



Wholesale Electricity and Gas Policy Division,  
Department of Environment, Climate and Communications,  
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28<sup>th</sup> October 2022

REF: Review of the Security of Energy Supply of Ireland's Electricity and Natural Gas Systems Consultation

To whom it may concern,

On behalf of the EnerGeo Alliance, this consultation response has been prepared in order to highlight our views in relation to the Review of the Security of Energy Supply of Ireland's Electricity and Natural Gas Systems.

### About the EnerGeo Alliance

Founded in 1971, the EnerGeo Alliance (previously the International Association of Geophysical Contractors - IAGC) is the global trade association for the energy geoscience industry, the intersection where earth science and energy meet. Providing solutions to revolutionize the energy evolution, the EnerGeo Alliance and its member companies span more than 50 countries, representing onshore and offshore survey operators and acquisition companies, energy data and processing providers, energy companies, equipment and software manufacturers, industry suppliers, service providers, and consultancies. Together, our member companies are the gateway to the safe discovery, development, and delivery of mainstay sources of energy, alternative energy, and low-carbon energy solutions that meet our growing world's needs.

Through reliable science- and data-based regulatory advocacy, credible resources and expertise, and future-focused leadership, the EnerGeo Alliance continuously works to develop and promote informed government policies that advance responsible energy exploration, production, and operations. As the global energy demand evolves, we believe that all policymakers and energy companies, providing mainstay, alternative, and low-carbon

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solutions, – should have access to reliable data and analysis to support their forward moving efforts.

## Background Summary

The work of member companies of the EnerGeo Alliance encompasses services of relevance to wide-ranging activities related to unlocking the potential of energy systems globally. By determining geological features below the sea floor, marine geoscience surveys are a vital part of exploring for Oil & Gas as well as the development of low carbon energies and climate mitigation technologies such as carbon storage. Member companies have invested billions of pounds in the acquisition of data, as well as in the development of technologies to improve data quality and the efficiency of surveys. The continued work of member companies remains crucial to both the security of supply within the energy sector, as well as in working toward Ireland's policy commitments of net zero through facilitating low carbon technologies. The surveys undertaken by members provide critical data for understanding and de-risking the subsurface, whether for identifying hydrocarbon resources, identifying and monitoring carbon storage locations, or planning for the safe location of critical infrastructure from wind turbine generators (WTGs) to cables and pipelines.

Member companies have been active in undertaking marine geoscience surveys offshore Ireland for many years, and have made significant investments focused on hydrocarbon exploration, with potential further uses in assessing carbon storage potential. Since ~2014 exploration investment and activity increased significantly, stimulated by the 2015 licensing round, with members investing in excess of \$100 million in acquiring modern 2D and 3D seismic data offshore Ireland, with that survey coverage highlighted in Annex 1.

## Policy Changes in Ireland

Since the then Taoiseach Leo Varadkar announced the cessation of oil exploration in September 2019<sup>1</sup>, there has been significant uncertainty for industry. In December 2019<sup>2</sup>, Minister Seán Canney issued a policy statement to confirm that exploration would continue for natural gas, which was highlighted as being a transition fuel with a key role to play in decarbonising Ireland's energy supply, noting both economic and environmental benefits to utilising an indigenous supply over imported sources of natural gas. This was then superseded in June 2020 by a commitment to "end the issue of new licenses for the exploration and extraction of gas, on the same basis as the recent decision in relation to oil exploration and extraction", made within the Programme for Government<sup>3</sup>. We note that this was formalised within a policy statement issued in August 2022<sup>4</sup>. We have, at all stages, written to highlight our concerns regarding the impact upon the energy geoscience industry and the investments that have been made offshore Ireland.

## Energy Security

With the exception of the latest policy statement, we note that the decisions made in relation to licensing for oil and gas exploration and production had been taken largely prior to the global pandemic, and prior to the conflict in Ukraine which has resulted in significant supply issues and volatility in the energy markets. The decisions have been made against repeated warnings about the reliance of Ireland upon hydrocarbons, and the high level of import dependency which is higher than the European average<sup>5</sup>. The Sustainable Energy Authority of Ireland (SEAI) have highlighted that natural gas represented 31% of Ireland's primary energy needs in 2018, with a declining percentage of domestic supply due to the end of production from the Kinsale field and declining production from the Corrib field<sup>5</sup>. There has also been increasing demand, leading to increases in gas imports, primarily via the UK. The importance of energy diversification is well understood, and the evolution toward alternative energy sources is a necessary step to achieve diversification and security.

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<sup>1</sup> Oil exploration to end but not gas, confirms Taoiseach: <https://greennews.ie/oil-exploration-to-end-in-ireland-confirms-taoiseach/>

<sup>2</sup> Policy Statement - Petroleum Exploration and Production Activities as part of Ireland's Transition to a Low Carbon Economy: <https://www.gov.ie/en/publication/c05aa-policy-statement-petroleum-exploration-and-production-activities-as-part-of-irelands-transition-to-a-low-carbon-economy/>

<sup>3</sup> Programme for Government: Our Shared Future: [https://www.greenparty.ie/sites/default/files/2022-06/ProgrammeforGovernment\\_June2020\\_Final\\_accessible.pdf](https://www.greenparty.ie/sites/default/files/2022-06/ProgrammeforGovernment_June2020_Final_accessible.pdf)

<sup>4</sup> Policy Statement on Petroleum Exploration and Production in Ireland: <https://www.gov.ie/en/publication/3bc9f-policy-statement-on-petroleum-exploration-and-production-in-ireland/>

<sup>5</sup> Energy Security in Ireland, 2020 Report: <https://www.seai.ie/publications/Energy-Security-in-Ireland-2020-.pdf>

However, as has been highlighted in the recent Technical Analysis<sup>6</sup>, increasing reliance on alternative sources necessitates back-up sources such as thermal power generation using low-carbon sources such as natural gas in order to cover periods of low wind generation. This serves to highlight the complementarity of energy sources going forward and the need to ensure secure supplies across energy types, including hydrocarbons.

Energy security and the importance of continued hydrocarbon exploration and production as part of the energy evolution has been at the heart of recent policy announcements made by neighbouring jurisdictions including the United Kingdom<sup>7</sup> and Norway<sup>8</sup>, in part responding to the unprecedented impact on energy markets resulting from the geopolitical situation caused by the conflict in Ukraine and desire for countries to work toward reducing the reliance on hydrocarbons from Russia. In addition to working toward greater security of supply through reduced import dependency, the importance of domestic production is highlighted in terms of the carbon intensity, which can be controlled within a strong domestic regulatory framework through, for example, measures to control levels of flaring and venting. This ensures that produced hydrocarbons are of the lowest carbon intensity possible, therefore lowering the carbon footprint of produced hydrocarbons when compared with imports from countries which may not have such effective controls. We have highlighted this in previous correspondence with the Department of Communications, Climate Action and Environment (DCCAE).

The recent Technical Analysis falls short on an adequate assessment of the potential role for indigenous natural gas production. The prospectivity of the Irish offshore has been the subject of significant research and speculation, but always held promise while being significantly underexplored when compared to neighbouring jurisdictions, as noted by the DCCAE<sup>9</sup>. The reluctance of the DCCAE to consider all avenues related to energy security is counter-productive, exposing Ireland to greater risks from import dependency and likely to further impact the climate goals of Ireland more so than the orderly development of near-

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<sup>6</sup> Technical Analysis of the Security of Energy Supply of Ireland's Electricity and Natural Gas Systems: <https://assets.gov.ie/234683/25c90fdf-b8af-4d7c-95b4-eebd04e0c905.pdf>

<sup>7</sup> British Energy Security Strategy: <https://www.gov.uk/government/publications/british-energy-security-strategy/british-energy-security-strategy>

<sup>8</sup> How today's energy reality informs tomorrow's policy: [https://www.regjeringen.no/en/aktuelt/energy-transition-outlook/id2935630/?utm\\_source=regjeringen.no&utm\\_medium=email&utm\\_campaign=nyhetsvarsel20221017](https://www.regjeringen.no/en/aktuelt/energy-transition-outlook/id2935630/?utm_source=regjeringen.no&utm_medium=email&utm_campaign=nyhetsvarsel20221017)

<sup>9</sup> History of Oil & Gas (Exploration & Production) in Ireland: <https://www.dccae.ie/en-ie/natural-resources/topics/Oil-Gas-Exploration-Production/exploration-and-production/Pages/Exploration-and-Production.aspx>

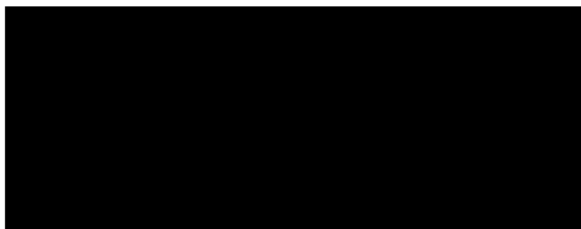
field resources, with a view to sectoral decarbonisation through energy integration, carbon storage and the management of good oilfield practices<sup>10,11</sup>.

## Summary

We believe that the Technical Assessment of the Security of Energy Supply of Ireland's Electricity and Natural Gas systems has inadequately assessed the risks, and in particular the potential mitigation and wider benefits to the economy that could be realised through support for indigenous supply of hydrocarbons. The Irish Offshore Operators Association has, in detail, demonstrated the benefits of indigenous exploration and production in their 2019 report<sup>12</sup>. The data acquired and provided by members of the EnerGeo Alliance underpin that exploration potential, as well as developing activities associated with alternative energies responsive to policies aimed at climate mitigation solutions. We urge the DCCAE to work with industry to fully understand the role of indigenous hydrocarbons in an orderly evolution that enhances energy security that can deliver on relevant climate policy goals.

For further information, or clarification regarding any aspect of our response, please don't hesitate to contact me.

Sincerely,



Vice President, Global Policy and Government Affairs

Email: 

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<sup>10</sup> Energy Integration: <https://www.nstauthority.co.uk/the-move-to-net-zero/energy-integration/>

<sup>11</sup> Flaring and Venting Guidance: [https://www.nstauthority.co.uk/media/7647/flaring-and-venting-guidance\\_june-2021-final.pdf](https://www.nstauthority.co.uk/media/7647/flaring-and-venting-guidance_june-2021-final.pdf)

<sup>12</sup> Value of the Indigenous Oil and Gas Industry to Ireland: [https://iooa.ie/wp-content/uploads/2019/01/IOOA\\_report\\_web.pdf](https://iooa.ie/wp-content/uploads/2019/01/IOOA_report_web.pdf)

## Annex 1 – Geoscience survey coverage since 2014

