

FACTSHEET:



SHANNON LNG - Just Transition and Employment in Ireland's South-West

The proposed Shannon LNG terminal on the Shannon Estuary near Ballylongford and Tarbert in Co. Kerry has received political and business support as a potential source of jobs for this rural area.¹ However, the climate impact of the LNG terminal, which would import climate-hostile and environmentally destructive fracked gas from the US,² has called the terminal's acceptability into serious doubt.³ Furthermore, the proposed terminal would lock Ireland into fossil fuel use right at the moment when the country needs to transition to renewable energies. Can the desire to provide employment to the South-West of Ireland be reconciled with the burning need to move away from fossil fuel extraction, production and consumption?

Shannon LNG terminal: Key Facts

Location: Ballylongford, Co. Kerry, Ireland

Owner: New Fortress Energy

Capacity: Initial planned capacity of 28.3m cubic metres per day

First promoted: 2008

Current status: Construction not yet commenced. Decision of planning authority to extend planning permission currently under review by the Court of Justice of the EU.

How many jobs could Shannon LNG actually provide?

Any large-scale new development like Shannon LNG can impact employment on four different levels. It can provide long-term jobs at the terminal itself, short-term jobs during construction, and secondary economic activity during and after the construction phase. In terms of long-term direct jobs, the original planning permission for Shannon LNG predicted that the terminal would employ 50 permanent staff.⁴ This figure is typical of employment numbers for LNG terminals. For example, Dunkerque LNG in northern France employs between 20 and 49 people, while South Hook LNG in the UK, which has over twice the planned capacity of Shannon LNG, employs 156.⁵

¹ Sean Kelly (2019) 'Regional Development'. <https://seankelly.eu/regional-development/>; Radio Kerry (2019) 'New Business Group Formed to Support Shannon LNG'. 28 Feb 2019. <https://www.radiokerry.ie/new-business-group-formed-support-shannon-lng-february-28th-2019/>

² Professor Robert Howarth, speaking before the Joint Oireachtas Committee on Climate Action, Dublin, 9 Oct 2019. https://www.oireachtas.ie/en/debates/debate/joint_committee_on_climate_action/2019-10-09/2/

³ FOE Ireland (2019), 'Shannon Fracked Gas Project eviscerated at EU Commission'. <https://www.foe.ie/news/2019/10/18/shannon-fracked-gas-project-eviscerated-at-eu-commission/>

. An Taisce (2019), 'Shannon LNG "a leap backwards for climate action" says An Taisce'. <https://www.antaisce.org/ShannonLNGABackwardLeap>

⁴ An Bord Pleanála (2007). Inspector's Report on the development 'Liquefied Natural Gas (LNG) regasification terminal on the southern shore of the Shannon Estuary in the townlands of Ralappane & Kilcolgan Lower, Co. Kerry. PL08.PA002. <http://www.pleanala.ie/documents/reports/PA0/RPA0002.pdf>

⁵ Soci t  (2019). Dunkerque LNG. <https://www.societe.com/societe/dunkerque-lng-489967794.html>; Zoominfo (2019) South Hook LNG Terminal Company Ltd. <https://www.zoominfo.com/c/south-hook-lng-terminal-company-ltd/73861803>.

In addition, during its construction phase, Shannon LNG could generate on average 350 short-term jobs over 48 months, peaking at 650.⁶ Kerry County Council foresaw an additional 50 secondary post-construction jobs arising from the operation of the terminal.⁷ Based on the information presented at the time of the initial planning application, the terminal was expected to create a maximum of 650 short-term and 100 long-term jobs.⁸

However, faced with complications over planning, on 30 March 2019 the current owners of the Shannon LNG project applied for a change in planning permission, for a terminal with fewer onshore facilities and equipment, plus the omission of four onshore storage tanks and a pond for hydrotesting.⁹ While further documents relating to the employment capabilities of this reduced terminal are not available, it can safely be assumed that a reduced facility would result in fewer jobs than anticipated in 2008, particularly at the construction phase.

What are the future prospects for jobs associated with Shannon LNG?

Kerry County Council's Local Economic and Community Plan 2016-2021 identifies the lack of clarity around Shannon LNG as an economic threat to the area.¹⁰ Even if the terminal were eventually to be built, it would continue to pose an economic, environmental and societal threat. Investments such as Shannon LNG have an economic lifespan of up to 50 years, i.e. long after the point when Europe needs to reach net zero emissions. Therefore, this facility bears a high risk of becoming a stranded asset when necessary climate action measures are taken.¹¹

The 50 jobs available during the operation phase, as well as the projected 50 indirect jobs, cannot provide a secure, long-term source of employment for the local area given the required decarbonisation transition that will inevitably lead to job losses in the fossil fuel industry. As it is, the growth of carbon-intensive jobs in the South-West and Midlands has been higher than the national average since 2012.¹² The South-West region is soon to be faced with job losses from the closure of Moneypoint coal-fired power station. Any jobs created by Shannon LNG will necessarily suffer the same fate relatively soon after their creation. The Irish Congress of Trade Unions notes that workers in the coal and peat sector "are now being required to sacrifice jobs and livelihoods in the cause of the greater common good and to help protect the local and global environment for future generations".¹³ With this knowledge, it would be unjust to expose any potential employees of Shannon LNG to the same fate. Creating additional jobs in the fossil fuel sector now, when it is known that they cannot be long-term, is not a constructive employment option for Ireland's south-west. As the experience in coal-mining regions of Wales has shown, a

⁶ An Bord Pleanála (2007). PL08.PA002.

⁷ An Bord Pleanála (2007). PL08.PA002.

⁸ An Bord Pleanála (2007). PL08.PA002.

⁹ An Bord Pleanála (2019). 304007: Ballylongford, Co. Kerry. <http://www.pleanala.ie/casenum/304007.htm>.

¹⁰ Kerry County Council (2016). Local Economic and Community Plan 2016-2021.

<http://docstore.kerrycoco.ie/KCCWebsite/docs/economicplan.pdf>.

¹¹ Trinomics (2017). Study on Bringing TEN-E and the CEF in line with our COP-21 Climate Goals.

¹² Goldrick-Kelly & Nugent (2019). Matching skills needs with skills reserves: Protecting workers and communities for a just transition.

https://www.nerininstitute.net/download/pdf/matching_skills_needs_with_skills_reserves_wp_final.pdf

¹³ ICTU (2019). *Building a Just Transition: The Case of Bord na Móna*.

https://www.ictu.ie/download/pdf/building_a_just_transition_report_feb_2019.pdf, p. 8.

reliance on transitory work does not ensure a just transition; rather, a high-skill, high-pay approach should be taken to decarbonisation.¹⁴

What alternatives exist to the jobs that Shannon LNG could create?

The required move away from fossil fuels will be accompanied by an equally necessary increase in the production of renewable energies. Maritime Ireland notes that the Shannon Estuary is attractive as a possible European hub for future marine renewable energy activities, particularly in relation to wave energy converters and offshore floating wind farms.¹⁵ The area is particularly suited to this new industry due to its geographic location (close to both ample sources of renewable energy and European markets), its deep waters, the relatively uncongested shipping lanes, existing electricity infrastructure and the core tradition of manufacturing and maritime industry in the area. An upgrade to the facilities at Foynes Port in the Shannon Estuary could “position Foynes as an ideal location for manufacturing, assembly and servicing of ocean generators including waves, offshore wind and tidal developments”.¹⁶ According to the Sustainable Energy Authority of Ireland (SEAI) the Shannon Estuary could potentially provide 367GWh/year of tidal energy.¹⁷

The Strategic Integrated Framework Plan for the Shannon Estuary also identifies significant potential for developing tidal energy in the Foynes Estuary, with Foynes Port also becoming a central point from which to service and repair offshore wind turbines.¹⁸ The Plan notes that the Tarbert area is open to consideration for wind energy by Kerry County Council, and Tarbert Bay is one possible site for tidal electricity generation. However, this potential would be hampered by a large amount of shipping traffic, such as that which would be caused by Shannon LNG.¹⁹ It appears that there are two competing options for the Tarbert area; renewable clean energy or a fracked gas LNG terminal which would add even more precarious fossil fuel power infrastructure to the Shannon area – either prolonging the fossil lock-in or creating stranded assets.

Based on its inclusion in the Strategic Integrated Framework Plan for the Shannon Estuary, Shannon LNG is also included in Kerry County Council’s Local Economic and Community Plan 2016-2021 (LECP). However, the other policies and ambitions in the LECP take a very different approach to future job opportunities. Kerry has the highest employment dependence on tourism in Ireland; there are 14,000 people directly employed in the industry and one in every five jobs and businesses depends on tourism.²⁰ Revenue from tourism in Ireland was €6.1 billion in 2018.²¹ This tourism (both domestic and international) is largely based off the unspoiled natural environment and rural way of life. Kerry County Council has ambitions to use tourism to boost

¹⁴ Goldrick-Kelly & Nugent (2019). Matching skills needs with skills reserves.

¹⁵ Maritime Ireland (2012). Irish Ports Offshore Renewable Energy Services 2012.

<https://oar.marine.ie/bitstream/handle/10793/838/IMDOIPORESReport.pdf?sequence=1&isAllowed=y>

¹⁶ Maritime Ireland (2012). Irish Ports Offshore Renewable Energy Services 2012, p. 44.

¹⁷ Strategic Integrated Framework Plan for the Shannon Estuary (2013). <http://www.shannonestuariesifp.ie/sifp-document/>

¹⁸ Strategic Integrated Framework Plan for the Shannon Estuary (2013). <http://www.shannonestuariesifp.ie/sifp-document/>

¹⁹ Ibid.

²⁰ Kerry County Council (2016). Local Economic and Community Plan 2016-2021.

²¹ Tourism Ireland (2019). ‘Tourism Ireland sets its sights on another record year for Irish tourism from North America’,

<https://www.tourismireland.com/Press-Releases/2019/January/Tourism-Ireland-sets-its-sights-on-another-record>

agriculture by promoting the 'local food economy'. Other diversifications of the tourism industry include eco-tourism, adventure tourism and water sports. The LECP identifies some other key economic opportunities for the county, including "promoting sustainable renewable and efficient energy supply" and the "promotion of the clean and 'green' image associated with the county...to promote the message that Kerry is a place to work, invest, live and visit".²² The environmental and climate impacts associated with the Shannon LNG terminal seem to fundamentally go against this "green image" and the overall spirit of the LECP, which focuses on the development of tourism, renewable energy and the sustainable development of natural resources such as fisheries and forestry.



With its stunning landscape, Kerry is a hugely popular tourist destination.

Image credits Wikimedia Commons, [https://commons.wikimedia.org/wiki/File:Killarney National Park - Ladies View.jpg](https://commons.wikimedia.org/wiki/File:Killarney_National_Park_-_Ladies_View.jpg)

The overall preference of the LECP for green jobs is well founded. Jacobsen et al. (2017) find that the transition to renewable energies will create 17,256 construction jobs and 17,911 long-term jobs in operations in Ireland.²³ These jobs are already being created; the growth of the environmental goods and services sector is twice that of Ireland's aggregate employment growth.²⁴ While "green jobs" can cover a range employment, they will mostly be Science, Engineering, Technology and Maths (STEM), business or management jobs. And Ireland has a vast pool of underutilised skills and expertise in this area; 39.2% of those with tertiary qualifications in science, mathematics and computing are working in fields unrelated to their skills competencies. This is particularly the case in the South-West where 13.6% of the potential labour supply (which includes those underemployed as well as unemployed) have STEM qualifications and 16.8% have qualifications in business, administration and law.²⁵

²² Kerry County Council (2016). LECP 2016-2021, p. 40.

²³ Jacobson et al (2017). *100% Clean and Renewable Wind, Water and Sunlight All-Sector Energy Roadmaps for 139 Countries of the World*. <https://thesolutionsproject.org/why-clean-energy/#/map/countries/>

²⁴ Goldrick-Kelly & Nugent (2019).

²⁵ Goldrick-Kelly & Nugent (2019).

These highly skilled workers are well-placed to fill the jobs that a renewable transition in line with the binding national and European climate targets and international obligations under the Paris Agreement would create. In 2015, the SEAI released a study showing that the increased deployment of wind turbines would increase net employment across a range of scenarios, even if electricity prices were to increase.²⁶ It anticipated that by 2020, the expansion of wind energy would create 2,450 direct and 2,020 indirect jobs.²⁷ Employment figures have already surpassed these 2020 projections; there are currently 6,500 people currently employed in the wind sector in Ireland, with 9,456 people working in the renewables sector as a whole.²⁸ The retrofit sector also promises much for employment; investments in building retrofits for energy efficiency creates two to three times more jobs per euro than investing in fossil fuel energy.²⁹ Retrofitting of homes could create €35 billion for the economy up to 2050³⁰ and employ between 10,000 and 30,000 people.³¹ 10,000 jobs could be created in the smart grids sector.³² All in all, Chapman, Essex and Sims (2018) find that the energy transition will create net employment of 17,650 jobs, despite the jobs lost in high-carbon sectors.³³

Those currently employed in the electricity and gas sectors will see a substantial change in their working life. However, these workers generally have a high standard of education (53% have a Bachelor's degree or higher) and 82.4% of workers in this sector are under the age of 55. This suggests that retraining in response to fundamental changes in their jobs will be achievable.³⁴ Government policy is important in developing and funding this retraining. Training programmes should involve and draw on the knowledge of workers and unions, while the social security system should provide an adequate safety net for those economically impacted by the energy transition.³⁵ The Irish Trade Union Congress recommends that the vestiges of fossil fuel production, such as Bord na Móna (peat board) and fossil fuel subsidies, be redirected to create jobs in the renewable and energy efficiency sectors.³⁶

²⁶ Sustainable Energy Authority of Ireland (2015) *A Macroeconomic Analysis of Onshore Wind Deployment to 2020*. <https://www.seai.ie/publications/A-Macroeconomic-Analysis-of-Onshore-Wind-Deployment-to-2020.pdf>

²⁷ SEAI (2015). *A Macroeconomic Analysis of Onshore Wind Deployment to 2020*.

²⁸ IRENA Database (2019).

²⁹ Sev, Bird and Bottger (2018). *Energy Efficiency with Justice: How State Energy Efficiency Policy Can Mitigate Climate Change, Create Jobs, and Address Racial and Economic Inequality*. <https://ips-dc.org/wp-content/uploads/2018/08/Basav-report-final-online-1.pdf>

³⁰ ICTU (2019). *Building a Just Transition: The Case of Bord na Móna*.

³¹ IMPACT (2017). *A Just Transition to a Low-Carbon Economy*. <https://www.iiea.com/ftp/Publications/2017/IMPACT%20JustTransition.pdf>

³² IMPACT (2017). *A Just Transition to a Low-Carbon Economy*.

³³ Chapman, Essex and Sims (2018). *Unlocking the Job Potential of Zero Carbon: Report on the case studies United Kingdom, Hungary and the Republic of Ireland*. https://gef.eu/wp-content/uploads/2018/12/GEF_ClimateJobs-brochure-main-1.pdf

³⁴ IRENA Database (2019).

³⁵ IMPACT (2017). *A Just Transition to a Low-Carbon Economy*.

³⁶ ICTU (2019). *Building a Just Transition: The Case of Bord na Móna*.



A Just Transition offers thousands of job opportunities that will preserve the pristine environment of the south-west of Ireland.

Image credits Wikimedia Commons, https://commons.wikimedia.org/wiki/County_Kerry#/media/File:Minard_Castle.jpg

Conclusion

According to the Nevin Research Institute, “it is clear that there is a significant underutilisation of the available skills in the Irish economy, much of which is relevant to the future skills needs of the Just Transition and much of which is located in relatively depressed regions. This suggests a significant demand-side problem.”³⁷ The Shannon Estuary area has significant potential for sustainable transition jobs and has a workforce capable of filling them; what is lacking is the state support for such jobs. The transition to a low-carbon economy “cannot be left to the whims of the market, but must be driven by a ‘whole of government’ approach”³⁸ in constant consultation and dialogue with workers and their representatives.³⁹ A renewable transition requires a government that will send a clear signal and incentives to employers and investors that Ireland is not trapped in a fossil fuel past by projects like Shannon LNG, but is ready to grasp a just renewable energy transition.

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³⁷ Goldrick-Kelly & Nugent (2019). p. 24.

³⁸ ICTU (2019). *Building a Just Transition: The Case of Bord na Móna*, p. 11.

³⁹ IMPACT (2017). *A Just Transition to a Low-Carbon Economy*.