



Energy security – is a public consultation warranted?



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Colm
McCarthy

The Government released a report on energy security on 19 September, announced almost three years earlier. Prepared by the London consultants CEPA, the delayed report is a mixture of technical analysis and tentative conclusions, none of them politically inconvenient.

No measures to address short-term threats to energy supply were proposed and some thorny issues have been despatched to the long grass. The Government is considering the findings and has initiated a public consultation.

A rapid and forthright response has come from the Irish Academy of Engineering (IAE), which has been warning about the growing supply risk in gas and electricity for many years. It writes: 'The proposals in the report to reduce this risk are technically flawed and unrealistic in their assumptions around the commercialisation of new technology. The report should not be used to underpin future energy policy development.'

Ireland has no gas storage, no facility for importing liquefied natural gas (LNG) and dwindling domestic supplies from the Corrib field off Co Mayo, currently meet just 30% of demand with its output having already peaked. Ireland will be 100% dependent on imports about six years from now and

these imports come through pipelines out of a single source at Moffat in the southwest of Scotland.

Gas is important for Ireland, not just for space heating in urban areas and for industrial users, it also powers about 55% of electricity generation.

Generation capacity has been flagged as inadequate by the State-owned grid operator in a series of reports dating back to 2018 and Eirgrid has been openly critical of the failures to commission extra gas-fired units.

The State is now having to rely on emergency generation using rented

pop-up equipment since procurement of permanent units has been unsuccessful, fuelling a spat between Eirgrid and the utilities regulator. All the while, demand is being driven by the encouragement of data centre expansion, an industry which is effectively an electricity export business.

Ireland has no terminal for importing LNG, uniquely for an Atlantic seaboard country. A plan to build one on the Shannon estuary, near Ballylongford in north Kerry, was first proposed as far back as 2006, and the availability of liquefied gas conveyed by specialised ships has spawned a big worldwide market.

Liquid gas is reduced in volume by a factor of 600 making ocean transport feasible – there are no trans-oceanic pipelines. The Irish exposure to a sin-

gle source of pipeline gas could have been avoided had the Shannon project gone ahead. The engineers at the IAE have been warning for a long time that this is a precarious situation and countries around Europe have been rushing to build LNG importation facilities.

Both Germany and the Netherlands expect to commission new facilities before the end of 2022 and their planned exit from reliance on Russian pipeline gas has begun to look manageable.

But Ireland is at the end of the European pipeline network and has been warned by the UK regulator that supplies cannot be guaranteed through the coming winter, since Britain could be squeezed for interconnector imports from Europe of both gas and electricity.

Cross-border market

Europe has a cross-border market in both and Ireland has connections only to Britain, which has limited gas storage too and declining North Sea output. Energy supply problems in Britain will inevitably spill over here and the current threat should not have come as a surprise.

The pre-tax price of electricity in the wholesale market here has long been at the upper end of the EU figures. The current enthusiasm for hydrogen production (Ireland is to become the Saudi Arabia of hydrogen in the most

exuberant version) will eventually have to face the cost issue. Electricity, for electrolysis, and the separation of hydrogen, is expensive in most parts of Europe and any demand in Ireland may be met with imports from better-placed locations with cheaper power.

The IAE criticises the sluggish deployment of onshore wind, likely to be

cheaper than offshore, and note the failure to build out the electricity grid needed to accommodate more dispersed renewable generation.

The Government has no policies in place to address the logjam in the planning system which explains both failures, and CEPA ignores the case for urgent provision of importation facilities for LNG.

Offshore Ireland there are gas exploration possibilities close to the existing Corrib subsea facility, redundant in a few years along with the expensive and potentially long-lived onshore Bellanaboy terminal and connecting pipelines, unless more domestic gas is found. Gas must be left in the ground but preferably in Russia, and several European countries are resuming gas exploration.

The engineers' verdict on the CEPA report is harsh: 'This policy development by "wishful thinking" is unworthy of a wealthy economy called on to support EU energy policy at a time of international crisis.'