

Briefing Note

Petroleum and Other Minerals Development (Amendment) (Climate Emergency Measures) Bill 2017

Key points:

- ◆ The Climate Emergency Bill is currently at Committee stage, and will soon be reported back to the House for debate. Recognising that we are currently in a state of climate emergency, the Bill seeks to prohibit the issuing of new licences for the exploration and extraction of petroleum, natural gas and coal.
- ◆ For the Earth to remain a safe operating space for humanity and to maintain global temperatures at less than 1.5°C above pre-industrial levels, 80% of the known fossil fuels must stay in the ground. We must not pursue any further fossil fuel exploration.
- ◆ Fossil fuel exploration in Ireland is not a productive investment – only two commercial discoveries have been made from 159 exploration attempts since 1970, and in 2017 Shell exited the Corrib gas fields with losses of \$900m.
- ◆ Oil drilling and oil spills have significant implications for the Tourism and Fishing industries, which combined employ over 230,000 people and are worth over €8.9bn to the Irish economy.

Introduction:

The Climate Emergency Bill was introduced by Bríd Smith, TD, in November 2017, passed the second stage in February 2018 and is currently at Committee stage. The Bill recognises that, with carbon dioxide (CO₂) in the atmosphere exceeding 350ppm, we are in a state of climate emergency and must urgently take action to reduce Greenhouse Gas (GHG) emissions (i).

In passing the Anti-Fracking Bill in 2017, the Irish government took a significant step towards a cleaner, safer energy future for Ireland. In addition, the Divestment Bill, which seeks to divest government funds from fossil fuels, recently passed the Report stage.

In December 2017 the French Parliament passed a law proposed by President Macron to prevent the issuing of any new permits to extract fossil fuels in France and all its territories. Passing the Climate Emergency Bill is the next logical step for Ireland and would place us alongside France as a leader in this critical aspect of climate action.

Why you should support the Climate Emergency Bill

1. Fossil fuel exploration is not a productive investment

Fossil fuel exploration in Ireland has historically been **costly and unproductive**, with only two commercial discoveries - the Kinsale/Seven Heads/Ballycotton and Corrib gas fields- from 159 exploration and appraisal wells drilled in the Irish offshore since 1970 (ii). Last year, exploratory drilling in the Porcupine basin off the South West coast, an area which it was thought could provide 5bn barrels of oil, yielded no oil(iii). Globally, accessible fossil fuel resources are depleting and extraction costs are increasing, making investors increasingly wary of environmental-related risk exposure(iv). In December 2017 the World Bank declared that it will not finance oil and gas extraction beyond 2019. Fossil fuel companies are being forced to write down the value of “stranded assets”, oil and gas reserves which will be too expensive to tap. For example, last year Exxon Mobil wrote down \$2bn worth of natural gas assets (v). Here in Ireland, Shell sold its stake in the Corrib gas field in 2017 having sustained losses of \$900m on its investment (vi). Conversely, the cost of new renewable energy sources, particularly solar and wind energy, is falling rapidly, with the International Energy Agency forecasting that renewable energy will soon become the least-cost source of new energy production (vii). Fig 1 overleaf illustrates the decreasing cost of wind and solar (Utility-Scale Crystalline).

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Not anywhere.

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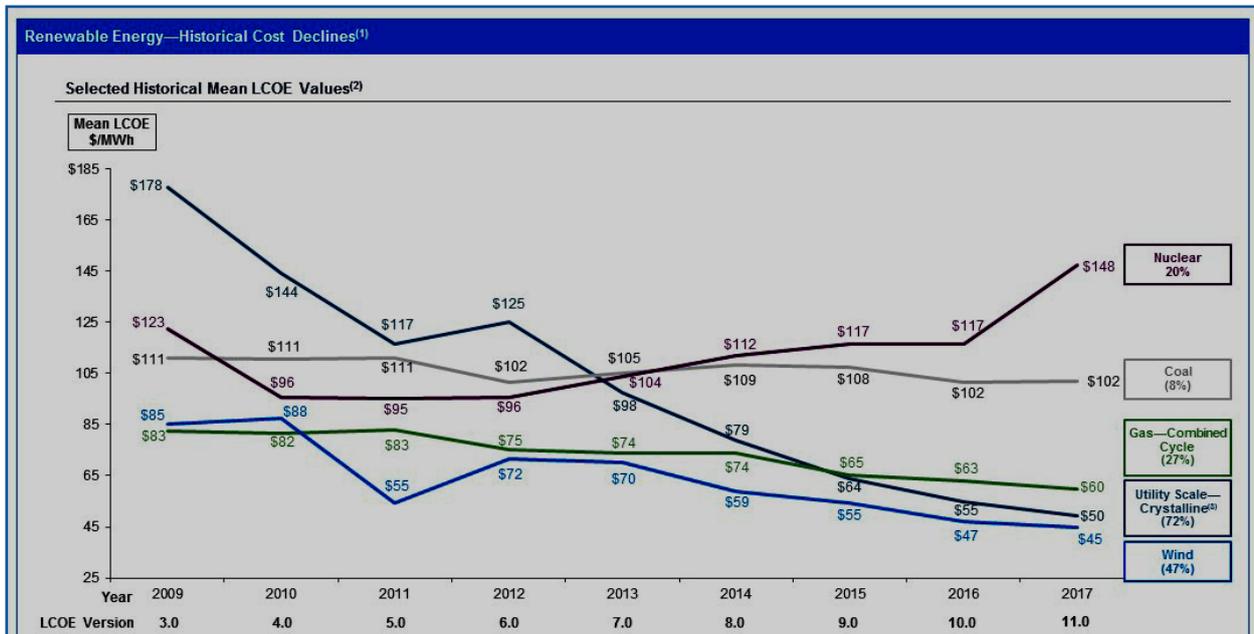


Fig 1: Selected Historical Mean Levelised Cost of Energy (LCOE) values (viii)

2. Community and environmental impact

The exploration and extraction of petroleum, natural gas and coal requires large, disruptive and dangerous infrastructure, with significant negative **impacts on local communities**. Oil wells produce toxic chemicals including benzene, arsenic, and radioactive pollutants, and toxic metals such as mercury and lead that may accumulate in our seafood supply (xvi). This makes fossil fuel exploration a significant threat to the livelihoods of fishermen in the area. The GDP of the Irish Seafood Industry is estimated at €1.1bn and provides 11,000 jobs (ix). Ireland's largest fishing port, Castletownbere, is adjacent to two large drilling sites, Druid Drombeg (drilled 2017 – no oil found) and Barryroe (drilling scheduled for 2018). Fossil fuel infrastructure and the associated pollution also affects the tourism industry in the area and the physical and mental health of the community. Total tourism revenue for the Irish economy in 2016 was around €7.8 billion and overall employment in tourism is estimated to be in the region of 220,000 (x). After the 2010 BP oil spill in the Gulf of Mexico, the Gulf coastal tourism industry lost about \$22.7 billion, and the area's commercial fishing industry lost \$247 million (xi). Strong objections from local communities drove the Anti-Fracking campaign and there was well-documented opposition to the development of the Corrib Gas Field. This is a major deterrent for potential investors in oil and gas in Ireland (xii). Decentralised energy generation, where communities or organisations generate their own energy, has been extremely effective in Denmark, and is most compatible not with fossil fuels but with renewable technologies effective on a smaller scale, such as solar and wind (xiii).

Offshore drilling and fracking also has major impacts on **marine health**; one blast from oil and gas exploration kills 64% of zooplankton - the basis of the marine ecosystem - for up to 0.7 miles (xiv). The seismic disturbance from drilling can also cause deafness and internal bleeding in whales and dolphins (xv). Contamination from oil spills can reach shorelines up to 600 miles away (xvi).

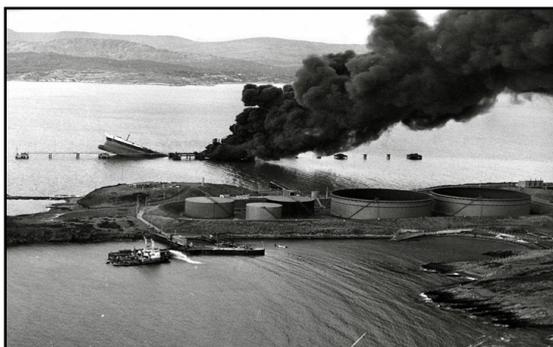


Fig 2: Whiddy Island Disaster, 1979; an oil tanker exploded in Bantry Bay killing 50

3. Ireland's reputation:

Finally, currently **Ireland's international reputation** is as a climate laggard, judged as the worst performing country in Europe in the recent Climate Change Performance Index (xvii). The Climate Change Advisory Council has indicated that this reputation is likely to discourage foreign direct investment, on which Ireland is heavily dependent (xviii). The IDA has also noted that foreign investors are increasingly asking questions about Ireland's renewable energy supply (xix). Many multinational corporations have committed to reducing their dependence on fossil fuels in line with the Paris agreement and are investing in countries which can support them in their climate action goals. When Apple recently chose to develop a data centre powered entirely by renewable energy in Denmark rather than Ireland, the "reliability of the Danish grid" was cited as a major factor in the decision (xx). Ireland is also facing fines of up to €455m from the EU for failing to meet its climate action targets (xxi).

Closing remarks

We are unequivocally in a state of **climate emergency**. Anthropogenic climate change is causing sea level rise, temperature rise, biodiversity loss and an increase in extreme weather events. For the Earth to remain a safe operating space for humanity, for both current and future generations, global temperatures must be maintained at less than 1.5°C above pre-industrial levels. To do this 80% of the known fossil fuels must stay in the ground (xxii). Irish citizens are increasingly calling on the government to take action to combat climate change, as illustrated by the recommendations made by the Citizens' Assembly on climate change in November 2017 (xxiii). There is an urgent need to decarbonise energy use in Ireland by investing in renewable electricity sources and electrification of the heating and transport systems. Rapid, deep decarbonisation of the energy mix is technically and commercially feasible (xxiv) and will greatly enhance energy security in Ireland, where we are historically highly dependent on imported fossil fuels. In 2016, 27% of Ireland's electricity came from renewable sources, which avoided €192m in fossil fuel imports (xxv). The SEAI estimates that renewable electricity has the potential to displace approximately €750m worth of imported energy every year (xxvi). Furthermore, decarbonising the Irish economy could generate up to 90,000 sustainable long-term jobs (xxvii). Already 2,200 people work in the Irish wind industry (xxviii). In contrast, the Corrib gas field in Mayo has generated only 175 long-term jobs (xxix).

Banning fossil fuel exploration and extraction and investing in renewable energy is a safe, secure and economically sound strategy for Ireland's energy policy. Passing the Climate Emergency Bill is the next logical step to a better energy future for all Irish citizens.

Not Here, Not Anywhere

Dublin 2018

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Fig 3: Delivery of petition to ban drilling in the Porcupine Basin to Minister Naughten in Sept 2017 (4,836 signatures as at Dec 2018).

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