



**Gas
Networks
Ireland**

**Review of Connection and Grid Access Policy:
Initial Thinking & Proposed Transitional
Arrangements**

CER-15-284 Consultation

Gas Networks Ireland Response

5th February 2016

Introduction

Gas Networks Ireland (GNI) welcome the opportunity to respond to the CER's consultation on the 'Review of Connection and Grid Access Policy: Initial Thinking & Proposed Transitional Arrangements' (CER-15-284) which was published on the 11th of December.

GNI was incorporated on the 13th of January 2015 as a fully owned subsidiary of Ervia (formally known as Bord Gáis Éireann). GNI owns, operates, builds and maintains the gas network in Ireland and ensures the safe and reliable delivery of gas to its customers. GNI is a progressive, trusted and responsible gas infrastructure company with a strong customer focus and commercial ethos that contributes to Ireland's social and economic progress.

The gas network operated by GNI is an integral part of the national electricity system as it transports fuel to gas-fired power generation plants which provide a significant proportion of the electricity generated in Ireland (circa 45% in 2014). GNI supports the development of renewable energy in general and also its contribution to the electricity market.

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On-site generation is the energy that is generated or stored by a variety of small, grid-connected devices. These devices are usually located close to the load that they serve and have capacities of 10 MW or less. Gas Networks Ireland believe that on-site generation offers many benefits to consumers and broader benefits for tax payers. On-site generation power plants feed directly into industrial consumers, in parallel to the existing grid connection. This delivers real cost reduction to local industries, improves competitiveness, and delivers employment. It also provides value for the taxpayer by channelling the cost of support mechanisms for renewable power directly back into the local communities and industry.

On-site generation is also the most efficient use of the existing electrical infrastructure which minimises the requirement for investment in new infrastructure and by association reduces the cost of electricity for consumers in Ireland. Gas Networks Ireland would like to see on-site generation, in parallel to the existing grid connection, to be supported equally or more favourably than standard grid connected renewable power projects. Renewable on-site generation could be supported in a similar way to the mechanisms adopted in UK and other EU countries. Gas Networks Ireland believe that the level of support should not dependent on whether renewable power is being marketed to the grid or directly to manufacturers/industry in an on-site generation model.

Gas Networks Ireland would ask that the CER consider giving on-site generation, such as combined heat and power utilising gas or renewable gas, high priority in terms of connection to the electricity network and that this would be reflected in changes to the connection policy. In addition, the electricity generated, if appropriately metered for both electricity consumed on site and that exported to the electricity grid, should be recognised and eligible for any applicable supports for renewable energy, emission reduction, and higher energy efficiency. Gas Networks Ireland would advocate supporting different ways of meeting the renewable and efficiency targets at minimum cost to the electricity consumers and believes that one such way is through gas fuelled on-site generation.