

Strategic Environmental Assessment (SEA) of the Porcupine Basin

Statement under Article 9 of Directive 2001/42/EU by the Minister for Communications, Energy and Natural Resources on his decision to grant four Frontier Exploration Licences in the Porcupine Basin

EU Directive 2001/42/EC requires Member States to undertake an SEA prior to the granting of exploration licences following a licensing round i.e. a Plan or Programme in the terminology of the Directive. Article 9 of the Directive requires the national authority (in this case the Minister) to issue a statement addressing the headings at (a) to (d) below.

(a) How environmental considerations (including environmental objectives) have been integrated into the Plan

The IOSEA2 Environmental Report (published August 2007, together with its Environmental Baseline Annex) describes the scope and impact of the Draft Plan by:

- 1) describing those environmental characteristics of the Porcupine Basin Licensing Round area likely to be significantly affected;
- 2) identifying any existing environmental concerns which are relevant to the plan specifically those relating to any areas of particular environmental importance, such as areas designated pursuant to the Birds Directive 79/409/EEC and the Habitats Directive 92/43/EEC;
- 3) considering the environmental protection objectives, established at international, Community or Member State level, which are relevant to the plan and the way those objectives and any environmental considerations have been taken into account during its preparation;
- 4) determining the likely significant effects on the environment of implementing the plan (such as: secondary; cumulative; synergistic; short, medium and long-term permanent and temporary; positive and negative effects), including issues such as biodiversity, population, human health, fauna, flora, soil, air, water, climatic factors, material assets, cultural heritage including architectural heritage, landscape and the interrelationship between the above factors;
- 5) describing the measures envisaged to prevent, reduce and as fully as possible offset any significant adverse effects on the environment of implementing the plan;
- 6) presenting an outline of the reasons for selecting the alternatives dealt with, and a description of how the assessment was undertaken including any difficulties (such as technical deficiencies or lack of know-how) encountered in compiling the required information;
- 7) proposing monitoring measures.

(b) How the Environmental Report & outcome of consultations have been taken into account in the licensing round

The licences granted under the Porcupine Licensing Round will be regulated and monitored to comply with the findings and recommendations in the Environment Report of the Porcupine Basin SEA process and the Appropriate Assessment which was carried out for the two Special Areas of Conservation (SACs) within the Basin.

The Environmental Report recommends that neither seismic activity nor exploration drilling be permitted within the two candidate Special Areas of Conservation (cSACs). These recommendations effectively ruled out these areas from the licensing round and in fact no application included any cSAC or part of any cSAC. The Appropriate Assessment Report recommended that drilling should be excluded from the cSACs and thus re-iterated one of the recommendations from the Environmental Report but did not place any further restrictions on licensing or exploration activity.

The IOSEA2 Environmental Report contains a total of 30 recommendations under the headings:

- (11.3.1) Data gaps and data management
- (11.3.2) Licensing and regulation
- (11.3.3) Seismic survey
- (11.3.4) Exploration drilling
- (11.3.5) Monitoring and reporting
- (11.3.6) Future oil and gas activity in the IOSEA2 area

Going forward, the intention is that all of these recommendations will be implemented by DCENR as soon as possible, and some have already been implemented. The Department of Communications, Energy and Natural Resources (DCENR) is leading in this process.

The outcome of the public consultation process is captured in the Post-consultation Report (published December 2007). One of the more significant issues raised during the consultation process was the possible effect of the thermocline on sound propagation in the water column. As a result, DCENR's consultants recommended increasing the currently recommended separation distance between seismic surveys from 100km to at least 150 to 200km. Cutting-edge research being carried out in Trinity College Dublin is beginning to reveal the fine detail of oceanic thermohaline structure west of Ireland using reprocessed oil industry seismic data and promises to increase greatly our understanding of this issue.

(c) the reason for choosing the P/P as adopted in the light of other reasonable alternatives considered

The Environmental Report (Section 4.3) included the following text:

"In terms of Ireland's total energy requirements, there are very few indigenous resources and these provide only a small fraction of the overall requirement. Ireland has no indigenous oil, and only about 15% of its gas requirement comes from indigenous sources, i.e. the Kinsale field in the Celtic Sea. One of the recommendations to Ireland from the International Energy Agency is that Ireland should develop a long-term strategy for an optimal energy mix striking an appropriate balance between energy security and climate change mitigation, noting an increasing dependence on natural gas (IEA, 2007). A recent European green paper on energy set a target of 10% of the Community's requirement from alternative energy sources by the year 2012 (European Commission, 2001). A crucial factor in the outlook for Irish energy policy is the fact that the UK, which has to date been Ireland's source of imported gas requirements, is now becoming a net importer of gas. In the medium to long term Ireland will either have to develop its own sources or find new sources, probably in Eastern Europe. This brings issues of security of supply and price stability or volatility. The main alternative in the supply side is coal and peat, which causes greenhouse gas emissions to rise much faster than expected (IEA, 2007).

As a means of testing or assessing Ireland's offshore hydrocarbon reserves, there is no realistic alternative to the exploration activity proposed in the Draft Plan. However,

alternatives within the Draft Plan to offer blocks for seismic data acquisition and exploration drilling in the Frontier Exploration Licensing Round 2007 have been identified as:

- 1) to proceed with licensing according to regulation, with no other licensing restrictions;
- 2) to proceed with the offer, subject to licensing and/or drilling conditions which may derive from the SEA process;
- 3) to award licences but restrict the extent of area licensed by withholding certain blocks;
- 4) to award licences but restrict all licences temporally;
- 5) to postpone the offer for licensing in the Porcupine Basin.”

The SEA process did not produce information, data or evidence that varied these alternatives. The selected option in effect combines above alternatives 2) in respect of conditions deriving from the process, and 3) in respect of the non-licensing of blocks within the two cSAC areas. While blocks within the two cSACs were not formally excluded from the licensing round these restrictions made it almost impossible to undertake a comprehensive programme of exploration. None of the four applications applied for area(s) covered by the cSACs.

(d) the measures put in place to monitor (and mitigate) the significant environmental impacts of implementing the licensing round?

All licences will be subject to conditions and procedures during exploration operations and activities with the objective of the protection of the environment. These are detailed in the Department's Rules & Procedures Manual for Offshore Petroleum Exploration and Appraisal Operations and include:

- 1) for seismic surveys, compliance with the National Parks and Wildlife Service's Code of Practice for the Protection of Marine Mammals during Acoustic Seafloor Surveys in Irish Waters;
- 2) for drilling operations, production and submission of an Oil Spill Contingency Plan and an Emergency Response Plan;
- 3) for drilling operations, compliance with the OSPAR procedures and limits for the use of chemicals during exploration drilling;
- 4) for drilling operations, compliance with OSPAR obligations regarding surveys at pre-, during and post-drill stages of exploration drilling.

All four licences which are being awarded in this Licensing Round have an Environmental strand to their work programme. During Phase 1 of these licences, the Operators will be required to carry out an Environmental Area Assessment (EAA) of the licensed blocks. The scoping of these EAA's is to be agreed with DCENR at the outset.