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From: [REDACTED]
Sent: Tuesday 27 September 2022 08:53
To: Energy Consultation
Subject: Review of the Security of Energy Supply of Ireland's Electricity and Natural Gas Systems consultation

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Introduction

The Security of Energy report is “a review of the security of supply of Ireland’s electricity and natural gas systems.” The remit of the report was to look at our energy security in the context of potential shocks to the supply of gas and make recommendations that could be implemented by 2030. The “key criteria” used to assess these solutions were as follows: 1) Security of Supply Impact; 2) Feasibility of Implementation; 3) Consistency with the Climate Action Plan. The above criteria was used to eliminate a number of options.

The Reports Framework

The paradigm within which the report discusses the solutions for our energy security means the mitigation options presented are almost preordained. The report does mention in the introduction, such factors as energy import dependency, diversity of supply, and the price the consumer pays. However, the short list of measures given does not take these factors into account. In short, the report considers only one energy principle and that is energy security in the context of a supply shock to our gas system. What is clear is that these criteria exclude any solution which “locks in gas dependency” or impacts carbon emissions. The report therefore excludes any gas option, which would be permanent or commercially run.

Wider Benefits

A more holistic approach could have provided measures which would have wider benefits. Those broader considerations could be that we develop our own gas fields. This would give us gas sovereignty. On top of this we could develop a Norwegian style wealth fund - more commonly referred to as the oil fund - for the sole purpose of decarbonisation. There is a reason Norway outperforms all other EU countries in terms of climate neutrality! For instance, it could pay for every house in the country to be retrofitted, every house and building to have solar panels, and used to develop our hydrogen future. The list of issues that need to be addressed so we are carbon neutral by 2050 is extensive. According to the ESRI we are significantly off target in terms of meeting our 2030 emission targets. They estimate that based on our current trajectory we will achieve a reduction of around 30% relative to 2005.

The tax burden placed on citizens is becoming more and more politically toxic as people fall into energy poverty and worry about heating their homes. It does not have to be this way. "Norway's share of environment-related taxes in total tax revenue and GDP is below the OECD Europe average and has decreased over time. These taxes are a victim of their own success: reducing environmentally harmful activities has undercut the tax base"(OECD Environmental performance review 2022). The concern about energy taxes is reflected in the polls which are indicating that support for climate change is diminishing. We will be burning gas "beyond 2030". Instead of paying out huge sums of money - we are spending over €1 million an hour paying for oil and gas - to Norway and the U.K., why not develop our own gas resources for the benefit of all citizens, and our carbon free future.

What a Waste

Are our EU partners, and competitors taking such a holier than thou approach to their "gas dependency"? The simple answer is no. It is only recently, at the behest of the Greens, that Ireland declined to join other EU countries in seeking to source temporary floating liquefied natural gas (LNG) terminals as part of an effort to diversify fuel supplies. The same people who tried to stop the development of the Corrib gas field. The gas field that is now providing us with 25% of our gas requirement. The striking thing is our immediate neighbours, such as France, Portugal and the U.K have LNG terminals and gas storage, and a number of EU countries are developing further facilities. This is not only to ensure energy security but also to diversify gas supplies and provide cheaper energy to the consumer. Centrica's U.K chief executive Chris O'Shea has estimated that if the Rough gas storage facility had been fully functioning it would have saved U.K. customers £100 in 2020/21. As gas prices have basically tripled that would be around £300 today. Wouldn't Irish businesses and consumers like a similar "Christmas bonus"? The price of electricity gives international businesses a competitive edge. It also gives consumers more money in their pocket.

Untimely and Vague

The other striking thing is the main options put forward, such as a floating LNG terminal or a gas storage facility, will not be possible by 2025, but could be ready by 2030. The conclusion being that gas security is not an issue in the meantime? Shouldn't one of the key criteria have been timely delivery? The report does note the perilous nature of our Electricity Supply for Winter Periods 2022/23 to 2025/26. The report also notes that the floating LNG option "assumes that the [facility] could be leased for a limited period of time." A somewhat nebulous statement. Wouldn't you put in place something more concrete than an assumption that the floating LNG terminal could be hired. You could just imagine Mr. Ryan standing in front of us and stating that unfortunately the floating LNG terminal has not arrived to save the day. The minister has already taken a somewhat laissez-faire attitude to energy security, which is why a number of energy experts have

stated we have created this malaise ourselves. By 2025 we will have decommissioned 5.9 GW of conventional electricity capacity with no plan B.

A fixed LNG terminal

The proposed fixed LNG terminal in Kerry could resolve a number of issues. Firstly, the facility could be up and running by 2023. Secondly, the facility would be built at no cost to the state. Thirdly, a LNG terminal would diversify our supplies of gas. Finally, we would have a ready made gas storage facility. The owners Shannon LNG are also willing to supply a 600 MW generator, which would allow us to be independent of the U.K connection. The minister has raised a number of 'straw men' for why the LNG terminal would not be suitable as a solution to our gas security. The minister could state that approval would be based on a contractual obligation that no fracked gas would be sent to the facility, and that a minimum amount of gas, in case of a disruption of supply, must be held on site for the state. Has the minister even spoken to the owners Shannon LNG about these so called issues?

Another issue put forward on why we should not have a fixed LNG terminal is that it will make us "gas dependent." The plan is for us to use gas "beyond 2030." As the report notes "as we transition away from other fossil fuels, the dependence of the electricity system on natural gas (particularly at times of low wind) and the peak demand for natural gas are both expected to increase." In short, that boat has already sailed. The question is how are we going to provide gas "beyond 2030." The other option is nuclear power, which would mean we would not need gas for electricity generation, nuclear power would makes us energy independent, and would also help us meet our carbon emission targets. This option has been ruled out because Mr.Ryan "has no plans to revisit the prohibition on, or explore the development of, nuclear powered electricity generation in Ireland." It appears the climate crisis is not sufficiently adverse to warrant nuclear power!

Gas storage

The reports main options have other issues. A gas storage facility would not diversify supply if, as is being suggested, the storage facility will be filled through the current gas pipe system. We would still be beholden on the gas being delivered through the U.K. The ironic thing is by 2030 the U.K. will be more reliant on LNG. There are no guarantees that some of this gas will not be fracked. The U.K. governments decision to lift the ban on fracking also throws the whole ethos of Irish energy policy in respect of fracked gas up in the air. The fact that this facility will "only be used in the event of a shock", means it will be more a monument than an asset. That is until we move to hydrogen in the economy, but that is someway off, and we will need gas "beyond 2030." None of our neighbours are proposing to have fixed assets that are just sitting in position like a 'Victorian folly.' The tax payer in the short to medium term will see very little for their money.

Conclusion

The fundamental issue with the report is the framing of the question and the criteria used to evaluate these options. This report missed the opportunity to not only give us gas security but also gas sovereignty. It failed to layout how we are going to achieve energy independence, diversify our gas supplies and keep the price of energy and taxes at a level that the consumer can afford. The solutions offered have a number of flaws and the cost and timing of these projects is lamentable. The gas storage idea is a fixed asset which may never be used for the purpose it is being built for. The LNG floating terminal again may never be used, and if required, we have no guarantee it will be available for hire at the point in time we require it. There are numerous examples across Europe that we could use to shape our energy policy, but these solutions have been overlooked for ideological reasons. Ireland is gas import dependent, we do not have diversity of gas supplies and we are not on target to meet our 2030 emission targets. A change of direction is required.

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