



Limerick Chamber Submission on the
Review of the Security of Energy Supply of
Ireland's Electricity and Natural Gas
Systems



**Limerick
Chamber**
Advancing business together

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Contents

1. Introduction
2. The Role of Renewables
3. How Europe is Battling the Crisis
4. Mitigations Options in the Review
5. European Policy on Liquefied Natural Gas
6. Reviews Going Forward
7. Conclusion
8. Q&A





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Introduction

Limerick Chamber would like to thank the Department of Environment, Climate and Communications for the opportunity to submit our member's views on the Review of the Security of Energy Supply of Ireland's Electricity and Natural Gas Systems. Limerick Chamber is the largest business representation organisation in the Mid-West with over 400 members representing c. 50,000 employees.

Limerick Chamber has long been an advocate for Ireland's potential in renewable energy, especially through leveraging the floating offshore renewable energy (ORE) potential of the west coast of Ireland and will remain so in the future. We welcome the advertisement for the Chair, Board Members and Chief Executive Officer of the Maritime Area Regulatory Authority (MARA) – this is a very positive step.

Many of our members are dealing with soaring costs across their business, in particular, energy costs. Not only do our members have to contend with increased energy prices into the coming winter, they also have the added worry of lack of supply of adequate energy and the increased drive to shift energy use outside peak hours as proposed by the Commission for Regulation of Utilities (CRU) – for many businesses this is not possible.

That is why we welcome this security review and the timing therein.

While we welcome the Government's drive and ambition to make Ireland a net exporter of energy due to our strategic capability to leverage ORE, there is a gap in the middle of this timeline where it is unclear how we are going to support the energy requirements of the nation. It appears from the review document that our reliance on gas is going to continue into the future as we move away from higher emission fuel sources. The Corrib field, due to its finite supply, will dwindle and our reliance on a single point of gas importation, Moffat in Scotland, will increase from 75% currently, to 90% by 2030. This is quite the risk. Diversity in supply, in the interim of massively generating from renewables, is the key to energy security of the nation.

We welcome the added diversity of supply that the Celtic Interconnector could potentially bring, and it is positive to see granting of permission and obtaining the foreshore licence of the project. We note that the project is due to be operational by 2026 and we welcome this advancement. Hopefully this will provide the diversity of supply required to ensure energy security. However, it is likely still exposed to some risks that our existing renewables sector is i.e. due to its variable nature and days with low wind energy yield.

While we acknowledge the serious impact Russia's invasion of Ukraine has had on the energy markets the issue with supply and demand is not new for Ireland. [As far back as 2017](#), EirGrid had been highlighting the discrepancy in predicted supply and demand. As of August 2022, EirGrid had sounded the alarm (system and amber alerts) between supply and demand [eight times](#) since the start of 2022 – in the preceding five years EirGrid sounded that alarm just 10 times (Once in 2017, three times in 2020 and six times in 2021). In 2021 there was commentary in the media from Ministers forecasting that future winters will be "difficult" given the demand of energy. However, this has been mitigated, somewhat, by the repair of two power plants. In October 2022, in The Sunday Business Post, Eirgrid warned that the gap between supply and demand is likely to get worse and the country faces a high risk of blackouts in the coming winter. It is not appropriate for a nation with the economic and political standing of Ireland that potential blackouts and "difficult" winters become common as we move forward.

Combined with this, there has been [recent reports in the media](#) that soaring inflation now threatens the delivery of vital gas-fired power plants.

The current energy landscape in Ireland does not provide certainty for businesses or households. Ireland needs to remain nimble and agile to remain competitive in this globalised world. Rolling conversations cropping up each Autumn and Winter focusing on potential blackouts and supply issues is not cohesive to a competitive economy. That is why there needs to be a large effort in securing our energy security going forward through multiple sources. Limerick Chamber has made several recommendations as a response to this consultation. However, the focus of the long-term strategy must remain on building up Ireland's capability in offshore wind through an appropriate industrialisation, skills, manufacturing, and regulatory bases. However, in the short to medium term, there are other avenues that are viable in an Irish context.

The Role of Renewables

Limerick Chamber would like to take this opportunity to highlight some of the core elements needed to make renewables and in particular offshore renewable energy (ORE) a success in Ireland, which is key to achieving long-term energy security. Limerick Chamber has long advocated for ORE and appropriate investment and regulatory environments and will continue to do so given its positive climate, societal and economic benefit.

The Maritime Area Regulatory Authority (MARA)

MARA will play a central part to the success of Ireland's renewable energy efforts. The current system has led to many delays, with the lack of clarity around the regulatory environment causing large scale energy companies to withdraw from deals amid uncertainty. In November 2021, Equinor withdrew from a €2 billion project on the Shannon Estuary and more recently, Shell withdrew from its plans to develop projects off Cork and Clare coasts.

Previously, outdated laws and regulations accompanied with inadequate staffing resources led to the holding up of projects. The current barrier to tapping into the renewable resources available to Ireland is the delays in finalising the new regulatory requirements and setting up the state agency MARA. However, we welcome the news that MARA will be operational in Q1 2023 – with vacancies currently being advertised for the board and CEO. With more players expected to enter the market, establishing the state body and adequately staffing it must be fast tracked. Failure to do so will likely see a similar outcome to that of the projects in Clare, Limerick and Cork. Getting MARA established and staffed will be key in the success of ORE in Ireland.

Skills Assessment

The employment opportunities, both direct through future large scale energy projects and indirectly via the formation of clusters and spin-offs, will be highly beneficial to the region in which any future development takes place.

Limerick Chamber recommends that a skills demand assessment be undertaken on a sectoral basis to understand the skills that will be required in the future. It is important that the outcome of this skills review implements educational pathways in Ireland to create a home-grown workforce in the sector but in the absence of a home-grown workforce it needs to outline how we propose to attract these workers from abroad in the interim. ORE investment in a region would require a range of skills, from marine construction to engineers and environmental consultants, boat operators etc.

The Mid-West region is home to three Higher Level Institutes (HEIs), producing a growing number of skilled graduates each year. While degrees and courses in the renewable sector have become more common over the last few years, it would be wise for the Government to liaise with industry to understand how Ireland can begin to build upon the skills base.

Grid Investment

ORE is one of Ireland's greatest economic and societal opportunities. Potentially yielding up to 85GW of renewable energy. The opportunity that exists has already proved to attract some large-scale investors, however, as highlighted above, regulatory issues have reportedly caused large-scale investors to withdraw.

One of the main barriers to tapping into the potential 85GW is the lack of appropriate grid infrastructure on the west of Ireland to transport the energy on to the national grid. Current plans by the Government target 7GW of offshore wind on the east coast by 2030 given that the grid infrastructure is already in place / more advanced there. As part of Eirgrid' Shaping Our Electricity Future there are [too few plans](#) to update grid infrastructure in both the Mid-West and West of Ireland with much of the improvements focused on the east coast. Delaying the process of delivering grid infrastructure to the region will only push Ireland further down the line in the race to become an industry leader in renewable energy. As a matter of fortifying our long-term energy security, and potentially becoming a net exporter, Limerick Chamber recommends beginning investment in the necessary grid infrastructure as a matter of priority. Waiting to 2030 or beyond to begin planning such a crucial piece of infrastructure will be detrimental for both our economy, and for our long-term energy security.

West Coast / Shannon Estuary

The West Coast has up to 85GW of renewable energy available, multiples of what we need as a country. This opportunity that the west coast offers through renewable energy generation is a potential way of diversifying the Irish states income but also making our energy pipeline more secure while creating a greener economy.

The Shannon Estuary has depths of up to 32m and a handling capacity for large vessels of up to 200,000 deadweight tonnes. It is among the deepest ports in Europe – providing Shannon Foynes Port Company (SFPC), Ireland's largest dry bulk port operator, with a natural advantage and opportunity to capture the potential off its coast. Plans have already been put in place between SFPC and Norwegian Offshore Wind to transform the Shannon Estuary into an international floating offshore wind hub. This development highlights the intention of SFPC to tap into the potential of the Shannon Estuary, with the signed Memorandum of Understanding laying the foundations for cross collaboration between the 2 organisations. Research, development, and innovation (RDI) along with laying the groundwork for future market activities in both the Irish and Norwegian offshore wind markets highlight the intent from Shannon Foynes to play a leading role in the ORE industry.

The intent of industry leaders in renewable energy needs to be met with the same urgency and vigour at Government level.

Industrial and Manufacturing Policy

To take full advantage of Ireland's renewable power there needs to be an appropriate industrial and manufacturing base in place that is forward planning around many issues, including; how we are going to build floating offshore wind turbines? What is the port's capacity around this sector? How are we going to source the materials required? Is the transport infrastructure adequate? Is the supply chain and Ireland's connectedness adequate for importing of items that cannot be produced domestically? These are just some of the questions that must be considered in light of the drive to make Ireland an energy exporter. These points should form the basis of a new industrial and manufacturing policy aimed at supporting the sector. Ideally, when it comes to establishing industrial and manufacturing bases the Irish state would own or heavily input to these locations and clusters, rather than just being a location for others. There is the added value from investment in ORE and Liquefied Natural Gas that it could allow Ireland to become a centre of excellence for energy research, providing positive research, development and innovation (RDI) spill over effects to the rest of the country through a network of world class educational institutions – this must also come to the fore when designing industrial and manufacturing policy.

How Europe is Battling the Crisis

Table 2. (in the main consultation document) displays a comparison of gas supply sources across six North-West European countries gives a detailed, and stark, overview of Ireland's energy security when compared to other nations. From the information provided, Ireland is the only country surveyed that does not have gas storage capabilities and access to Liquefied Natural Gas imports.

The Netherlands

Some of the countries listed have recently invested or expanded their Liquefied Natural Gas facilities, for example The Netherlands. Their 2nd Liquefied Natural Gas terminal, at the Dutch port of Eemshaven, began operating in September 2022, after beginning the project in April 2022. The Czech Republic is also reliant on this Liquefied Natural Gas terminal as countries across Europe begin to wind down its reliance on Russian gas imports.

Germany

Germany has also recently announced a new Liquefied Natural Gas terminal in September of this year, their 5th in total. Similar to The Netherlands, reducing and ceasing the use of Russian imported gas is the leading ambition of these LNG facilities. It was noted by the German Government that their Floating Storage and Regasification Units (FRSUs) can cover around one third of their annual gas demand ([based on 2021 usage](#)). In May 2022, the Bundestag [passed](#) the LNG Acceleration Act (LNGG) which intended to simplify the licensing procedures for Liquefied Natural Gas terminals and associated facilities and the procurement law for LNG projects.

Mitigation Options in the Review

Limerick Chamber welcomes the vast overview of potential mitigation options included as part of the consultation document as well as their potential supply impact, feasibility of implementation and consistency with the Climate Action Plan. From the technical analysis report, it appears that most short-listed options except for demand management and increased secondary fuel at gas powered stations are not implementable by 2025 with more being available closer to 2030 and beyond. However, we understand the Shannon Liquefied Natural Gas project could be delivered by 2025 (as outlined in Appendix B: Long-List Mitigation Options) at no cost to the exchequer. From the analysis, this appears to be one of the shorter-term projects that could positively influence energy security.

We note that the introduction of a commercial Liquefied Natural Gas terminal could result in the importation of fracked gas into Ireland. However, while the ambition of not importing fracked gas is admirable, in September 2022 the UK government announced that it had lifted the moratorium on fracking. Furthermore, the UK imports c. 50% of their gas from international sources, therefore providing no guarantee that our continued reliance on the UK would result in non-fracked gas. It is extremely difficult in practice to isolate fracked gas in global supply chains when Ireland is at the mercy of other nations that utilise fracked gas. Therefore, it is prudent to utilise a floating Liquefied Natural Gas terminal in Ireland and its storage capabilities as many other European countries are already doing. From a security perspective, it would be a sensible approach by the State to take some stake in any LNG plans or else develop projects completely within state control. This would reduce the reliance on a full privately owned enterprise and give the strategy a more community and greater good, focused ethos. However, given the scale of the requirement, the short timelines and funding requirement it may not be feasible for the State to develop LNG facilities. However, this should not deter the advancement of LNG in Ireland. In an Irish context, there is also a possibility for the LNG terminals to act as an entrance point to the grid for future offshore renewable projects – with infrastructure already being in place before the offshore projects are complete.

It is also important to note, depending on providers, that discussions could take place around the potential to be a hydrogen-ready plant – which will reduce the reliance on gas once hydrogen becomes commonplace. The consideration of hydrogen as a future source of energy is important considering viable medium to long term energy solutions that can complement renewables.

As outlined in the technical analysis document that the Office of the Attorney General concluded in 2021 that it is not possible for Ireland, under European Treaties or EU Directives, to ban the import of fracked gas into Ireland.

We commend the analysis undertaken in the technical report by examining the feasibility of using the, now decommissioned, Kinsale gas field as potential storage facility. While additional storage options would be most welcome, there is the question of value for money with a potential up front capital cost of c. €350 million and an ongoing operational cost of €8 million. There is the further consideration that underground storage facilities are limited in how long gas can be stored before it has to be withdrawn and as such geology will determine the length of time. However, in terms of a security point of view, it might be a small price to pay.

The potential use of a biomass plant is an interesting option, especially when considering the cost savings introducing by recommissioning a coal plant - the technical reports estimates this at c. €200 million. This is especially interesting considering the SEAI estimates biomass resources to grow out to 2030.

However, there is added flexibility that comes with a Floating Storage Regasification Unit (FRSU) and an LNG jetty by both being capable of storage and adding supply to the system. Additionally, there also plans in place for LNG which means it might become operational quicker.

European Policy on Liquefied Natural Gas

In recent years, the European Union, through various policy documents, have outlined the positive uplift that Liquefied Natural Gas can bring from an energy supply and security perspective and has taken a proactive approach in expanding and engendering Europe's access to this market – something Ireland has yet to do.

The Energy Union Strategy (2015)

[The Energy Union Strategy](#) aims at building an energy union that gives EU consumers, households and business, secure, sustainable, competitive and affordable energy. The Energy Union Strategy highlighted the benefit of establishing liquid gas infrastructure **“hubs with multiple suppliers are greatly enhancing supply security. This example should be followed in Central and Eastern Europe, and in the Mediterranean area, where a Mediterranean gas hub is in the making.”** The strategy gave the commitment to preparing a comprehensive strategy for Liquefied Natural Gas and its storage – which the EU produced in 2016.

EU Liquefied Natural Gas and Gas Storage Strategy (2016)

This [strategy](#) outlines that **“Diversification of supply sources is therefore paramount both for energy security as well as for competitiveness. Ensuring that all Member States have access to liquid gas markets is a key objective of the EU's Energy Union.”** To date, Ireland has no access to liquid gas markets due to its lack of infrastructure and political desire. The strategy further highlights that **“the countries in western Europe that have access to LNG import terminals and liquid gas markets are far more resilient to possible supply interruptions than those that are dependent on a single gas supplier”**. Ireland is predominantly reliant on two sources for gas, the UK and the Corrib field - however, reliance on the UK will only increase (from 75% to 90% of gas consumption) as the Corrib field decreases. The strategy also highlights that in order to improve the access of all member states to liquefied natural gas and storage as an alternative source of the gas, the EU needs to: build the necessary infrastructure, complete the internal gas market, use storage facilities more efficiently and work closely with international partners. To date Ireland has not built the necessary infrastructure, nor does it have gas storage facilities let alone use them more efficiently.

European Union – United States Joint Statement (2018)

In a [joint statement](#) in Washington D.C, then president of the European Commission, Jean Claude Juncker and then President of the United States Donald Trump, agreed to strengthen EU - U.S. strategic cooperation with respect to energy, outlining that the European Union would import more liquefied natural gas from the United States to **“diversify and render its energy supply more secure”**.

During the joint press release the then Commissioner for Climate Action and Energy, Miguel Arias Cañete further highlighted Europe's support for increasing diversification through the importing of Liquefied Natural Gas **“Diversification is an important element for ensuring the security of gas supply in the EU. Increasing imports of competitively priced liquefied natural gas from the U.S. is therefore to be welcomed. This is happening at a time when EU indigenous gas production is declining more rapidly than foreseen and there is an accelerated phase-out of coal power plants in the EU.”**

Within the press release it was outlined that the EU had co-financed or committed to co-financing liquefied natural gas projects worth over €638 million and supporting 14 liquefied natural gas infrastructure projects.

Since this meeting between both presidents in 2018, U.S liquefied natural gas exports to Europe increased by [2,418%](#).

Fourth Report on the State of the Energy Union (2019)

The [fourth state of the European Energy Union](#) boasts an impressive update since the publication of the 2016 strategy highlighting that **“The European Commission has followed up on its strategy of 2016 to ensure that the EU becomes an even more attractive destination for global liquefied natural gas (LNG) supply, helping it to play a crucial part in our diversification efforts. The EU is pursuing close exchanges on all energy policy issues with our major partners, and in particular the United States; both the United States and the EU have taken concrete steps to increase imports of competitively priced United States LNG to the EU. Since the meeting between President Juncker and President Trump of July, the LNG trade relation has intensified, with a total of almost 9 billion cubic metres as of end of March 2019”**

The EU Liquefied Natural Gas and Gas Storage Strategy attempts to ensure diversity especially through a number of suppliers. The fourth state of the union report further highlights the security issues that Ireland has through one supplier and one dwindling source of indigenous gas production (albeit counted as diverse supply for now) **“all Member States but one have access to two independent sources of gas, and if all ongoing projects are implemented on schedule, all Member States except for Malta and Cyprus will have access to three sources of gas by 2022, and 23 Member States will have access to the global liquefied natural gas market.”** To date, Ireland does not have access to three sources of gas, furthermore it also does not have access to the global liquefied natural gas market. The report also highlighted the issues with not maintaining the necessary commitments and the issue with delays **“If the necessary commitment is maintained, and there are no delays in implementing key projects, Europe should achieve a well-interconnected and fully shock-resilient gas grid by 2020 or shortly thereafter.”** Of course, the report could not have foreseen the scale of the impact brought by the pandemic. However, as we have seen in recent months Europe is not fully shock-resilient to the gas markets.

Fifth Report on the State of the Energy Union (2020)

In 2020, the European Commission, again, [highlighted](#) that Liquefied Natural Gas is key in contributing to diversifying Europe’s sources of energy and ensuring energy security. Outlined in this report was that the **“EU maintains a regular energy dialogue with key energy suppliers and partners bilaterally and through multilateral platforms seeking also to ensure a liquid and flexible global liquefied natural gas (LNG) market”**

European Union – United States Liquefied Natural Gas Trade Update (2022)

In 2022, the European Commission issued an [update](#) on the trade relationship between Europe and the United States, focusing on Liquefied Natural Gas. The update outlined that **“The European Union imports more and more liquefied natural gas (LNG) from the United States to diversify and render its energy supply more secure. LNG imports from the U.S. have increased substantially since the first shipment in April 2016. Data show that in 2021 LNG exports to the EU recorded the highest volume, reaching more than 22 billion cubic meters, with an estimated value of €12 billion. In January 2022 imports reached the highest monthly, amounting to 4.4 billion cubic meters. By January 2022, the EU imported more than 64 billion cubic meter LNG from the U.S. since April 2016.”**

The report also highlights the expected increase in its future gas needs **“The increasing gas production in the U.S. and the start of U.S. LNG exports to the EU in 2016 have improved the security of gas supply in Europe and globally. Europe is currently importing around 90% of the gas it needs, and this share is expected to increase in the coming years. LNG is also an important part of the EU’s diversification strategy; and as the second biggest single gas market in the world after the U.S., the EU is therefore an attractive option for the U.S.”**

Furthermore, the report highlighted the role liquefied natural gas would have to play in the energy transition **“In addition to being an insurance policy against threats to the security of gas supply, LNG can contribute to the fight against climate change. LNG is a good solution for air pollution in the maritime sector, as it allows meeting the standards of the International Maritime Organization on maritime emissions, especially for sulfur (SOx) and nitrogen (NOx) oxides and the global sulphur cap (0.50% in 2020). LNG-powered ships could be part of the answer as LNG produces up to 80 % less emissions than fuel oil. In the EU €135 million have been already invested in Motorways of the Sea (MoS) on LNG maritime projects.”**

REPowerEU (2022)

The European Commission, in May 2022, launched the [REPowerEU](#) Plan in response to the energy market disruption caused by Russia’s invasion of Ukraine. The purpose of the plan is to introduce energy savings, diversification of energy supplies, and accelerated roll-out of renewable energy. The plan outlines that **“the EU has been working with international partners to diversify supplies for several months and has secured record levels of LNG imports and higher pipeline gas deliveries. The newly created EU Energy Platform, supported by regional task forces, will enable voluntary common purchases of gas, LNG and hydrogen by pooling demand, optimising infrastructure use and coordinating outreach to suppliers.”**

EU Taxonomy Regulation (2020) and Complementary Climate Delegated Act (2022)

The European Union established the [taxonomy regulation](#) to adopt common language and clear definitions of what is **“sustainable”** across the EU. This was established as an outcome from the Action Plan on Financing Sustainable Growth and established a classification system for sustainable economic activities.

In February 2022, the European Commission approved, in principle, a [Complementary Climate Delegated Act](#) including, under strict conditions, specific nuclear and gas energy activities in the list of economic activities covered by the EU taxonomy. Subsequently, the draft was formally adopted in March 2022 where it then transitioned to the co-legislators for the scrutiny period, which ended in July 2022 without any objection.

The Climate Delegated Act ensures that specific gas and nuclear activities are in line with EU climate and environmental objectives and will help accelerate the shift from solid or liquid fossil fuels, including coal, towards a climate-neutral future. Essentially labelling them as necessary transitional fuels.

European Commissioner for Financial Stability, Financial Service and Capital Markets, Mairead McGuinness, outlined in her opening remarks to the European Parliament the importance of the Climate Delegated Act **“While the CDA was drafted before Russian’s illegal invasion of Ukraine, it does actually help us to look for alternative sources of gas, including LNG, from our international partners. It sends a signal that we support investment in gas infrastructure – power plants – during our transition. It does not deepen our dependence on Russian gas. Our RePowerEU plan aims to tackle our energy insecurity as we move away rapidly from Russian fossil fuels. We need these alternative sources to eliminate our reliance on Russian gas. And we have to guard against stranded assets by ensuring that any new gas infrastructure would have to be able to convert to low carbon or renewable gases.”**

Reviews Going Forward

The inclusion of regular up-to-date information on security of supply available with the view to producing a technical analysis on energy security every two years is welcomed by Limerick Chamber. So too is the proposal that the Department will carry out an energy security review at least every four years, whereby all relevant energy security legislation, policies and measures will be reviewed. However, it is important to note with the rate of pace of technological improvements and advancements that sometimes it may be appropriate to carry out a full review sooner than every four years. This also holds true for a full review depending on the geopolitical landscape at the time and how that might affect Ireland's security of supply. Therefore, the Government and the Department must remain agile in their approach to deploying reviews with a process to begin reviews earlier than expected if the situation warrants it.

Conclusion

Limerick Chamber would like to, again, thank the Department of Environment, Climate and Communications for the opportunity to submit our members' views on the Review of the Security of Energy Supply of Ireland's Electricity and Natural Gas Systems. As the largest business representative body in the Mid-West, our members are significant stakeholders in Ireland's energy security. We represent a wide range of businesses from bakeries and restaurants to large industrial multi-national companies and all those in between. Limerick Chamber have long been advocates of the transition towards renewables, especially offshore renewable energy. However, there appears to be a security gap between now and when the ORE sector is fully up and running, a gap that will likely be exacerbated by the transition away from more carbon intensive fuels to natural gas.

The variable nature of existing wind energy generation and our reliance on outside sources for gas does not provide a competitive environment to do business. Therefore, we think that it is appropriate to take a proactive stance on Liquid Natural Gas through a floating terminal and for Ireland to join its European counterparts in implementing Liquefied Natural Gas to diversify and shore up supply. The floating LNG option is appealing, given that there are plans already within the system waiting approval, it can act as both storage and an entry point for LNG into the system, the plant could also be used for renewable energy and hydrogen and there is also the opportunity to take advantage of private investment. To exclude Liquid Natural Gas leaves Ireland lagging European neighbours in terms of security and diversity of supply but also placing Ireland out of line with European policy.

As mentioned, Ireland needs to aggressively implement the correct planning and regulatory environment that will attract and retain offshore operators. This is one of the single biggest steps that Ireland can take towards improving energy security, often at zero cost to the state. This market needs positive signals that Ireland is serious about this transition and in the mean-time businesses and households need security of supply.

Energy security will not be assured by one source only, but through the diversity of multiple sources and a balanced portfolio of technologies from renewables, to gas generation, interconnectors and storage options. That is why we encourage a holistic approach to all potential mitigation options and not just one source.

Questions and Answers

Risks

1. Are there any other security of supply risks that you can identify in addition to those set out in section 6?

There are several other risks; Not hitting required transition targets, Time slippage in terms of the implementation of MARA, Failure to adequately change regulatory environment, Equinor already pulled out citing regulatory environment, Lack of indigenous storage will increase reliance on other countries if something was to happen creating demand issues and Energy shortages in the UK causing issues for Irish supply.

2. If there are other risks that you have identified, could you outline some mitigation options to address the risk(s)?

Limerick Chamber has previously called for the potential to appoint a minister / junior minister for the sole purpose of energy security / supply. Furthermore, there are risks to the market given that world leaders in energy provision have pulled out of deals involving Ireland. Because of this, there needs to be a reinforced positive signal sent to the ORE sector with good news from MARA before the end of the year. Engage with operators to discuss regulatory environment. One of the quickest short term mitigation measures is creating gas storage and liquified natural gas terminal as a matter of priority.

3. Are the five shock scenarios that were considered, and the additional scenarios related to the Russian invasion of Ukraine, sufficiently broad?

Yes - including our additional risks outlined

Mitigation Options

4. Do you have any additional mitigation options that you think should be considered?

The role of Liquified Natural Gas in Ireland needs to be seriously considered in context of potential zero cost the exchequer, energy security and keeping in line with EU level policy. It would be preferable that the state would have some involvement in the provision of Liquified Natural Gas to ensure an ethos of common good. Gas storage also needs to be implemented as a matter of urgency. FSRUs that are used as part of Liquified Natural Gas can also be used for storage purposes.

5. Which gas supply mitigation options, if any, should be considered for implementation?

Liquified Natural Gas Terminal and Gas storage.

6. Which electricity supply mitigation options, if any, should be considered for implementation?

Implementing the correct regulatory and industrial environment required to take full advantage of Ireland's ORE capability as well as the expediting of the Celtic Interconnector.

7. What measures should be considered on the demand side to support security of supply of electricity and gas?

It cannot be emphasised enough how reliance on one point of contact for the majority of Ireland's gas and electricity exposes the country to shocks. Diversity of supply needs to be a major priority for the Government. As outlined in the review, the UK is heavily import-dependent and could face supply shocks from distant countries.

Lack of action and indifference to our capacity to generate offshore renewables is a key risk and MARA and other accompanying planning and regulatory changes need to be implemented in consultation with providers of ORE. We also need an industrialisation and skills strategy as to how we are going to support this industry and make Ireland a net exporter of wind.

Maritime Area Regulatory Authority (MARA) and Regulatory Environment: MARA must be expedited as a matter of national security; the market and investors need a positive sign from the Government regarding changing the current process for offshore renewable energy generation in Ireland.

8. Do you have any views on how the mitigation options should be implemented?

Liquified Natural Gas – engage with industry operators to understand what options are available and where the state can play a role.

MARA and Renewables – meet industry players and understand what is required to crowd in private investment. This must be accompanied with an appropriate skills assessment and industrial policy as to how we are going to put in the supporting infrastructure to support this industry through manufacturing and ports capacity.

Policy Measures

9. Do you support the policy measures proposed in section 8 of the consultation paper?

Yes

10. What further tools and measures do you think would contribute the most to Ireland's energy security of supply?

Investment in grid infrastructure in the west of Ireland prior to 2030 in order to take full advantage of ORE potential off the west coast.



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