

BY E-MAIL

Mr Bob Hanna  
Chief Technical Advisor  
Department of Communications, Marine and Natural Resources  
Adelaide Road  
DUBLIN 2

24 May 2005

Dear Bob

Firstly, my apologies for not meeting your 20 May deadline for responses.

Thank you for including Energy Division, DETI in your consultation on Energy Research, Development and Demonstration in Ireland, which also seeks to address the all-island context. Before commenting on your paper I thought I should briefly outline DETI's position on research and development in Northern Ireland.

The Government's overall aim is to increase investment and R&D and to promote innovation and creativity, as described in the recent 'Economic Vision for Northern Ireland'. The vision identifies the need to improve Northern Ireland's global competitiveness by promoting private sector growth through, amongst other means, enhancing:

*'all-island cooperation through the further development of collaborative, knowledge-intensive, all-island trade and business development networks and supporting programmes'.*

DETI's energy strategy as outlined in 'Energy – A Strategic Framework for Northern Ireland' reflects that emphasis. It actively supports efforts to optimise energy research and innovation opportunities on an all-island basis where this is of mutual benefit. The All-island Energy Market Development Framework that was agreed by our respective Ministers last November seeks to build on that aim.

When it comes to economic development R&D and innovation are generally accepted as being closely linked and we believe this link is also important when seeking to promote energy RD&D. The Carbon Trust is one organisation active in Northern Ireland, which makes this association in its objective of encouraging the development of a low carbon economy.

The work by Invest NI to encourage innovation in industry in Northern Ireland has involved support for a number of energy RD&D projects under the banner of product and process development. Invest NI have also supported the setting up of 18 R&D “centres of excellence” 10 in the private sector and 8 in QUB and UU. FG Wilson (Engineering) Ltd and Wrightbus Ltd, two of the private sector centres, have already a strong tradition of energy RD&D projects.

The links with the UK are very important to Northern Ireland as we often rely on working relationships with the GB based Research Councils such as EPSRC, who have very significant funding available. Established in April 2004 the UK Energy Research Centre is a multi-million pound investment by the Research Councils, and part of the ‘Towards a Sustainable Energy Economy Programme’ (TSEC). The Centre will provide a focus for energy research in the UK, and for co-operation between the UK and researchers from other countries.

Moving on to your consultation paper and considering the issue of the overview and governance of RD&D in Ireland (Sec. 3) I agree that your preferred option of establishing some form of an energy research coordination council served by a small secretariat has many merits, not the least of these being that it would appear to have similarities to the format established for the UK Energy Research Centre.

However, there is a drive in Northern Ireland to reduce the number of quangos/NGOs through a Review of Public Administration, which must be borne in mind when considering the rationale and effectiveness of any new or reconstituted bodies. In order to rationalise our available economic research resources the Northern Ireland Economic Council (NIEC) and the Northern Ireland Economic Research Centre (NIERC) has already merged in 2004 to form the Economic Research Institute of Northern Ireland (ERINI). ERINI will continue to develop the supply of economic advice and research to NI Departments, including studies related to energy.

I have already indicated that strategic cooperation, north and south, on energy issues (Sec. 4) is important if the island of Ireland is to achieve the aim of economic and sustainable energy resources, available to both NI and the Republic. I agree that RD&D will play a key role in delivering that goal.

As you are well aware the area of energy RD&D on the island of Ireland is one that already has a very strong European context with considerable work being generated for our Universities by European sources. It is important therefore that any cooperation we have on an all island basis should not detract from those European links (Sec. 5).

Northern Ireland, as a devolved administration within an EU member state, has not been able to exert the same level of influence as Ireland within the sphere of

energy RD&D at the European level. Further work will be needed to see if the situation could be improved through all-island cooperation.

Whilst I recognise the importance of environmental research (Sec. 6) I generally believe energy RD&D does not need to be tagged on to or flavoured by the environment to make it a strategically important issue. In most cases increased energy efficiency and renewable energy will lead to decreased emissions (environmental) but this is a parallel process to sustainability and increased competitiveness.

On the issue of long-term vs. short-term objectives for energy RD&D (Sec. 7) I agree with your reasoning based on the situation in Ireland. The Economic Vision for NI and the Energy Strategy set out ten-year scenarios that will facilitate action to address the longer term RD&D challenges for Northern Ireland. However, we do not have a clear picture of the current situation in Northern Ireland at present. This is an issue that we will be seeking to address in the future in the context of coordination and funding mechanisms and capacity building in third level institutions and other bodies (Sec. 8, 9).

In conclusion we welcome the action that DCMNR has taken to address the future direction of energy RD&D in Ireland and I expect to complete our complimentary work on the audit of current energy RD&D in Northern Ireland shortly. With our increased knowledge from this work I am sure we will be able move forward on an all-island basis in a more informed and strategic manner.

Yours sincerely

A handwritten signature in black ink, appearing to read 'PH', enclosed within a large, sweeping, horizontal loop.

**PETER HUGHES**

North South Energy Policy  
Energy Division