



Briefing Note July, 2020

Policy Statement on Fracked Gas and Liquefied Natural Gas (LNG)

Programme for Government, 2020

“As Ireland moves towards carbon neutrality, we do not believe that it makes sense to develop LNG gas import terminals importing fracked gas. Accordingly, we shall withdraw the Shannon LNG terminal from the EU Projects of Common Interest list in 2021. We do not support the importation of fracked gas and shall develop a policy statement to establish that approach.”

Background

The Programme for Government includes several commitments relating to fossil gas. We welcome these commitments and look forward to their swift implementation. We believe several regulatory steps are necessary in order to fully implement these commitments. This briefing aims to set out the steps we consider essential and offers some suggested wording of the policy statement against fracked gas imports.

Proposed wording for the 2020 Policy Statement on fracked gas imports

The Irish Government does not support the construction of liquefied natural gas (LNG) import terminals that could facilitate the entry of unconventional natural gas, including gas extracted from hydraulic fracturing processes into the Irish gas grid. Such imports would create an unacceptably high risk of a functional interdependence between the Irish energy system and global temperature increase due to the high levels of non-territorial methane emissions linked to the exploitation of global shale gas resources, which is not in line with Ireland’s commitments under the Paris Agreement. This statement would also bring Ireland’s import policy in line with the national ban on hydraulic fracturing.

As Ireland moves towards carbon neutrality, it does not make sense to develop LNG gas import terminals importing fracked gas. Ireland shall **inform the European Commission that it no longer continues to support LNG terminals on the EU Projects of Common Interest list.**

Ireland will work to support the tightening of the sustainability assessment rules prior to the approval of any projects on the EU PCI list with a goal of ensuring that Irish and EU action to reduce emissions supports emission reductions globally as well as on our own territories. Ireland will insist with the European Institutions that the implications of importing LNG, both conventionally and unconventionally extracted, into the European Union, be examined in terms of a sustainable European Energy Policy, given the expected change in climatic conditions.

The Irish Government will not provide direct state aid either in the form of investment aid or operational aid to projects that include gas extracted by means of hydraulic fracturing as is required when extracting gas from shale, tight sands and coal seams. .

Context

There are proposals to build LNG terminals in Ireland to import fracked gas in LNG form into Ireland. LNG terminals are proposed in the Shannon Estuary (onshore) and the Port of Cork (floating offshore). Additional terminals are under consideration, but formal applications have yet to be lodged.



At this time of global climate crisis, the industry driving fossil fuel extraction, transportation and trade is growing at a pace that has not been matched by appropriate regulation, or environmental and climate assessment across the world. In many cases, the health, environmental and climate impacts of fracking, trading in fracked gas, and LNG infrastructure to support fracked gas are not fully considered in national decision making processes.

Although conventional fossil gas and fracked gas have a similar carbon footprint when consumed, the process of fracking results in significantly higher methane emissions at the extraction phase, and fracking extracts high levels of radioactive material, including Uranium-238, Thorium-232 and Radium-226, as well as lead and other harmful materials, all of which pose a threat to human health and ecological resources.

In recognition of the significant harm that fracking can cause to the environment, people's health and the climate, The Prohibition of Onshore Hydraulic Fracturing Act 2017 made it illegal to undertake fracking within Ireland, and made it unlawful for a person to "to search for, get, raise, take, carry away or work petroleum by means of hydraulic fracturing."

There is currently no policy on the importation of fracked gas into Ireland, and thus no high level assessment or Strategic Environmental Assessment has been carried out on the impact of importing fracked gas or building infrastructure that would support and enable the trade in fracked gas through Ireland. Any company or person seeking to build fracked gas terminals in Ireland (onshore and offshore) can do so with only a local environmental impact assessment. The absence of policy in this area means planning authorities must assess the project simply on its local impact, and do not need to consider national policy as it does not exist.

The Youth Assembly on Climate held in 2019 included the recommendation that 'Ireland wants any transition to clean energy to be a just one that does not exploit communities including those in Pennsylvania and elsewhere.'

The 2020 General Election and the negotiations around the Programme for Government included debate on fracked gas and LNG infrastructure. It was agreed that a Policy Statement would be developed to clarify Ireland's position on these issues.

Existing policy and legislative context:

International and European

The Paris Agreement

Ireland ratified the Paris Agreement of the United Nations Framework Convention on Climate Change. The central aim of the Paris Agreement is to strengthen the global response to the threat of climate change by keeping global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius.

An important element of the Paris Agreement is international co-operation and solidarity. This Agreement for the first time brings all nations into a common cause to undertake ambitious efforts to combat climate change and adapt to its effects, with enhanced support to assist developing countries to do so. As such, it charts a new course in the global climate effort.



The Lisbon Treaty

As established by the Lisbon Treaty, Ireland maintains the sovereign right to determine the conditions for exploiting its energy resources, its choice between different energy sources and the general structure of its energy supply (Articles 192, and 194).

In addition, Article 191 establishes Union policy on the environment to promote measures at the international level to deal with regional or worldwide environmental problems, and in particular, combating climate change.

National

Within national policy and legislation there is no clear policy on the importation of fracked gas. The national position on climate action is clear, and Ireland has consistently maintained an approach that supports domestic, European and international action to prevent climate breakdown.

In May 2019 the Dáil declared a Climate and Biodiversity emergency upon presentation of the Joint Oireachtas Committee on Climate Action's Report '[Climate Change: A cross party consensus for action](#)'. This cross party report established the framework upon which the Climate Action Plan was developed. In the forward, the Chair, Hildegard Naughton stated,

"It is up to Government now to use this bold political mandate to develop an all of Government Action Plan, and to feed into Ireland's National Energy and Climate Plan. The Committee, in turn, has a large body of work to begin to hold the Government and public bodies to account for the delivery of climate actions. "

Energy Security and Sustainability Review (proposed)

The Government will undertake a review of Ireland's energy security and sustainability in the context of Ireland's commitments under the Paris Agreement, the EU 2030 targets and the ambition to be net zero by 2050.

Any plans, programmes or projects that result from the Energy Security Review should be required to undertake a 'climate assessment' to ensure the full life of emissions along the supply chain is considered, and for the projected economic lifespan of the project.

The Climate Action Plan (2019 Plan to tackle Climate Breakdown)

There is no reference to LNG or fracked gas imports in this plan.

The White Paper, 2015 'Ireland's Transition to a Low Carbon Energy Future, 2015-2030'

The current White Paper on Energy expresses no position in relation to the importation of fracked gas. However in a number of areas it explicitly supports LNG and the development of LNG infrastructure, including storage.

The Petroleum and Other Minerals Development (Prohibition of Onshore Hydraulic Fracturing) Act 2017

In recognition of the significant harm that fracking can cause to the environment, people's health and the climate, The Prohibition of Onshore Hydraulic Fracturing Act 2017 made it illegal to undertake fracking within Ireland, and made it unlawful for a



person to “to search for, get, raise, take, carry away or work petroleum by means of hydraulic fracturing.”

However, no position on importing fracked gas is provided, nor is any position on building infrastructure which could be used for the purpose of importing fracked gas.

Regulatory proposals for the implementation of this Policy Statement

An amendment to the Petroleum and Other Minerals Development (Prohibition of Onshore Hydraulic Fracturing) Act 2017

An amendment to this Act could be introduced to include a prohibition on the construction of new infrastructure in the form of terminals (onshore or floating offshore) which could be used for the purpose of storing or importing liquefied natural gas extracted by means of hydraulic fracturing outside of Ireland.

An Amendment to the Planning and Development Act 2000

This Act forms the foundations for planning on land in Ireland. Local Authorities and An Bord Pleanála must give due regard to this Act in decisions on development consent. This Act could be amended to reflect the Government’s policy against importing fracked gas by including a prohibition on the approval of facilities for the storage or importation of liquefied natural gas extracted by means of hydraulic fracturing.

The National Marine Planning Framework, and amendment to the Marine Planning and Development Management Bill (or its successor)

Section 8 of the current draft National Marine Planning Framework describes gas storage in the marine environment, and references the Shannon LNG project. This should be amended in the final publication to reflect the Government’s policy not to support the importation of fracked gas, and hence would not support the construction of terminals to store or import gas that has been extracted by means of hydraulic fracturing.

A provision should be included within the Marine Planning and Development Management Bill which would prevent the construction of terminals (floating or fixed) which could be used for the purpose of transporting or carrying liquefied natural gas extracted by means of hydraulic fracturing.

Climate Action Amendment Bill

A commitment has been made to introduce the Climate Action Amendment Bill within the first 100 days of the current Irish Government. The heads of Bill currently under discussion include targets for emissions reductions, 5 year carbon budgets and the establishment of an advisory body. These elements are all very welcome.

In addition the legislation would benefit from the introduction of climate assessment of all plans, programmes and projects that include an assessment of the full life cycle of emissions along the supply chain to ensure that Ireland does not inadvertently contribute to increasing demand for high emissions products globally, such as with fracked gas.

This Bill should also include consideration of how the state agencies are contributing to Ireland’s climate objectives, specifically the Electricity Supply Board, the Commission for the Regulation of Utilities, and Gas Networks Ireland. The mandates of these organisations should be updated to reflect the current Government’s position on responding to the climate



crisis. This could include a statement to reflect the Governments position on importing fracked gas.

For example, the CRU should be required to assess and report on the risk of carbon lock-in and stranded assets, particularly in the context of the gas distribution network which is projected to see significantly less throughput from 2030 due to improved domestic energy efficiency and electrification of heat.

The CRU should examine whether it is appropriate to allow remuneration for fossil gas-related assets, which must be significantly decreased over the next three decades and whose security of supply benefits may be partially or substantially replaced by other technologies. The CRU should plan for a long-term phase-out of fossil gas and write-down of appropriate elements of gas network assets, as is currently being undertaken by Ofgem (UK), as well as by the California Public Utilities Commission (USA). In reaching a decision on whether additional gas infrastructure should continue to be underwritten by gas consumers as part of GNI's next price control in 2022, it is essential that associated costs and risks for both energy security and decarbonisation are fully considered and consulted upon at the earliest stage.

State owned lands and territories

The Irish state owns land which is currently under consideration for LNG infrastructure, such as the Port of Cork (floating LNG terminal proposed). State lands should no longer be available for the development of facilities that could import fracked gas.

A Statement on subsidies

The Government should conduct a review of subsidies to the fossil fuel industry as part of the 'Energy security and sustainability review' to be undertaken in 2020.

The Government should set out policies, measures and clear timelines to phase out all direct and indirect fossil fuels subsidies which are currently in the region of €2.4billion annually. The Department of Finance and the Department of Public Expenditure should also carry out an analysis of fossil fuel subsidies in order to inform further revisions to the Climate Action Plan. These Departments and the Central Statistics Office should also ensure all direct and indirect financial flows to Gas Networks Ireland (GNI) and the Electricity Supply Board (ESB), including relevant regulatory incentives, revenues and market-based supports, are taken into account in their respective analyses. Annual reports on the levels of such subsidies and supports should also be produced, including who pays for these subsidies (e.g. general taxation, Public Service Obligation (PSO) levy etc)

Global ban on fracking

Ireland should work towards a **global ban on fracking** and support the tightening of the sustainability assessment rules prior to the approval of any projects on the EU PCI list with a goal of ensuring that Irish and EU action to reduce emissions supports emission reductions globally as well as in our own territories. Ireland will insist with the European Institutions that the implications of importing LNG, both conventionally and unconventionally extracted, into the European Union, be examined in terms of a sustainable European Energy Policy, given the expected change in climatic conditions.



Remove Shannon LNG from the PCI List and introduce rigorous climate impact assessment for all future projects on the PCI list. Use Irish influence at European Level to ensure strict sustainability and climate impact assessments are undertaken for all PCI projects.

The Gas Networks Ireland Ten Year Network Development Plan (TYNDP) shall be subjected to a full Strategic Environmental Assessment (SEA) before final adoption.

Similar Policy Statements include

Policy Statement [Petroleum Exploration and Production Activities](#) (2019)

Policy Statement on [the Strategic Importance of Transmission and Other Energy Infrastructure](#) (2012)

[Biofuels Obligation Scheme](#) Policy Statement (2018)

National Policy Position [Climate Action and Low Carbon Development](#) (2013)

This policy briefing has been co-created by the following organisations:

