet. Two weeks ago he started public consultation on a major new sustainable transport strategy, looking at innovative ways in which we can provide people with an alternative to using their cars.**

**The Minister for Agriculture, Fisheries and Food is working with the Irish farming and forestry sectors so we can provide both valuable carbon sinks and also new energy crops for our economy.**

**The Minister for Enterprise, Trade and Employment will today announce a major new initiative, which will see Science Foundation Ireland adding sustainable energy as a third sector which it will now target for investment. Energy is a key part of the Government's Strategy for Science Technology and Innovation, which in turn is strongly reflected in sectoral investment under the National Development Plan.**

**The Minister for Communications Energy and Natural Resources has been able to introduce a range of new support price systems in the ocean and biomass electricity power markets. I note the announcement yesterday of a joint venture to develop the largest ever planned wave farm off the**

**west coast of Ireland. This is a welcome sign that the incentives we are putting in place are already starting to work.**

**We have also published a major new all-island grid study which shows that on an all island basis we can go beyond 33% renewable electricity by 2020.**

**We have successfully set up a new all-island Single Electricity Market which will help us deliver more competitive power supplies. We have committed to putting a smart meter into every Irish home over the next five years. This will be a crucial part in the move to a smart electricity grid which supports new distributed generation systems, creating employment and business opportunities right across the country.**

**Over the last ten years, the German Government created similar conditions in support of new renewable energy supplies. That political direction led to the creation of 235,000 jobs for their workforce in 2006. We have better natural resources than Germany so I ask why not Ireland? In the past, we have had great success by targeting sectors like software and the IFSC. We should aim to replicate this approach in sustainable energy.**

**In 2006, the total value of investments in sustainable energy worldwide was \$100 billion. There is no reason why Ireland cannot compete for a major share of this investment. There is no reason why many of the jobs of our future cannot be in**

**this area. No reason, save the political will and the cooperation of industry.**

**Today, we are demonstrating to the world that we have both of these elements. We are uniquely placed to secure our economic future by marking ourselves out as a centre of the global green energy boom. This is the decision we have taken as Government and it is already beginning to bear fruit.**

**The Government is also focussing on the demand side of the energy equation – eliminating unnecessary waste.**

**We have already shown that it is possible to decouple economic growth from emissions levels. While our economy grew by some 150% over the last fifteen years, we experienced a 25% increase in greenhouse gas emissions. Our task now is to make energy efficiency a reality in every sector so that we see real reductions in emissions while our economy continues to grow.**

**I am here today to give the simple but clear message that these twin initiatives of delivering renewable power supplies and driving energy efficiency are key strategic goals for this Government.**

**The climate change and energy security challenges we face require a level of change that few people yet appreciate. However, I have a sense that you, the key players in our**

**energy industry, do see the scale of the challenge ahead and also the opportunities that are being presented.**

**Let us be in no doubt that meeting our targets will be a real challenge for our country, especially in sectors such as transport and agriculture, which account for significant percentages of our emissions. However, in the past we have taken on difficult challenges and exceeded targets that people originally thought it would be impossible to reach.**

**As a country we have shown that we can be effective in making strategic change, especially when politicians, industry and social partners work together.**

**We made a successful strategic change when we moved from a closed to an open economy in the mid nineteen fifties. We made a similar successful change when we adopted a new approach to our public finances in the late nineteen eighties. Back in 1990 many people said we would never be able to reduce our then very high level of Exchequer borrowing and debt. In reality over the following fifteen years the success of our economy meant that we did even better than we expected.**

**The move we now need to make towards a low carbon economy presents a scale of change that will be far greater than the changes that have already occurred.**

**However, with a flexible and innovative approach from Government, and with a spirit of enterprise from industry, I believe we can become one of the leading green economies in**

**the world. The event this morning allows us to discuss how we can become more innovative and flexible in response to the challenges we face.**

**Today is about a dialogue on the future – it is about how we can augment and accelerate this work, how we can be sure the benefits accrue at least cost. It is about building our sustainable future.**

**It is time for us to get to this work on behalf of the Irish people. Our task is to create a new sustainable energy industry in this generation to ensure a sustainable future for the next generations. I wish you well in your deliberations today.**