

Iceland Geothermal Conference 2016

Ræða Lilju Alfreðsdóttur utanríkisráðherra

Harpa, 27. apríl 2016

Honourable guests,

It gives me great pleasure to welcome you all to the Iceland Geothermal Conference. The Ministry for Foreign Affairs of Iceland has been a strong supporter of this event and we believe that Iceland can share with others our own experience, both where we have faced challenges and, more importantly, where we have succeeded.

Iceland is an excellent showcase for geothermal development and I know many of our guests, present at this conference, know and are familiar with our geothermal history. The overriding theme of this third Iceland Geothermal Conference is; *Operability, Feasibility and Practicality*. These three captions do signify in essence Iceland's experience from using geothermal as a **clean, sustainable** and **stable** energy resource.

During the conference you will have the opportunity to hear from leading experts from numerous countries discussing core aspects of geothermal utilization. As a newly appointed Foreign Minister of Iceland I am particularly pleased to welcome two leading figures in the global arena for sustainable development, Ms. Rachel Kyte, CEO of Sustainable Energy for All, who will be addressing the conference today, and Mr. Adnan Amin, Director General of the International Renewable Energy Agency – IRENA, who will be giving a keynote address during the closing plenary session tomorrow.

Ladies and Gentlemen,

We cannot achieve sustainable long-term economic growth and development without committing to sustainable use of our natural resources. Therefore, increased access to renewable energy is one of the key priorities in Iceland's development cooperation and foreign policy.

Last week, in New York, 171 States, including Iceland, signed the climate agreement we reached during COP21 in Paris. In the run up to COP21 more than 180 countries submitted their respective Intended Nationally Determined Contributions, or INDCs, as their guiding principles in how to address the negative effects of climate change. Nations are increasingly looking towards renewable energy as a viable future solution to a more sustainable future.

Combined with the ambitious global goals adopted last fall, the international community now has a strong framework to end energy poverty by increasing substantially the share of renewable energy in the global energy mix. Iceland will remain committed to contributing to this specific target, as a part of our common vision for 2030 - paving the way towards ending poverty, combatting climate change and fighting inequality.

Iceland has demonstrated for years that utilisation of renewable resources, like hydro and geothermal power, can enhance economic development and growth in many different ways. In this regard, access to clean energy has proven critical to peoples' creative deployment of geothermal in our many resource parks in the country, which have given impetus for different types of activities such as in horticulture production, tourist activities, biotechnologies, drying of foods and, indeed, many others. Through this conference, it is my sincere hope that we can share

some of this experience with others and, thereby, add our voice to the many that are promoting a sound and sustainable future for the world.

Harnessing geothermal energy is an established and proven technology that has been available for more than one hundred years. This technology, however, has not been widespread globally, and it must be one of our common set of goals to increase access to geothermal on one hand, but also and no less importantly, to combine our efforts in cutting production costs, as is becoming so evident with both solar and wind energies. Renewable energy technologies are today among the most cost-competitive options for power generation, and geothermal has to be an important factor in that development if we are to succeed.

Despite drop in oil prices in recent past, investments in renewables has soared over the same time. This can, in part, be attributed to increased climate awareness and competitiveness of renewables. Experience shows that in order for geothermal to become a more significant part of the future global energy mix, geothermal stakeholders must address how to appeal better to global investors, find ways to overcome inherent risk aspects of assessing geothermal resources and, thereby, enhance its feasibility and attractiveness in the future.

The Global Geothermal Alliance, which was launched during COP21 is a consorted effort by Governments and Intergovernmental Agencies, as well as the private sector, to promote wider penetration of geothermal energy. The Alliance is also a platform for providing customized support to fundamental challenges that geothermal is confronted with, especially in developing countries.

In order to promote these and other important issues, the Global Geothermal Alliance is currently developing a detailed work plan,

identifying specific geothermal investment projects that are facing policy, legal, regulatory, funding or capacity building challenges, with priority given to the most mature projects or potentials that would result in high impact on the energy mix and the economy in a given country. Through these efforts of the Alliance, the Icelandic Government bears strong hopes of seeing geothermal energy contributing increasingly to the global energy mix.

Ladies and Gentlemen,

It has been a priority in Iceland's foreign policy to advocate and support global sustainable development. This has, not least, been evident in promoting geothermal as a viable, clean and sustainable energy resource. We have, since 1978, hosted the United Nations University Geothermal Training Programme where over six hundred fellows have graduated from the core program and over one thousand participated in numerous regional courses. Similarly Iceland has been a strong partner of the World Bank Group in advocating geothermal, especially within the Energy Sector Management Assistance Program – ESMAP.

Earlier this week I had the honor to open ESMAP's Global Geothermal Development Plan roundtable that took place here in Reykjavik with representatives from all over the world. ESMAP has been our leading ally in advancing geothermal energy in East Africa, along the Great African Rift Valley, where Iceland is currently working in several countries through bilateral agreements. It is our firm belief that East Africa can harness significant geothermal energy for the benefit of its people.

Currently our main support program in Africa is the Geothermal Exploration Project, which is co-funded by the Nordic Development

Fund, and implemented in good cooperation and coordination with other organizations, including the World Bank, Africa Union Commission and UNEP. Through the past years the project has worked with various countries, including Ethiopia, Kenya, Djibouti, Tanzania, Eritrea, Rwanda, Burundi and Zambia. The objective is to assist countries to increase the knowledge of the viability of their geothermal resources and provide training and build capacity among local experts to carry on with the development of geothermal projects.

Iceland has placed strong emphasis on support in the early stages of geothermal exploration. It is essential for countries to gain an understanding of the geothermal resource potential and to have high quality studies and models for their prospects, which will reduce the risk of the early stages of exploration drilling. Surface exploration studies are now being implemented in various countries and we look forward to see these projects further developed. It is clear that geothermal energy can play an important role as a clean and reliable energy resource for several countries in Africa.

The European continent also has great potential for harnessing low-temperature areas for district heating. Doing so would be in line with energy policy objectives of the region for more competitive, secure and sustainable energy system and also to meet its long-term 2050 greenhouse gas reductions target. Through the Agreement on the European Economic Area and our financial contribution to the EEA Grants, Iceland puts strong emphasis on geothermal utilization. We have done so in the current financial mechanism and we will continue to do so in the upcoming mechanism.

Finally, we cannot forget about women's empowerment and gender equality. Integrating gender perspectives in renewable energy programs and policy dialogues is essential to ensure equal access to services, benefits and opportunities for women and men and limit disproportional exposure to risks. I, therefore, encourage all of us to further consider and implement effective approaches for gender mainstreaming into our work in geothermal energy development.

Dear guests,

I said at the outset of my address that Iceland could serve as a good showcase of the impact that utilisation of geothermal energy can have on economic development within a country. In this context, I want to complement the organizers of the Iceland Geothermal Conference to offer site visits tomorrow and Friday for those interested. I strongly encourage you to take part in these visits and hope that they may inspire you.

Last but not least I want to thank the members of the Icelandic Geothermal Cluster and Gekon, the organizers of the conference, for their excellent collaboration during the preparation of Iceland Geothermal Conference 2016.

In Iceland, we not only preach the geothermal gospel, but we live it as well, and I do hope that you will see and experience this over the next three days.

I wish you a successful conference.