



*‘Sheikhs and Oligarchs’
Debunking the myths and media spin on Ireland’s need
for fossil gas*

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In the Dáil and in the media the Taoiseach, Minister Bruton and industry have made a number of claims to try to discredit the Climate Emergency Measures (CEM) Bill and to justify the continued need for oil and gas exploration in Ireland. This brief, prepared by the Stop Climate Chaos coalition provides responses to these myths and media spin.

Myth 1. ‘Enacting this Bill will do nothing to reduce [Irish] carbon emissions’

Reality: The Climate Emergency Measures Bill is part of a worldwide movement to end the exploration for new fossil fuel reserves. This is not a radical idea, it is a basic scientific imperative given the evidence that we need to leave 80% of known fossil fuel reserves in the ground to have any reasonable chance of delivering on the Paris Agreement. These are reserves that are already on the books of State and private companies. If we fail to deliver on the Paris Agreement, we are facing into certain climate breakdown with catastrophic social, economic and environmental impacts.

We can’t afford to burn all of existing reserves, why would we go looking for more?

The Irish Government says it still wants to issue licences for companies to start looking for more oil and gas that will not come on stream until the 2030s. The Government **is either saying it is not serious about implementing the Paris Agreement** to avoid climate chaos, or it is saying that Russia, Saudi Arabia, Venezuela and the US should forgo extracting the oil and gas they have already found so that that Ireland can exploit it’s (supposed) reserves. **The first is immoral, the second is implausible.**

Moreover, **this myth is akin like saying the consumer carbon tax will reduce emissions.** The carbon tax will reduce emissions and advance Ireland’s decarbonisation *only* if the State and policy makers, at the same time, speed up the transition to viable non-fossil fuel alternatives and increased energy efficiency.

Reality: Ireland desperately needs additional incentives to reduce fossil fuel use

- The EPA has repeatedly stated that the State *‘needs stronger incentives to move away from fossil fuel use’*.
- **Research exists which indicates that a more ambitious energy system transition is possible for Ireland**, and that overemphasis on the role of fossil gas in the transition is undermining, rather than supporting, secure energy pathways.¹ **These more ambitious pathways require significantly more political attention and inquiry.**

¹ See, Connolly and Mathiesan (2014) *A technical and Economic Analysis of one potential pathway to 100% renewable energy pathway*; and McMullin, Price, Carton and Anderson, *‘Is Natural Gas Essential for Ireland’s*

- Enacting this Bill will send a clear signal to investors, the research and engineering community, and indeed Government Departments that the Oireachtas is mandating an increase in the speed and scale of the State's phase out of fossil fuels. It will **send a signal** to the international community, and international investors, that **Ireland intends to be a leader in the Green and renewables led Economy.**
- It will **end the gaping contradiction** of asking the public to accept significant increases in the Carbon Tax to support phase out of fossil fuels, while fossil fuel companies are encouraged to keep searching for more.
- An excess of fossil fuels in the global system is one of the greatest inhibitors of climate action. **The Committee on Communications, Climate Action and Environment in 2017, concluded in their report on Detailed Scrutiny of the Bill to ban onshore fracking, 'The committee also feels that further investment in exploitation of fossil fuels would in all likelihood reduce investment in sustainable sources of energy.'**^{12]}
- **Targeting supply-side policies can have multiple benefits.** These include allowing greater emissions reductions at a similar or lower cost to demand-side policies, reducing the risk of carbon lock-in while making it easier for renewable alternatives to compete with fossil fuels, and weakening the *carbon entanglement* that prevents governments from promoting strong, ambitious climate policies. Political advantages include the superior potential to mobilise public support for supply-side policies and the conduciveness of supply-side policies to international policy cooperation.²

Myth 2. New fossil fuel reserves are essential for energy security

Reality: 'We cannot and must not base our future energy security on a possible oil find. This is like playing roulette in the hope of a major oil or gas find as a solution to our energy security concerns. Over the last 40 years we have had just four commercial gas finds and we have had difficulty bring some of these ashore.' (Former Minister for Communications, Climate Action and Environment Denis Naughten in March 2019)

'On energy security, I do not agree, that there is a security argument for pumping more oil offshore. There may be such an argument in the case of gas, but I would want to examine that because I am not sure we can segment the two'. (Professor John Fitzgerald, Chair of the National Climate Change Advisory Council, June 2019)

Depending on additional fossil fuel finds in Irish waters to keep our lights on is very risky for the Irish economy and society because:

- We cannot know if they are there,
- Or if they would ever be commercially viable,
- Or, if they were, whether they would be sold to Ireland. It would be most likely be cheaper, easier and less contentious to ship it to a refinery harbour elsewhere. Imagine the Corrib fiasco (an asset Shell eventually sold at a loss) in today's level of public awareness and concern around climate change.

[Energy Security: a critical response to the Irish Academy of Engineering](#)' (2018), and Glynn, Gardgiulo, Deane, Chiodi (2018) '[Zero carbon energy system pathways for Ireland consistent with the Paris Agreement](#)'.

² The rationale and benefits for targeting supply side policies are outlined in a number of research articles, including Lazarus and van Asselt (2018) 'Fossil fuel supply and climate policy: exploring the road less taken', *Climatic Change*, Vol. 150, pp.1-13, and Green, F. and Denniss, R. (2018) 'Cutting with both arms of the scissors: the economic and political case for restrictive supply-side climate policies', *Climatic change*, 150(1-2), pp. 73-87.

- At this late stage, where we must cut global emissions in half global emissions by 2030 according to the IPCC, opening up new reserves anywhere in the world poses fundamental risks to society and the economy.

Myth 3. Ireland will be paying Saudi Arabian sheikhs and Russian oligarchs more for oil and gas if exploration is not allowed to continue

Reality: This Bill is speeding up the phase out of all fossil fuels, wherever they come from, imported or indigenous.

Oil and gas are internationally traded commodities. There is no shortage of them. Indeed the supply is far greater than what we can afford to burn. Is it more palatable to sell Ireland's supposed assets to Chinese companies and Exxon? (as per most recent license awarded by Minister Canney acting for the Government) Exxon is under official investigation for its role in subverting public information about the impacts of fossil fuels on the climate, and for misleading investors? As we pass the 30th anniversary of Tiananmen Square, it's hard to sustain the case that Chinese owned oil companies are better than Saudi ones!

In response to PQ in May 2018, the then Minister for Communications, Climate Action and Environment stated, *'There is no reason to believe that gas and electricity will not continue to be traded post Brexit'*. The Commissioner on Energy Regulation also stated publicly in March this year that in relation to gas, *even* in the context of a 'no deal' Brexit, the 'European trading platform would continue to operate', 'gas will continue to flow'. In relation to electricity they stated that again, *even* in the context of a 'no deal', 'all island trade will continue', albeit it may be less efficient.³ Ireland is part of an extensive European gas network⁴, and is also endowed with significant indigenous renewable energy sources which have yet to be exploited, as highlighted by the European Commission on numerous occasions.

Myth 4. Using Irish/European gas is more carbon efficient than importing it from afar

Reality: Speeding up the phase out of fossil fuels is far more carbon efficient than opening up new indigenous reserves – and it is essential to avoiding climate breakdown!

This Bill is about **speeding up the phase out of all fossil fuels, wherever they come from.**

The Government is emphasising the need for households to stop investing in fossil fuels to avoid carbon lock in, but spectacularly fails to apply this logic to the debate on this Bill.

'We must discourage new private or public investments being made now which lock us in to high carbon patterns of living.' Richard Bruton, Minister for Communications, Climate Action and Environment, November 2018.

In their calculations on the supposed 'carbon efficiency' of indigenous reserves, the industry and Government have conveniently failed to calculate the likely additional emissions due to 'carbon lock-in' (more fossil fuel emissions, for longer) as a result of new fossil fuel assets.

³ <https://twitter.com/IWEA/status/1105488922698764289>

⁴ <http://ireland2050.ie/questions/where-does-our-gas-supply-come-from/>

The risk of ‘stranded assets’ (where market developments and increasing climate regulation result in fossil fuel assets becoming commercially unviable before the end of their intended life cycle) and their impact on the financial system is a concern that has been emphasised by a wide array of expert financial commentators over recent years, including the Governor of the Bank of England and Chair of the G20 Financial Stability Board Mark Carney, and former Governor of Ireland’s Central Bank, Philip Lane.⁵

Myth 5: Gas is an essential transition fuel, including when the wind doesn’t blow

Reality: There is abundant research to show that gas is not clean, nor cheap and not necessary thus it is a drag on not a support to decarbonisation⁶⁷.

- **There is already enough known gas reserves globally to break the carbon budget for the Paris Agreement.** Even if methane leakage is minimised, switching from coal to gas is not enough to keep us within this emissions budget.
- New fossil gas holds back renewable energy, displacing wind and solar more than coal.
- **Wind and solar are already cheaper to build and operate than coal and gas in most markets.** Cost is clearly not a prohibitive factor to adding renewable generation capacity, whether to replace fossil fuel capacity or to meet rising demand.
- Managing high levels of wind and solar on the grid requires optimizing a wide range of technologies and solutions, including battery storage, demand response, and transmission. There is no reason to favour gas as the primary solution.

Reality: Research exists which indicates that a more ambitious energy system transition, that does not rely on additional or new Natural Gas is possible for Ireland, and that overemphasis on the role of fossil gas in the transition is in fact undermining, rather than supporting, secure energy pathway.⁸ These more ambitious pathways require significantly more political attention and inquiry.

Myth 6: New Oil and Gas finds would be an economic boon for Irish jobs and the economy.

Reality: The safe and smart investment for jobs and the economy is in the speeding up investment in decarbonising the economy and phasing out fossil fuels.

The argument that the State should continue to invest in an indigenous exploration industry for jobs and economic benefits is bizarre. When the entire of the global economy must decarbonise it is beyond question that the smart choice for jobs and economic investment is in the green economy, not the fossil fuel industry which is struggling to accept it is on the way out. Ireland has a small exploration sector comparatively speaking, why would the State

⁵ <https://www.bis.org/review/r151009a.pdf>; [https://www.centralbank.ie/docs/default-source/publications/economic-letters/vol-2019-no-1-climate-change-and-the-irish-financial-system-\(lane\).pdf?sfvrsn=2](https://www.centralbank.ie/docs/default-source/publications/economic-letters/vol-2019-no-1-climate-change-and-the-irish-financial-system-(lane).pdf?sfvrsn=2)

⁶ ‘*Burning the Gas Bridge Fuel Myth; Why Gas is not Clean, cheap or necessary*’. (2019) Oil Change International.

⁷ http://priceofoil.org/content/uploads/2018/07/Ireland-Fossil-Gas-Briefing_final.pdf

⁸ See, Connolly and Mathiesan (2014) *A technical and Economic Analysis of one potential pathway to 100% renewable energy pathway*; and McMullin, Price, Carton and Anderson, ‘*Is Natural Gas Essential for Ireland’s Energy Security; a critical response to the Irish Academy of Engineering*’ (2018), and Glynn, Gardgiulo, Deane, Chiodi (2018) ‘*Zero carbon energy system pathways for Ireland consistent with the Paris Agreement*’.

seek to build it up only to have to wind it down when it could instead build its international reputation as a destination for green technologies and services?

The national 2050 target on the basis of which the industry have calculated supposed jobs and revenue of potential new finds is both out of date and is not at all in line with the Paris Agreement. The Joint Committee on Climate Action adopted a recommendation that Ireland increase its existing 2050 target to net-zero, in line with the latest recommendations on 2050 reductions from the IPCC. This means all the industry's calculations are vastly misleading. This is an international trend, where the fossil fuel industry endeavours to assert its continued value to investors. [Recent analysis](#) from expert financial analysts shows that fossil fuel companies currently are not disclosing anywhere near enough information for investors to weigh up the potential impact of climate change targets and policies on their business.

Reality: Climate change is already costing lives and money at today's level of warming. This is set to increase even if we stay within the Paris Agreement limits. If we continue to bring new fossil fuels on stream we will blow the Paris Agreement out of the water and precipitate climate breakdown with catastrophic human, economic and environmental impacts.

- The EPA acknowledges that **conservative** costs of non-compliance with our 2020 EU greenhouse gas targets in the non-ETS sector are estimated to be **€250 million**. For 2030, this cost is expected to be in a range between **€1 billion and € 2.5 billion**. In 2016, estimates from the Institute of International and European Affairs suggested that in the scenario of no new climate action measures being urgently brought forward, combined 2020 and 2030 non-compliance costs to the Irish taxpayers could exceed €6 billion.⁹ In June 1st, 2019, the EPA projected an increase in Ireland's greenhouse gas emissions for the period 2018-2040, despite the National Mitigation Plan and more recently the National Development Plan.
- In addition to the direct costs to the State of non-compliance with our EU climate targets, there are also the considerable **social, economic and environmental costs of inaction on climate change**.
- According to the Director of Ireland's EPA in late 2018, recent weather events linked to climate change have *“severely tested the resilience of Ireland's infrastructure; economy, healthcare services and people's wellbeing”* (Laura Burke, 2018).

⁹ Curtin (2016) 'How much of Ireland's "fiscal space" will climate inaction consume?' Available at: <http://www.iiea.com/blogosphere/how-much-of-irelands-fiscal-space-will-climate-inaction-consume>. By way of comparison, the cuts in current expenditure during the three years of the Troika bailout (2011, 2012, and 2013) totalled €4.6 billion (See Table 1. here <http://bit.ly/NERI2015>). These figures support earlier figures from 2014. In 2014, the then Department of Environment, Community and Local Government predicted that non-compliance costs with agreed EU 2020 targets could be between €140 million and €600 million (Department of Environment, Community and Local Government (2014) Future Expenditure Risks associated with Climate Change/Climate Finance. Available at: <http://igees.gov.ie/wp-content/uploads/2013/10/FutureExpenditure-Risks-associated-with-Climate-Change-Climate-Finance1.pdf>) This amounts to almost 22% of the projected net fiscal space in 2020, which could otherwise fund improvements in health or education. (See: Department of Finance (2016) Information Note on Fiscal Space 2017 – 2021. Available at <http://www.finance.gov.ie/sites/default/files/Information%20Note%20on%20Fiscal%20Space%202017%20fin.pdf>)

- **Storm Ophelia in 2017 resulted in** 3 deaths in Ireland and almost €70m in damage according to the [Irish Times](#). The flash flooding in **Donegal in 2017 is** estimated to have cost more than €15mn in road repairs alone according to [RTE](#).
- The cost of adapting to climate change impacts in Ireland has been estimated at between
- €80m and €800m annually. Adaptation to these impacts is absolutely essential to protect Irish households, communities and businesses.¹⁰

¹⁰ <http://www.finance.gov.ie/sites/default/files/Information%20Note%20on%20Fiscal%20Space%202017%20fin>. Environmental Protection Agency (2013) Coordination, Communication and Adaptation for Climate Change in Ireland: an integrated Approach (COCOADPT). Available at: https://www.epa.ie/pubs/reports/research/climate/CCRP_30%20COCO%20Adapt.pdf