

# Onshore Petroleum Licensing Policy for Northern Ireland

*Comments by*

**Northern Ireland Environment Link**

**12<sup>th</sup> April 2024**

Northern Ireland Environment Link (NIEL) is the networking and forum body for non-statutory organisations concerned with the natural and built environment of Northern Ireland. Its 69 Full Members represent 190,000 individuals, 262 subsidiary groups, have an annual turnover of £70 million and manage over 314,000 acres of land. Members are involved in environmental issues of all types and at all levels from the local community to the global environment. NIEL brings together a wide range of knowledge, experience and expertise which can be used to help develop policy, practice and implementation across a wide range of environmental fields.

These comments are made on behalf of Members, but some members may be providing independent comments as well. If you would like to discuss these comments further, we would be happy to do so.

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**QUESTION 1 – Do you agree with the assessment of the policy context and potential for onshore oil and gas resource in Northern Ireland?**

This seems like a reasonable assessment of the current policy context.

Probably the most relevant legislation is the Climate Change Act (Northern Ireland) 2022<sup>1</sup> and as the UK Climate Change Committee (CCC) said in its “Reducing UK Emissions: 2020 Progress Report to Parliament” report<sup>2</sup>, a priority for all Government departments is to

“Integrate Net Zero into all policy making, and ensure procurement strategies are consistent with the UK’s climate objectives”

We need to end our use of fossil fuel sources of energy as quickly as possible and plan for a just transition to get to that point. In this context, any options that increase the development, supply or use of fossil fuels are not acceptable options. This is important for the NI economy if it is to remain competitive and to deliver our net zero commitments.

The issues surrounding the development of fossil fuels infrastructure and the potential for other fossil fuels is explored further in our response to question 5.

While aiming for 100% renewable energy may seem very ambitious, it is achievable. The UK CCC’s Net Zero Technical Report<sup>3</sup> (May 2019) concluded that

“emissions from the UK’s electricity system can be reduced to almost zero whilst meeting increased electricity demands from the transport and heat sectors, potentially doubling the size of today’s electricity system”

**QUESTION 2 – Do you agree with the assessment of the economic impacts of potential onshore oil and gas exploration and production in Northern Ireland?**

NIEL does not have any evidence or projections of the economic implications of different degrees of petroleum development in NI beyond those outlined in the consultation and as such, is not well positioned to evaluate the figures presented by the department. However, NIEL notes that the evidence presented is incomplete, as no evidence was presented of the potential economic impacts of an alternative, greener, more sustainable, low or zero carbon form of development, even though that is the path that we will have to follow if we are to reach net zero emissions and petroleum based resources are not going to be developed and/or used in NI. While there is no guarantee of the extent to which those low/zero carbon options will be developed, there is a lot of evidence of the very positive economic impacts of low/zero carbon energy options and some relevant evidence should have been presented by the department in this consultation so the implications of the alternative(s) to petroleum development are, as a minimum, better understood.

NIEL believes that investing in a sustainable, resilient, low and ultimately zero carbon, green economy will help to create a bigger, better and more resilient (‘future proofed’) economy that is better able to meet the demands of a changing society. The many benefits of a green or greener economy have been highlighted and endorsed by many prominent organisations. For example, the United Nations UNEP Green Economy Report (GER)<sup>4</sup> concluded that

“Greening the economy not only generates growth and in particular gains in natural capital, but it also produces a higher growth in GDP and GDP per capita. Under the GER modelling exercise, a green investment scenario achieves higher economic growth rates than a business as usual scenario within 5-10 years”

The case for developing a green economy was made in the House of Commons Environmental Audit Committee in its “A Green Economy”<sup>5</sup> report which said

“The whole economy needs to be green and traditional sectors of the economy will need to be transformed”

The many potential economic benefits of moving to a net zero GHG economy are clear. For example, in the Sixth Carbon Budget, the CCC found<sup>6</sup> that

“the net costs of the transition to net zero by 2050 (including upfront investment, ongoing running costs and costs of financing) will be less than 1% of GDP over the entirety of 2020-2050, lower than we concluded in our 2019 Net Zero report.”

Meanwhile, modelling commissioned for the CCC Sixth Carbon Budget report<sup>7</sup> suggests achieving net zero in the UK will give a boost to UK GDP growing to around 2% of GDP by 2030, with an accompanying boost to employment of around 1%. According to this analysis the GDP boost will continue growing after 2030 before levelling off at around a 3% boost by 2050. The CCC goes on to say<sup>8</sup> that considering the various economic models and evaluations, the investment programme for achieving net zero set out in section 2 of the Sixth Carbon Budget report

“can provide a significant economic boost in the coming years and support the UK’s economic recovery.”

Investing in a green economy and zero carbon options can also save money in the long term. The CCC said in its Sixth Carbon Budget report (page 261) that

“Around half of the measures to reduce emissions are expected to be cost saving by 2050, primarily decarbonising electricity and surface transport.”

The potential for job creation in renewable energy and low carbon choices is enormous and must be maximised. This was illustrated by research for The Institute for Public Policy and Research<sup>9</sup> which concluded that greater investment in a green recovery and clean, low-carbon jobs could create 1.6 million new jobs over the next decade in the UK, of which over 40,000 could be in Northern Ireland. This is more than three times the 11,700 FTE jobs in the low carbon and renewable energy (LCRE) economy in NI which generated £2 billion in 2017<sup>10</sup>.

Of those 1.6 million jobs, half a million (560,000) could be created by improving the energy efficiency of homes, which would also help reduce fuel poverty and help the health and economic prospects of thousands. Action is required across government but it is important to recognise that many of the green economy policy options can generate benefits across society, in line with the aims of the Green Growth strategy and the draft NI Programme for Government (PfG) 2016-21. For example, the benefits from investing in better insulation in buildings could create jobs for people and businesses (relevant to the Department for the Economy), reduce carbon emissions (relevant to DAERA) and reduce fuel poverty (relevant to the Department for Communities) by saving energy and making buildings warmer. This would in turn have positive impacts on the physical and mental health of those who would be taken out of fuel poverty and live in warmer properties (relevant to the Department of Health) and all of this could be delivered by improving building regulations, which is the responsibility of the Department of Finance. This illustrates why integration between departments and strategies in implementing any energy policy change is so important.

**QUESTION 3 – Do you agree with the assessment of the potential social and environmental impacts of onshore oil and gas exploration and production in Northern Ireland?**

Not completely. As outlined in our response to the previous question, the evidence presented in the consultation is incomplete, as the consultation states in paragraph 6.11., on page 19, that for the 'No development' option, there are "No social or environmental impacts". This fails to give the full picture. The absence of negative impacts is not neutral but will likely have a positive impact or impacts. The potential for fracking to be banned from Fermanagh for example is not something that will have, as the consultation states, "No social or environmental impacts" – quite the reverse in fact. Banning fracking from Northern Ireland could and likely will have a massive positive impact in terms of the avoidance of negative consequences, such as the avoidance of freshwater pollution in Upper and Lower Lough Erne and Lough Melvin and the associated impacts on the species in those loughs, including rare and protected species such as Arctic Charr, as well as the avoidance of other fracking impacts previously observed, including the potential for drinking water contamination and negative impacts on tourism, especially for angling enthusiasts. The potential avoidance of significant costs from not exploring for and exploiting petroleum resources is not properly accounted for in this consultation but should be, to allow for a more comprehensive and accurate evaluation of the options. When assessed against the potential impacts of development, the environmental and social benefits of banning onshore petroleum licensing are likely to be substantial.

**QUESTION 4 – Do you agree with the preferred option for onshore petroleum licensing policy?**

Yes. NIEL welcomes and supports the preferred option for a moratorium and subsequent legislative ban on exploration and production of all forms of onshore oil and gas in Northern Ireland. As the consultation outlines in paragraph 7.15, the majority (86%) of the 115 written responses to the Energy Strategy consultation in 2021 called for all petroleum licensing to be banned and that responses highlighted that continuing with licensing petroleum exploration and production would be inconsistent with net zero commitments and other aspects of the Energy Strategy. With the passing and transposition of the Climate Change Act (Northern Ireland) 2022<sup>11</sup> the need for such a ban on the exploitation of petroleum resources will only have become more pronounced. In this context, the moratorium should be put in place immediately with a clear timeframe for a full legislative ban as soon as possible within the current Assembly term.

**QUESTION 5 – Do you think there are alternative options for onshore petroleum licensing policy in Northern Ireland which should be considered?**

There is the issue of new fossil fuel infrastructure. Further to the release of the IPCC's Sixth Assessment report by Working Group III<sup>12</sup> on 4<sup>th</sup> April 2022, UN Secretary General Antonio Guterres said<sup>13</sup> that

"Investing in new fossil fuels infrastructure is moral and economic madness"<sup>14</sup>

If NI is to reach net zero GHG emissions and reduce its consumption of fossil fuels, then there will then be no need for what the UN Secretary General described as the 'madness' of any new fossil fuel based infrastructure. In this context, it would be a retrograde step to increase the capacity of Cloghan Point oil terminal. However, all energy infrastructure (including renewable and low carbon energy infrastructure) that is developed must be in harmony with nature. This relates to energy generation and all associated infrastructure, such as cables and storage. For example, the proposed gas caverns at Islandmagee present concerns about impacts of the brine discharge in an area that is highly designated

for nature protection. This is in addition to the broader climate impacts of fossil fuel infrastructure.

Similarly, NIEL believes that there should not be any development of coal, lignite (also known as brown coal) or peat in Northern Ireland.

There should be an immediate ban of peat extraction on publicly owned land and a phasing out of all peat extraction in NI. It is concerning that there is no date set in the Peatland Strategy<sup>15</sup> for an end to peat extraction in Northern Ireland. This is unacceptable and is not compatible with the recommendation in the CCC report “Land Use: Policies for a Net Zero UK”<sup>16</sup> to “Ban peat extraction and its sale, including of imports Before 2023”. NIEL believes that the targets proposed in the NI draft peatland strategy should align with the existing UK and international advice, policies and recommendations as far as possible.

As outlined in a Department for the Economy guide to planning for local councils,<sup>17</sup> for the purposes of planning, coal, lignite and peat are regarded as “energy minerals”. However, accounting for the targets in the Climate Change Act (Northern Ireland) 2022<sup>18</sup>, in particular the target to achieve net zero greenhouse gas emissions by 2050, then there is no place for any ongoing exploration for or exploitation of fossil fuels and as such, the ban on petroleum resources should be extended to include coal, lignite and peat.

## References

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<sup>1</sup> <https://www.legislation.gov.uk/nia/2022/31/contents/enacted>

<sup>2</sup> <https://www.theccc.org.uk/publication/reducing-uk-emissions-2020-progress-report-to-parliament/>

<sup>3</sup> <https://www.theccc.org.uk/wp-content/uploads/2019/05/Net-Zero-Technical-report-CCC.pdf> page 19

<sup>4</sup> <http://www.unep.org/Documents.Multilingual/Default.asp?DocumentID=659&ArticleID=6902&l=en>

<sup>5</sup> House of Commons Environmental Audit Committee A Green Economy Twelfth report of session 2010-12

Volume 1 HC1025 <https://www.parliament.uk/documents/TSO-PDF/committee-reports/cmenvaud.1025.pdf>

<sup>6</sup> <https://www.theccc.org.uk/publication/sixth-carbon-budget/> page 239

<sup>7</sup> <https://www.theccc.org.uk/publication/sixth-carbon-budget/> page 267

<sup>8</sup> Ibid page 267

<sup>9</sup> <https://www.ippr.org/research/publications/transforming-the-economy-after-covid19>

<sup>10</sup> ONS Low Carbon and renewable energy economy, UK 2017 see Table 3 and table 4

<https://www.ons.gov.uk/economy/environmentalaccounts/bulletins/finalestimates/2017#how-do-we-measure-the-low-carbon-economy>

<sup>11</sup> <https://www.legislation.gov.uk/nia/2022/31/contents/enacted>

<sup>12</sup> <https://www.ipcc.ch/report/ar6/wg3/>

<sup>13</sup> <https://press.un.org/en/2022/sgsm21228.doc.htm>

<sup>14</sup> <https://press.un.org/en/2022/sgsm21228.doc.htm>

<sup>15</sup> [https://www.daera-ni.gov.uk/sites/default/files/consultations/daera/NI%20Peatland%20Strategy%20-%20Copy%20for%20EQIA%20Consultation.%20%2008-8-2022.%20PDF\\_0.PDF](https://www.daera-ni.gov.uk/sites/default/files/consultations/daera/NI%20Peatland%20Strategy%20-%20Copy%20for%20EQIA%20Consultation.%20%2008-8-2022.%20PDF_0.PDF)

<sup>16</sup> <https://www.theccc.org.uk/publication/land-use-policies-for-a-net-zero-uk/> page 15

<sup>17</sup> <https://www.pacni.gov.uk/files/pacni/MA008%20-%20DfE%20Minerals%20Information%20paper.pdf>

<sup>18</sup> <https://www.legislation.gov.uk/nia/2022/31/contents/enacted>