



Ending Fossil Fuel Exploration in Ireland

A Briefing by the Stop Climate Chaos coalition*

On the 7th of February, the *Petroleum and Other Minerals Development (Amendment) (Climate Emergency Measures) Bill 2018* will reach second stage in the Dáil. This is a Private Members Bill introduced by *People Before Profit* TD Bríd Smith in November 2017. The [Bill](#) proposes to amend the *Petroleum and Other Minerals Development Act 1960* by prohibiting the issuing of licences for exploration of fossil fuels.

The Bill sets out that such action must be taken given the dangerously high levels of CO₂ in the atmosphere due to the burning of fossil fuels. The science shows that the vast majority of already-known fossil fuel reserves must stay in the ground. The *Climate Emergency Measures* Bill recognises and legislates for the scientific reality that we must stop looking for more carbon-based energy; it is also fully in line with Ireland's climate and energy obligations and security of supply requirements. **The Stop Climate Chaos coalition is calling on all parties to support the Bill on the 7th of February, to allow it move forward for detailed scrutiny by the Joint Oireachtas Committee on Climate Action.**

When the final stages of the bill to ban fracking were being debated in summer 2017, amendments to extend the ban to offshore drilling were parked in order to achieve a strong and urgent consensus. At the time those TDs urging the withdrawal of the offshore amendments stated the Oireachtas could return to consider the issue of offshore drilling at a later date. **Voting in favour of the Climate Emergency Measures Bill to receive detailed scrutiny by the Committee is the opportunity to fulfil this commitment.**

Why support the 2018 Climate Emergency Measures Bill?

1) *It's Necessary*

In December 2015 in Paris, world leaders agreed to take urgent action to halt climate change. States committed to “holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels”. Yet despite this commitment, the world remains on track for catastrophic global warming with worsening health, environmental and economic impacts, particularly in developing countries. A major reason for this failure is the burning of fossil fuels: coal, oil, and gas. The fossil fuel industry continues extracting and burning hydrocarbons at unsustainable rates, and even persists in exploring for more. **Every single new extraction site that is opened threatens the achievement of the Paris Agreement.**

The Global Carbon Budget to meet the Paris Agreement

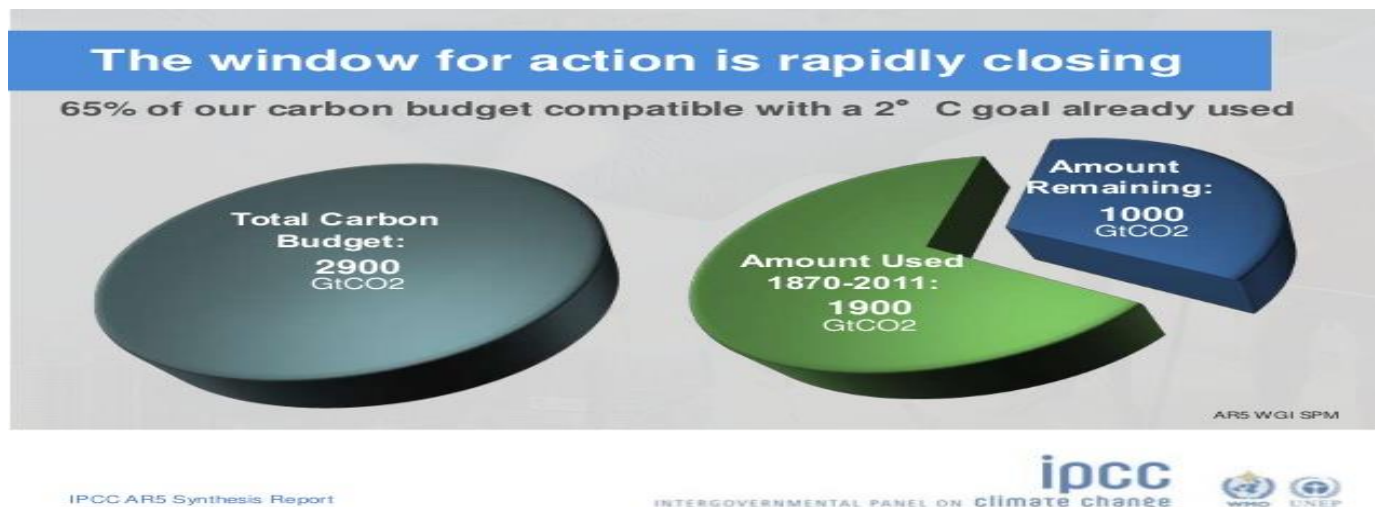
In their 2014 report, the Intergovernmental Panel on Climate Change (IPCC) concluded that the total amount of climate pollution we could emit while giving ourselves a likely chance of meeting our Paris Agreement commitments was 1,000 Gigatonnes. This report was signed off on by almost 200 governments.¹ Proven reserves of fossil fuels would produce 2,860 Gigatonnes of CO₂ if they were burned.² If our total “carbon budget” is only 1,000 Gigatonnes then we can burn little more than one third of all the fossil fuels that have already been discovered and are on the books of companies and states around the world. This analysis has been carried out repeatedly and in detail by the expert group *Carbon Tracker* in a series of reports since 2011.³ This central conclusion has also been endorsed by the International Energy Agency in its World Energy Outlook. It stated ‘No more than one-third of proven

¹ The IPCC sets out the remaining carbon budget on page 10 of the Summary for Policymakers of the Synthesis Report of their Fifth Assessment Report in 2015. That report is here: http://www.ipcc.ch/pdf/assessment-report/ar5/syr/AR5_SYR_FINAL_SPM.pdf . There is a good pie-chart of the carbon budget in Slide 9 of this 10 slide IPCC presentation of the report: https://www.ipcc.ch/news_and_events/docs/COP20/LCAHLD.pdf

² This figure for the total reserves of fossil fuels is taken from page 1 of this Carbon Tracker briefing: <http://www.carbontracker.org/wp-content/uploads/2014/08/Carbon-budget-checklist-FINAL-1.pdf>

³ <http://www.carbontracker.org/library/>

reserves of fossil fuels can be consumed prior to 2050 if the world is to achieve the 2°C goal'.⁴ It has also been repeated frequently by our own Mary Robinson.⁵ Research published by Oil Change International in 2016 also found that the oil and gas fields and coal mines that are already in production contain enough CO₂ to carry us past the 2°C global warming limit.⁶ **In circumstances where only one third of existing fossil fuel reserves can be extracted and burned, it makes no sense to be prospecting and exploring for more.**



Fossil fuel investment also carries **major risks** and private sector investment must be directed away from fossil fuels towards sustainable alternatives. As detailed below, fossil fuels cannot continue to be exploited if we are to remain well below the 2°C limit as required under the Paris Agreement. Hence, financial analysts have highlighted the risks of fossil fuel assets becoming 'stranded' (worthless), a warning reiterated publicly by the Governor of the Bank of England, Mark Carney.⁷ An increasing number of legal scholars and regulators are now warning that fiduciaries who fail to consider climate change risks in their investment analyses and decisions could be liable for breaching their fiduciary duty in the future, exposing them to litigation risk.⁸ The European Commission has also stated '*In view of scarce resources in the Member States, public resources should be used smartly. Support should only be given if in line with the long-term energy policy of the European Union, avoiding stranded assets and carbon lock-in.*'⁹ However, **in Ireland more than 40 separate licences have been granted to a huge range of fossil fuel companies.** These licences allow for exploration over several years; **shockingly many already provide for exploration to the late 2020s.**¹⁰

More offshore production guarantees a fossil fuel-dependent future for Ireland. **Exploration runs the risk of the state 'locking in' the burning of fossil fuels in the long-term when the state is already failing to meet its emission reduction commitments.** This risk of fossil fuel lock-in relates to both gas supply and demand: the introduction of new gas sources entails the construction of new extraction, processing and network infrastructure which will remain in place for decades (with significant costs potentially falling on the state and ultimately met by citizens). New gas supplies also bolster ongoing, and potentially increased, gas usage by homes and businesses at the very time when national and EU climate and

⁴ <https://www.iea.org/publications/freepublications/publication/English.pdf>, page 3.

The International Energy Agency, World Energy Outlook 2012 report <http://www.worldenergyoutlook.org/weo2012/>

⁵ See <https://www.mrfcj.org/resources/statement-from-mary-robinson-adaption-sdgs/>; <https://www.irishtimes.com/news/social-affairs/religion-and-beliefs/climate-action-on-fuels-needed-saysmary-robinson-1.2259240> and <https://www.theguardian.com/environment/2015/apr/17/mary-robinson-developing-nations-must-move-rapidly-beyond-fossil-fuels>

⁶ See http://priceofoil.org/content/uploads/2016/09/OCI_the_skys_limit_2016_FINAL_2.pdf and newrepublic.com/article/136987/recalculating-climate-math

⁷ 24 <http://www.carbontracker.org/news/bank-of-england-warns-stranded-assets-pose-threat-to-financial-stability/>

⁸ 'The Global Fossil Fuel Divestment and Clean Energy Investment Movement'. Arabella Advisors (2016). Page 8.

⁹ European Commission (2017) Second Report on the state of the Energy Union.

¹⁰ See <https://www.dccae.gov.ie/documents/6%20monthly%20%20Report%20to%2030%20June%202017.pdf> <https://www.dccae.gov.ie/documents/FINAL%20Acreage%20Report%20at%2030%20September%202017.pdf>

energy obligations necessitate that such demand is met by greater energy efficiency measures and renewable sources.

[A recent study](#) by Tyndall Centre for Climate Change Research and Teeside University highlighted the consequences of continued European investment in new natural gas infrastructure, the risk it poses to the EU's carbon budget, locking-in a fossil fuel future for Europe, and threatening a global failure to deliver on the Paris Agreement. [As detailed by authors](#), Professor Kevin Anderson and Dr John Broderick, by 2035 the substantial use of fossil fuels, including natural gas, within the EU's energy system would be incompatible with the temperature commitments enshrined in the Paris Agreement.

2) *It's Achievable*

Exploiting more fossil fuels does not increase energy security. It only undermines climate action.

It is important to be clear that ending the state's fossil fuel licencing **will not disrupt Ireland's current gas supply or usage** or in any way jeopardise the energy demands of citizens and businesses in Ireland. Ireland's national and international climate commitments (see below) require the almost complete decarbonisation of the energy, transport and home-heating sectors in the medium-term. However, natural gas is a key component of Ireland's current energy mix, particularly for baseload electricity generation. It is recognised that existing gas supplies need to be maintained. **The policy change proposed in the Bill does not seek to 'switch off' any existing supplies and does not affect current exploration licences.**

More gas is not the same as more energy security and ending fossil fuel licencing does not threaten Ireland's security of supply. This point is supported by Gas Networks Ireland (formerly Bord Gais Networks) who carry out regular [analyses](#) of gas supplies and related infrastructure. Gas Networks Ireland (GNI) have repeatedly emphasised that for Ireland the future supply of gas is secure with no suggestion that new gas sources are necessitated in the short, medium or long-term.¹¹ As detailed in GNI's annual reports on the gas network, Ireland and Northern Ireland are [strongly connected](#) to the UK gas system. This secure integration to such a major gas network greatly mitigates Ireland's security of supply risks, in comparison with many other European countries. Gas is supplied from the Moffat Entry Point in Scotland with separate interconnectors bringing gas to Northern Ireland and to Ireland with an additional separate onshore pipeline linking Northern Ireland and Ireland. The subsea interconnector from Moffat to Ireland is also twinned and links to the Isle of Man.

Ireland is not reliant on natural gas exports from the Russian Federation. The Moffat Entry Point is a key part of the UK network receiving supplies via Scotland from the North Sea and from continental Europe via England. Joint emergency plans, stress testing and risks assessments are in place between Ireland and Northern Ireland, and between Ireland and the UK. Cooperation efforts are extensive and ongoing and many of these arrangements pre-date EU security of supply obligations. Although the UK's decision to leave the EU will require further engagement with UK counterparts to update coordination measures and response plans accordingly, it is important to be clear that **the UK's decision to exit the EU does not jeopardise gas flows from Moffat to Ireland and Northern Ireland.**

Due to long-term investment by GNI, gas from Moffat can meet peak Irish demand; security of supply has been further bolstered with major enhancements by GNI to existing infrastructure in onshore Scotland (Brighouse Bay). Naturally, **Moffat is no longer the only key gas source; the Corrib gas field currently meets 40% of our demand and this will increase to over 60% until the mid-2020s.** Kinsale Head field functions as a key gas storage facility and also separately provides some small scale gas production.¹²

¹¹ Gas Networks Ireland, Network Development Plan 2017 ([approved](#) by the Commission for Regulation of Utilities).

¹² Ibid.

Why Fossil Fuel discoveries are of little economic benefit to Ireland

There are no indications that major accessible gas finds in Irish territorial waters are likely, necessary or economically viable. The development of the Corrib gas field not only took an extensive amount of time, it was highly unprofitable for those involved. Although production from Corrib is currently ongoing, the project has made [losses of €2bn](#) and Shell exited the project in 2017, [incurring losses of \\$900m.](#) It is also important to note that **revenue from these gas supplies does not go to the Irish state**, nor does the Irish state make substantial savings on using this gas in comparison with gas imports. Exploration and extraction are dominated by major fossil fuel companies who sell their supplies at the market price.

The burning of fossil fuels for our energy also has **negative economic consequences for Ireland in terms of high electricity bills** faced by Irish homes and businesses. It has been consistently highlighted that our [electricity prices are driven up](#) by the disproportionate use of fossil fuels to generate our electricity. **Ireland has one of the highest levels of fossil fuel use in electricity generation in comparison with other European countries.**¹³

Real savings and benefits to Irish citizens arise where there is no purchase of fossil fuels, be that imported or indigenous. The Sustainable Energy Authority of Ireland recently [noted](#) that *'In 2016, renewable energy in Ireland helped avoid 3.9 million tonnes of CO₂ emission and reduced our national energy import bill by €342 million. When added to the significant savings homes and businesses can make through energy efficiency, the business case is undeniable.'* Research conducted for the Irish Corporate Leaders on Climate Change indicated that ambitious climate action has the capacity to create 90,000 jobs in Ireland.¹⁴

3) It's Consistent with Government Policy

An end to licensing for fossil fuel exploration aligns fully with national climate and energy commitments.

The state's climate and energy objectives are very clear on the need to phase out fossil fuels. It is highlighted in the Government's climate strategy produced in July 2017 that Ireland depends on fossil fuels to meet *'88% of our energy needs at an annual cost of around €4.6 billion. By 2050 we need to reduce this reliance on fossil fuels very considerably.'* This 2050 objective is set out in the 2014 National Policy Position¹⁵ which is underpinned by the 2015 Climate Change and Low Carbon Development Act. The Policy Position sets out that policy development to 2050 will be based on *"an aggregate reduction in carbon dioxide (CO₂) emissions of at least 80% (compared to 1990 levels) by 2050 across the electricity generation, built environment and transport sectors"*. Meeting this target steadily requires year-on-year emission reductions of 5% per year starting now. **The required decarbonisation rate only increases if this rate is not met.**

The 2014 Policy Position is also bolstered by the state's Energy [White Paper](#) *'Ireland's Transition to a Low Carbon Energy Future 2015-2030'* which further specifies the objective in emissions reductions of **80% to 95% compared to 1990 levels by 2050**. Ending fossil fuel licensing is also in accordance with a just and orderly transition to a low carbon economy which requires the managed decline of the fossil fuel industry to begin now. As part of its examination of the Onshore 'Fracking Act' in 2016, the Joint Oireachtas Committee on Communications, Climate Action and Environment produced a detailed report on fossil fuel supplies in Ireland. As part of its conclusions, it was noted that *'The committee also feels that further investment in exploitation of fossil fuels would in all likelihood reduce investment in sustainable sources of energy, mindful of Ireland's commitments in relation to climate change mitigation.'*

This conclusion is also present in the 2017 [Lofoten Declaration](#), signed by over 500 organisations globally: *'Energy access and demand are and must now be met fully through the clean energies of the 21st century. Assertions that new fossil fuels are needed for this transformation are not only inaccurate, they also undermine the speed and penetration of clean energy [...] leadership must come from countries*

¹³ See, for example, Sustainable Energy Authority of Ireland, [Electricity and Gas Prices in Ireland](#) (2016).

¹⁴ Joseph Curtin, ['Unlocking Opportunity: the Business Case for Climate Action in Ireland'](#). (2014).

¹⁵ 2014 National Climate Change and Low Carbon Development [Policy Position](#)

that are high-income, have benefitted from fossil fuel extraction, and that are historically responsible for significant emissions.'

France and others have done it – join the leaders, not the laggards

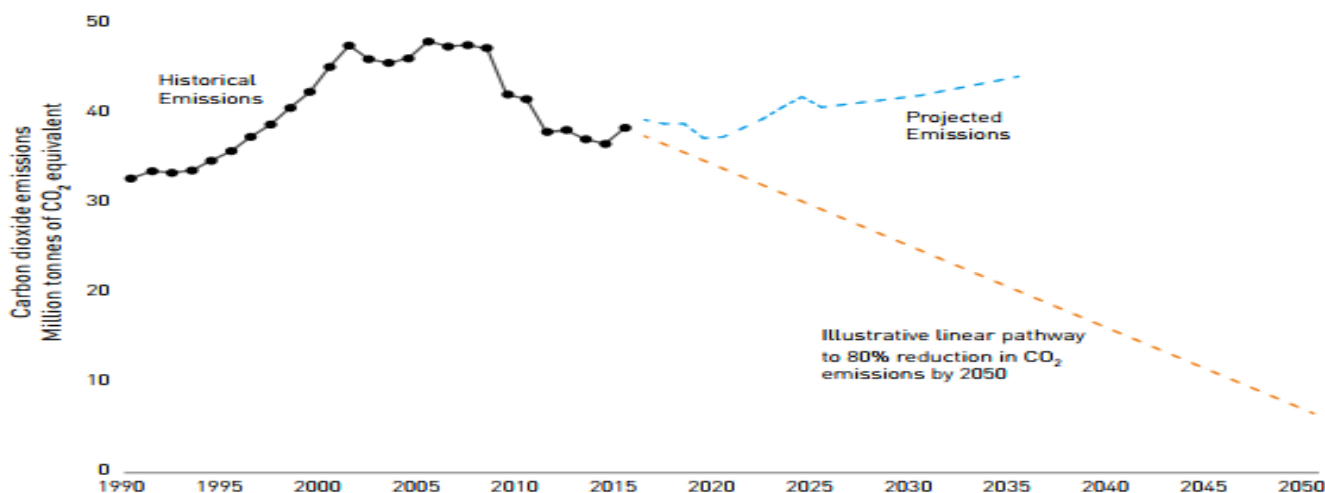
There is precedent for this policy change: In December 2017, **France** passed [legislation](#) to end new licences for oil and gas exploration, and to cease all oil and gas extraction by 2040. Also in December, the **World Bank** made the hugely significant decision that it will [no longer finance upstream oil and gas](#) projects after 2019. **Costa Rica** already has instituted a moratorium on petroleum exploration and extraction until at least 2021. Most recently, in January 2018 the **Belize** government [announced legislation](#) to end offshore fossil fuel exploration due to the impacts on its barrier reefs.

4) It's Essential For Ireland

[Analysis](#) by Stop Climate Chaos has shown that in order to be consistent with the National Transition Objective, emissions from all sectors bar agriculture must decrease by 5% a year, every year from now to 2050, while emissions from agriculture will have to be at least halved from now to 2050.

However, Ireland's polluting emissions are increasing at an alarming rate and Ireland's extremely poor response has been repeatedly raised by both independent and State authorities. In December 2017, Ireland's Climate Change Advisory Council produced its first [Annual Review](#), which provides an independent, expert assessment of Ireland's performance on climate change. The Council concluded that actions in the Government's climate strategy, the *National Mitigation Plan* (which was published only in July 2017) do **not** put Ireland on a pathway to meeting our national or EU climate change commitments and emphasised that **the Government must urgently introduce new measures**. The Council noted that **'A clear medium-term strategy to phase out fossil fuels in the electricity, transport and residential sectors is required'**.

Ireland's current and projected CO₂ emissions 1990 – 2050¹⁶

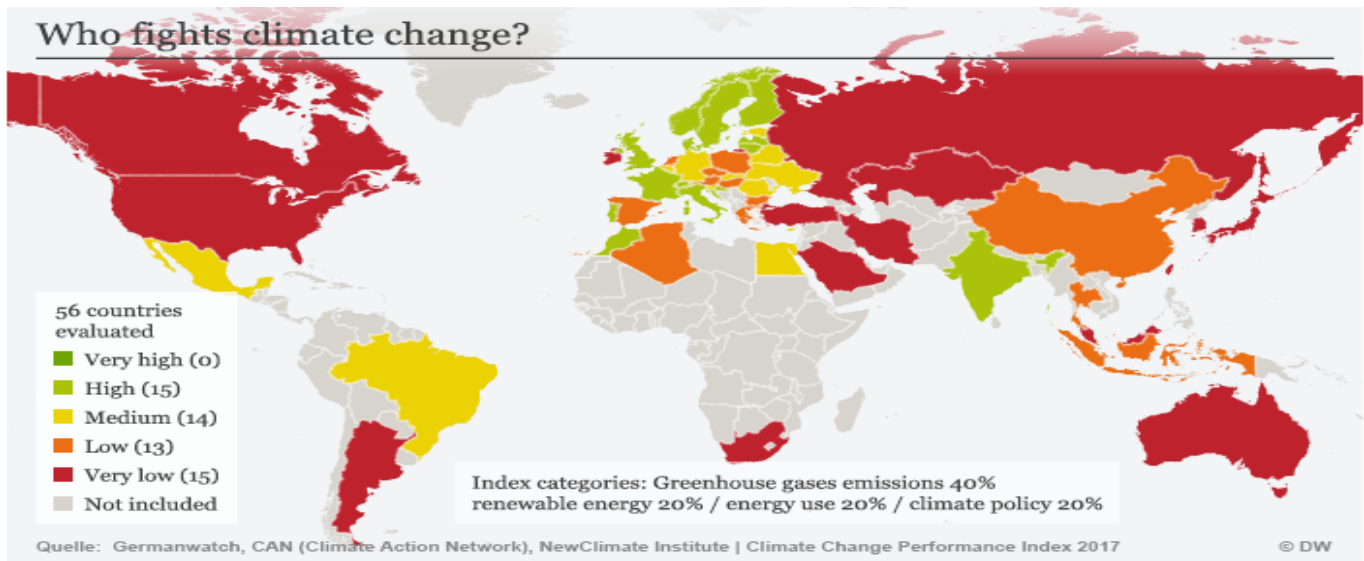


Emissions of carbon dioxide in Ireland from 1990 to 2015 (black line) and projections (dashed blue line) from 2016 to 2035.

The Environmental Protection Agency (EPA) has also recently produced [new figures](#) which show Ireland's emissions have risen **more than 7% in just two years**. The analysis indicates that energy emissions increased by 6% in 2016. The EPA has emphasised that **'We need to adopt a much greater sense of urgency about reducing our dependence on fossil fuels while radically improving energy efficiency'**. Earlier in 2017 the EPA [reported](#) that polluting emissions from Irish companies in the EU Emissions Trading Scheme had increased in 2016. The EPA emphasised that **"We need a stronger incentive to move away from fossil fuel use"**.

¹⁶ Climate Change Advisory Council, 2017 Annual Review Report, Figure 4.4 based on EPA data. http://www.climatecouncil.ie/media/ClimateChangeAdvCouncil_AnnualReview2017FINAL.pdf

In November 2017, the EU's independent advisory body on climate change, the European Environment Agency, produced its [annual overview](#) of emissions reductions. Ireland is the third highest producer of emissions per person in the EU and is one of seven EU Member States which is set to miss its EU 2020 emission reduction targets under the EU Effort Sharing Decision. **Crucially, Ireland is the only one of this group where emissions are predicted to continue to rise.** It is also noted that the state will likely fail to comply with its 2020 commitments even with the use of generous flexibility and accounting procedures and it is stated that Ireland must immediately implement additional measures.



Also in November, Ireland was ranked the worst performing country in Europe for action on climate change. The [Climate Change Performance Index](#), which is produced annually on the basis of joint analysis by two leading European think-tanks, placed Ireland 49th out of 56 countries, a drop of 28 places from last year.

Drilling for fossil fuels also has the potential to **seriously negatively impact marine life in Irish waters** and safeguards to mitigate and address the worst impacts are lacking in Ireland. The Government is failing to take this issue seriously and has not put a National Oil Spill Response Plan in place to address oil spills and impacts to wildlife including seabirds and marine mammals, as well as to habitats. In addition, past ecological impact assessments to support licensing of oil drilling activities have fallen well short of the requirements to adequately assess activities and impacts on marine life.

*Stop Climate Chaos is the civil society coalition campaigning for Ireland to do its fair share to tackle climate change. Our 33 members include overseas aid and development, environmental, youth and faith-based organisations:

Afri, BirdWatch Ireland, Christian Aid Ireland, Comhlámh, Community Work Ireland, Concern Worldwide, Cultivate, Cyclist.ie, Dublin Friends of the Earth, Eco Congregation Ireland, ECO UNESCO, Feasta, Fossil Free TCD, Friends of the Earth, Good Energies Alliance Ireland, Gorta-Self Help Africa, Jesuit Centre for Faith and Justice, Just Forests, Kimmage Development Studies Centre, Latin America Solidarity Centre (LASC), Liberia Solidarity Group, Methodist Church of Ireland – Council of Social Responsibility, Mountmellick Environmental Group, National Youth Council of Ireland, Oxfam Ireland, Peoples Climate Ireland, Presentation Ireland, Tearfund Ireland, Trócaire, An Taisce, VITA, V.O.I.C.E., and Young Friends of the Earth.