



# **IOOA SUBMISSION TO NATIONAL MARINE PLANNING FRAMEWORK (NMPF)**



## Summary

- a) The Irish Offshore Operators' Association (IOOA) represents the Irish offshore petroleum sector that has provided investment, employment, technological innovation, revenue to the State, and energy security through offshore exploration and gas production for more than four decades.
- b) IOOA welcomes the long-term planning approach in the draft NMPF. The framework must be clear, coherent, underpinned by appropriate legislation, and must facilitate and support activities and development of current and future marine sectors. It must ensure that interaction between different interests is addressed in a balanced and transparent manner.
- c) In adding a new tier to the current regulatory regimes through the NMPF, it is vital that this does not increase the regulatory burden and the time scale for decisions.
- d) IOOA has concerns around the risks that regional or sub-national plans could block important national activities, with the risks of potential conflict between regional boundaries and of divergence with the national marine plan. The template for regional plans should be documented clearly in the national plan to ensure overall planning cohesion. Engagement in the consultation phase of preparation of these plans should have representation from all sectors in order that specific sectors are not prohibited or overlooked.
- e) IOOA is supportive of the main elements in the key sectoral planning policies for Petroleum activities in the draft framework. These clearly recognise the need for energy security and development of indigenous supplies. IOOA recommends that the planning policy for Petroleum should articulate further the aspiration that Ireland should secure its strategic long-term supply of petroleum from indigenous sources. If there is a future prohibition in any future licences on exploration/production of oil, the NMPF must facilitate the implementation of both existing and future licence obligations.
- f) IOOA member companies play a leading role in developing and upscaling renewable energy technologies on a global scale. Partnering the oil and gas industry with the renewables industry through natural synergies that utilise the expertise, innovations, technologies and financial capabilities of the oil and gas sector is essential in order to make the transition to a better and sustainable energy future. This should be facilitated and encouraged in the NMPF.
- g) IOOA is supportive of examining the feasibility of the safe deployment of Carbon Capture and Storage (CCS) for Ireland. IOOA is also supportive of the NMPF vision to analyse the options for increased gas storage in order to ensure optimum energy security and, as required under EU regulations, to ensure adequate strategic supplies to cover the event of interconnector or other supply interruptions.
- h) The Marine Planning and Development Management Bill 2019 (MPDM) will be essential in providing the legislative underpinning of the NMPF. It is vital that it addresses comprehensively the critical elements of the NMPF and that it will not impede the operation of any of the marine sector activities that already operated in compliance with international best practice in environmental planning and operation.

## 1. Introduction

The Irish Offshore Operators' Association (IOOA) welcomes the opportunity to comment on the draft National Marine Planning Framework (NMPF). This submission provides background on IOOA and its role in the marine sector; discusses key elements in the draft NMPF that are relevant to the petroleum sector; identifies concerns around aspects of the draft plan; and makes suggestions aimed at improving the draft NMPF.

This submission focusses on the key areas of Energy, and particularly on Petroleum (Section 10.0), with some comments on Carbon Capture and Storage (Section 7.0) and Offshore Gas Storage (Section 8). In addition to their economic and environmental importance in the energy transition, each of these is a key sector with the potential for synergy with other sectors, such as Offshore Renewables (Section 11.0), in order to enhance and maximise the sustainable economic benefits from the marine region to Ireland.

## 2. Background

IOOA is the representative organisation for the offshore oil and gas exploration and production industry in Ireland. Our members are a mix of large, medium and small Irish and international companies with a 50 history of investment in Irish offshore oil and gas exploration and development. Our industry has invested over €3 billion in Irish offshore exploration operations, with no financial exposure to the Irish State. Importantly, our members have delivered four gas fields, the first of which came on stream in 1978 and the fourth landed first gas in late 2015.

The petroleum sector is a major economic contributor to Ireland through the provision of indigenous energy, scientific research and understanding, technological innovation and financial benefit through taxation, licence and other fees, and employment especially in rural and coastal regions of Ireland. Revenue accrues to the Irish exchequer during all phases of operations from initial licensing options through to production phases.

Investment in development and production infrastructure associated with these fields is of multi-billion scale. More than €1 billion was spent directly with more than 300 Irish companies during the Corrib gas project, which sustained more than 1000 full-time jobs throughout the construction phase. Local infrastructure has been upgraded, with over €21 million invested in roads in north Mayo. The Corrib project is estimated to contribute €6 billion to Ireland's GDP over its lifecycle.

A recent IOOA report<sup>1</sup> provides of the potential value of oil or gas finds to Ireland. A single oil find could create up to 1,200 jobs annually and provide revenue of up to €8.5bn in corporation tax, while a single gas find could create up to 380 jobs per annum and provide tax revenue of €2.4bn in corporation tax over a field life of two decades. This would also create significant opportunities for associated domestic enterprises.

The IOOA report estimates that an oil find of 550 - 600 million barrels could result in total Gross Value Added (GVA) of €1.6bn - €3.2bn over the full 32-year project life cycle, while a gas find yielding 800bn standard cubic feet of gas could generate total GVA of €0.85bn - €0.94bn over a similar period.

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<sup>1</sup> Irish Offshore Operators' Association. 2018. *Value of the Indigenous Oil and Gas Industry to Ireland*. 64 pp. [https://www.iooa.ie/wp-content/uploads/2019/01/IOOA\\_report\\_web.pdf](https://www.iooa.ie/wp-content/uploads/2019/01/IOOA_report_web.pdf)

IOOA member companies, in carrying out licenced and regulated Exploration and Production operations, have also provided very significant environmental, seabed and subsea scientific data in the marine environment over several decades. These include the identification and mapping of cold water corals by seismic techniques, and the acoustic monitoring of cetaceans (whales and dolphins) in the deep-water Atlantic Margin basins<sup>2</sup>. These have helped in improving the scientific understanding of Ireland's marine region.

IOOA member companies hold authorisations (licensing options, licences and leases) to carry out exploration and production in specified licenced blocks in the Irish offshore. These are mostly distant from the shore, with the majority of licenced blocks in the deep waters west of Ireland. These authorisations carry obligations to carry out a specified exploration, development or production work programme. It is essential that the NMPF facilitates the completion of these obligations.

### 3. The overall Draft NMPF

IOOA advocates strongly the vision documented in Harvesting Our Ocean Wealth (HOOW)<sup>3</sup> whereby *“our ocean wealth will be a key element of our economic recovery and sustainable growth, generating benefits for all our citizens, supported by coherent policy, planning and regulation, and managed in an integrated manner”*. IOOA therefore supports the broad structure of the National Marine Planning Framework (NMPF) as an overarching framework for decision-making that is consistent, evidence-based and can help to secure a sustainable future for the maritime area. IOOA notes, with approval, the desire of the NMPF to encourage the effective use of space to support existing and future sustainable economic activity *“through co-existence, mitigation of conflicts and minimisation of the footprint of proposals”*.

IOOA endorses the long-term planning approach of the NMPF. With a 20-year horizon, it is vital that the framework can facilitate existing and developing sectors and other new opportunities that will arise in the marine area.

The framework must be clear and coherent, and structured to facilitate and support the activities and development of the key marine sectors, both current and future. Properly implemented and underpinned by appropriate legislation, it can serve as a framework to realise the potential of marine resources in an integrated fashion and deal with interaction between different interests in a fair, balanced and transparent manner.

It is noted (page 20) that the NMPF will not replace or remove existing regulatory regimes or legislative requirements governing the operation of the broad range of current and future marine sectoral activities. However, it is vital that adding a new tier to the current regulatory regimes and legislative requirements through the NMPF will not increase the regulatory burden and the time scale for decisions. IOOA notes the statement (page 11) that *“the system will reduce the regulatory burden”* by providing *“more certainty regarding what can happen and where, thereby speed up the licensing process”*.

Linking the planning regulatory regime between onshore and offshore is essential for the coherent development of the marine economy. The draft NMPF recognises this, and also that support of

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<sup>2</sup> McCauley, R.D. 2015. Offshore Irish noise logger program (March to September 2014): analysis of cetacean presence, and ambient and anthropogenic noise sources. Project CMST 1296, Report R2015-01. [https://cmst.curtin.edu.au/wp-content/uploads/sites/4/2015/06/CMST-2015-01-1296-Ireland-DRIMS\\_10574111.pdf](https://cmst.curtin.edu.au/wp-content/uploads/sites/4/2015/06/CMST-2015-01-1296-Ireland-DRIMS_10574111.pdf)

<sup>3</sup> <https://www.ouroceanwealth.ie/publications>

infrastructure, both offshore and connecting with onshore, must be an essential component of the future development. It acknowledges, for example, that offshore petroleum elements must connect to onshore facilities for storage, processing, or supply into national networks and that adaptation of port facilities might also support repurposing of decommissioned offshore infrastructure.

IOOA has a concern around a zoning approach for structuring the plan (Appendix D, page 187). Certain critical regions could be zoned in such a manner as to prevent other activities from taking place. The optimum and desirable marine plan is one which facilitates the co-existence of a broad range of complex and sometimes competing sectors. It requires clarity and certainty to assure appropriate environmental protection but needs appropriate flexibility to ensure that economic development and growth of existing and new industries and sectors can continue to develop.

#### **4. Sub-national Plans**

It is noted (page 24) that the Government is committed to the preparation of regional or sub-national plans in future Marine Spatial Plan cycles. No details of the scope, geographical extent or other features are articulated, other than stating that such plans would have a more local character and could potentially provide for quite detailed plan-making at bay or harbour area.

IOOA is concerned that such plans in some regions could block important national activities, including access to specific areas for exploration activities, potential landfall locations or logistics and emergency response corridors.

IOOA is also concerned about the risk of potential conflict between regional boundaries and also the risk of lack of co-ordination and of divergence with the national marine plan. This has the potential to lead to uncertainty, delays and even the inability to carry out some important activities. It is essential that the template for such regional plans is documented clearly in the national plan to avoid uncertainty and to ensure overall national planning cohesion.

Detailed sub-national plans and strategic zoning need to strike a balance between a range of marine activities including shipping, fishing, aquaculture, renewable energy and petroleum exploration and production. Engagement in the consultation phase of preparation of these plans should be carried out in a timely fashion, with representation from all sectors and stakeholders, and with a national overview included, in order to ensure that specific sectors are not overlooked.

#### **5. Petroleum**

IOOA is supportive of the main elements contained in the key sectoral planning policies for Petroleum activities contained in the draft framework. Of particular importance are the three objectives (page 112) to:

- *Explore and develop Ireland's indigenous petroleum resources in order to deliver significant and sustained benefits, such as import substitution, fiscal return, national and local economic development and technology learning.*
- *Provide enhanced security of supply for Ireland in the short and medium term, in accordance with the Government White Paper on Energy, while Ireland transitions to more decarbonised sources of energy.*

- *Ensure good regulatory practices in exploration and production, including decommissioning of existing production facilities when resources are exhausted, according to international best practice.*

Petroleum policy 1 states that proposals that maximise the long-term supply of petroleum should be supported, provided they fully meet the environmental safeguards contained within licensing processes. As such it clearly recognises the need for energy security, diversity of supply and development of indigenous supplies.

However, in the light of uncertainty regarding the longer term future of oil and gas exploration following recent government announcements, the planning policy for Petroleum should articulate further the aspiration that Ireland should secure its strategic long-term supply of petroleum from indigenous sources.

Companies holding petroleum licenses are required to carry out specified exploration programmes: the framework needs to ensure that this is facilitated. However, if there is a future prohibition on exploration/production of specified petroleum types (oil) for any future licences, the NMPF needs to be able to facilitate the implementation of both the existing and the future licence obligations.

As outlined on page 114, the petroleum industry is tightly regulated, with licensing, safety and environmental aspects having close regulatory oversight in accordance with international best practice and recent EU and national directives and legislation, e.g., Irish Offshore Strategic Environmental Assessment 5 (IOSEA 5) of 2015, Petroleum Safety Directive, and Petroleum (Exploration and Extraction) Safety Act 2015 (PEES Act).

As stated in the draft framework (page 115), the key interactions of relevance for marine planning are (a) shipping, ports and harbours, (b) renewables and (c) fishing. Co-operation with (a) and (c) has been managed carefully and successfully in the past. As stated in the draft framework, there is little or no experience of the deployment of renewable and petroleum infrastructure in the same areas in Ireland. However, this has worked satisfactorily in other nearby jurisdictions and it is likely that similar synergies can be applied in the Irish offshore.

IOOA member companies play a leading role in developing and upscaling new renewable energy technologies on a global scale. Partnering the oil and gas industry with the developing renewables industry through natural synergies that utilise the expertise, innovations, new technologies and financial capabilities of the oil and gas sector is essential in order to make the transition to a better and sustainable energy future.

Regarding sustainability, the draft framework references (page 116) the acknowledgement in the Energy White Paper of 2015<sup>4</sup> that *“petroleum will remain significant elements of Ireland’s energy supply in the evolution to a low carbon energy system. .... Natural gas would continue to play an important role in the energy transition; firstly, to ensure system flexibility and inertia with more renewables in the power sector and, secondly, to substitute for fuels with higher carbon emissions for heating purposes and in transport”*.

It would be helpful to see, in the Background and Context section of the draft framework document, inclusion of some of the financial and other benefits that have accrued, and those that are predicted, in the Petroleum sector activities (See Background section above). In addition, petroleum provides

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<sup>4</sup> Energy White Paper. 2015. Ireland’s Transition to a Low Carbon Energy Future, 2015-2030. Department of Communications, Energy and Natural Resources. <http://www.dcae.gov.ie/documents/Energy%20White%20Paper%20-%20Dec%202015.pdf>

essential ingredients for the petrochemical industry, for fertilisers, synthetic fabrics, safety equipment, mains gas and water pipes, and virtually all the protection clothing and equipment used in disease control and medicine.

## 6. CCS

IOOA is supportive of examining the feasibility of the safe deployment of Carbon Capture and Storage (CCS) for Ireland. In all robust scenarios for energy transition, CCS is acknowledged as a key enabler and as a technology with the potential to assist globally in the transition to a low carbon future<sup>5,6</sup>. Proven by CO<sub>2</sub> injection and monitoring over more than two decades in the Sleipner CCS project in the North Sea<sup>7</sup>, offshore depleted reservoirs and saline reservoirs offer significant potential for safe long-term storage of CO<sub>2</sub>. The technology has been developed by the petroleum industry. IOOA is fully supportive of the ongoing research into the use of CCS.

However, appropriate legislation needs to be in place for CCS deployment. As stated on page 101, *“7.2 Directive 2009/31/EC on the geological storage of CO<sub>2</sub> established a legal framework for CCS to contribute to the fight against climate change within the European Union. In Ireland, using geological formations for the capture and storage of carbon is currently prohibited under S.I. No. 575/2011”*. In order to stimulate and facilitate research and industrial-scale demonstration projects and deployment, the necessary legal framework is required for the utilisation of CCS in the Irish offshore.

## 7. Gas Storage

IOOA is supportive of the NMPF vision (page 104) to support the analysis of options for increased gas storage in order to ensure optimum energy security for both backup provision when renewables are unable to meet the energy demand and, as required under EU regulations, to ensure adequate strategic supplies to cover the event of interconnector or other supply interruptions. This is especially important in the light of the cessation of gas storage at the Kinsale Head gasfield.

IOOA is reassured (page 105) that the Department of Communications, Climate Action and Environment is in the process of developing legislation to provide the necessary regulatory framework to licence stand-alone natural gas storage facilities.

## 8. Marine Planning and Development Bill 2019

The Marine Planning and Development Management Bill 2019 (MPDM) will be essential to provide the legislative underpinning of the NMPF. However, it is critical that its contents are consistent with the NMPF. It is essential that the underpinning legislation of the MPDM Bill addresses comprehensively the critical elements of the NMPF, and that neither the Bill nor the NMPF will impede any of the marine sector activities that already operated in compliance with international best practice in environmental planning and operation.

It is essential, as envisaged in the outline draft Bill, that there is a single State consent system for the entire maritime area with (a) clear determination of responsibilities of government departments and

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<sup>5</sup> Metz, B., Davidson, O., de Coninck, H., Loos, M. and Meyer, L. (eds). 2005. *IPCC Special Report on Carbon Dioxide Capture and Storage*. Cambridge University Press. 431 pp. [https://www.ipcc.ch/pdf/special-reports/srccs/srccs\\_wholereport.pdf](https://www.ipcc.ch/pdf/special-reports/srccs/srccs_wholereport.pdf)

<sup>6</sup> [http://www.easac.eu/fileadmin/Reports/Easac\\_13\\_CCS\\_Web\\_Complete.pdf](http://www.easac.eu/fileadmin/Reports/Easac_13_CCS_Web_Complete.pdf)

<sup>7</sup> <https://www.bgs.ac.uk/science/CO2/home.html>

relevant agencies, (b) a single development management process, (c) no unnecessary and time-consuming duplication of development management processes and (d) a single development management process for activities and development in the maritime area. However, until the detailed legislative wording is finalised and the Bill is passed by the Oireachtas, there will remain an uncertainty and the risk that some, most or all of the current duplication and regulatory issues will remain, thereby delaying and in some cases effectively causing the abandonment of development that is essential for Ireland's economic, societal and environmental wellbeing.

## **9. Overarching Marine Planning Policies**

On page 57 the discussion on underwater noise states that *“At present, our knowledge of the current status of underwater noise and the data that underpins it remains poor. Ireland's POMs (Programme of Measures) target sets out the need to establish a noise register in support of a better understanding of the levels and risks associated with the underwater noise pressure. It is anticipated that threshold levels that distinguish between benign sound and harmful noise levels will eventually be determined as more information becomes available through the register”*. IOOA member companies, together with the global industry and supported by research, are building up a significant understanding of underwater noise propagation and its impact on the biological environment. This will be shared with regulatory bodies in order to help with the refinement of guidelines and appropriate regulations regarding underwater noise.

IOOA has concerns around the practicalities of the requirement (page 60) that proposals *“must demonstrate consideration of their contribution to greenhouse gas emissions for the lifetime of the proposal, both direct and indirect”*. By its very nature, the results of exploration (seismic surveys, exploration and appraisal drilling) are unknown and it is impossible to estimate or demonstrate the likely contribution to greenhouse gas emissions for the lifetime of a project with any confidence. This can only be done with some level of confidence following completion of appraisal drilling and associated research. Furthermore, the industry cannot take responsibility for how their products (oil/gas) are utilised by the end-users within the national or international community. In order to take account of this, it is suggested that wording should be added to the effect that *“where its deemed that proposals which cannot “avoid” greenhouse gas emissions, due to their inherent GHG lifecycle emission potential and undefined end use, in the overriding interest of energy security these projects should be supported”*.

## **10. Implementation Arrangements**

IOOA is supportive of the proposal (page 181) that the high-level Interdepartmental Group and an external Stakeholder Advisory Group should be repurposed to become implementation bodies to ensure that the NMPF and its main proposals are given top-level commitment, including of a budgetary and investment nature. It is important that these groups are truly representative of all sectors.

In addition, a guiding panel of industry representatives (e.g., renewables, petroleum, aquaculture, fishing, biodiversity, etc.) should be set up to guide future developments of the framework and its implementation. Having an industry panel will help focus the development more effectively and identify areas of common concern regarding diverging interests.