



An Coimisiún
um Rialáil Fóntais
**Commission for
Regulation of Utilities**

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Consultation on Gas Networks Ireland Ten Year Network Development Plan 2021

Consultation Paper

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Public Impact Statement

There are approximately 710,000 natural gas customers in Ireland, who essentially fund the development and the operation of the network through their gas bills. The Ten Year Network Development Plan (TYNDP) presents Gas Networks Ireland's (GNI) view as to the future gas supply and demand in Ireland, system operation and capital investment that may be required over the next decade. The TYNDP is a future looking document that allows the Transmission System Operator (TSO) to assess the network to, amongst other things:

- ensure the gas continues to flow to customers, and;
- maintain security of supply.

The TYNDP highlights that Ireland's transmission system has sufficient capacity to meet future gas flow requirements in the short to medium term.

The TYNDP is separate to the approval of revenues for GNI; which is carried out under the Price Control process. Under that process, separate submissions are made by GNI as to its revenue needs. The CRU reviews these submissions to ensure that any revenues requested are necessary, appropriate and efficient.

Table of Contents

Table of Contents	2
Glossary of Terms and Abbreviations	3
1. Introduction	4
1.1 The Commission for Regulation of Utilities	4
1.2 Background	4
2. Public Consultation on GNI's Ten Year Network Development Plan	5
3. Next Steps	7

Glossary of Terms and Abbreviations

Abbreviation or Term	Definition or Meaning
CRU	Commission for Regulation of Utilities
GNI	Gas Networks Ireland
TSO	Transmission System Operator
TYNDP	Ten Year Network Development Plan
SEA	Strategic Environmental Assessment
AA	Appropriate Assessment
RES-E	Renewable Energy Share in Electricity

1. Introduction

1.1 The Commission for Regulation of Utilities

The Commission for Regulation of Utilities (CRU) is Ireland's independent energy and water regulator. The CRU was established in 1999 and has a wide range of economic, customer protection and energy safety responsibilities. The CRU's mission is to protect the public interest in water, energy and energy safety.

Further information on the CRU's role and relevant legislation can be found on CRU's website at www.cru.ie.

1.2 Background

In accordance with Article 22 of EU Directive 2009/73/EC ("the Directive")¹ and Part 4 of Statutory Instrument (S.I.) 16 of 2015², the CRU is launching a public consultation on GNI's 2021 TYNDP covering the period 2020/21-2029/30.

The purpose of this paper is to seek comment from actual and potential system users³ on GNI draft TYNDP covering the period 2020/21 – 2029/30 inclusive. CRU will also consider comments on the paper from general respondents as part of this consultation process.

¹ EU Directive 2009/73/EC: concerning common rules for the internal market in natural gas

² S.I. 16 of 2015: European Communities (Internal Market in Natural Gas and Electricity) (Amendment) Regulations.

³ As per Article 22(4) of the Directive

2. Public Consultation on GNI's Ten Year Network Development Plan

Article 22(1) of the Directive requires that the gas Transmission System Operator (TSO) shall submit to the Regulatory Authority a ten-year network development plan based on existing and forecasted supply and demand after having consulted all relevant stakeholders.

In particular, Article 22(2) of the Directive requires that the NDP shall:

- i. indicate to market participants the main transmission infrastructure that needs to be built or upgraded over the next ten years;
- ii. contain all the investments already decided and identify new investments which have to be executed in the next three years; and
- iii. provide a timeframe for all investment projects.

When drafting the TYNDP, the TSO is also required to make reasonable assumptions about the evolution of the production, supply, consumption, and exchanges with other countries, considering investment plans for regional and community-wide networks.

The input data and assumptions used for modelling gas supply and demand scenarios over the ten-year period were finalised in June 2021, in line with the modelling 'data freeze' date. However, production of the report extended to August 2021, and hence any non-modelling information such as project status and other ancillary developments in the gas and wider energy industry, available up until 31st August 2021 have been included in the TYNDP. Based on the information available at the time of drafting this plan, the impact of COVID-19 on has been assessed in Section 5.1.

The CRU would like to highlight that the demand scenarios (Low, Best Estimate and High) considered by GNI in Section 6 of the NDP are aimed at testing the capability of the gas network against a range of possible gas demands over the NDP's forecast period. Sections 6.6.7 - 6.6.10 are new, containing a sensitivity assessment of future gas demand when certain policy outcomes are fulfilled, e.g. completion of the Celtic interconnector and achieving 70% Renewable Energy Share in Electricity (RES-E) by 2030⁴.

⁴ This analysis was conducted prior to the change in RES-E targets from 70% to 80% - [National Development Plan \(2021-30\) \(pg. 36 - Section 3.7\)](#)

The analysis of gas demand and supply in Sections 6 & 7 of the TYNDP displays that Ireland has sufficient capacity to meet gas flow requirements in the short to medium term. GNI's Best Estimate scenario forecasts that annual supply will peak at ~90 TWh/yr in 26/27⁵, with annual demand peaking at ~70 TWh/yr in the same year⁶. The peak day forecast estimates that supply on the day of a 1-in-50 year weather event would be sufficient to meet demand by a margin of ~100 GWh/d in each year from 20/21 to 29/30⁷. A decrease in gas supply from Corrib entry point will be offset by increased production from Moffat entry point and of biomethane.

GNI also carried out a Strategic Environmental Assessment (SEA) screening and Appropriate Assessment (AA) screening on the draft TYNDP 2021. The screening reports can be found on GNI's [website](#). As part of the review of GNI's TYNDP, the CRU is consulting all actual and potential system users and invites comments on GNI's TYNDP, which is published alongside this Consultation Paper. Following this consultation, the CRU may require GNI to amend the TYNDP if necessary, to take account of responses received.

The CRU welcomes GNI's commentary on the long-term decarbonisation role that the gas network will have in the context of relevant national and EU legislation, such as the Climate Action and Low Carbon Development Act 2021 and National Energy and Climate Plan 2021-2030. The CRU notes GNI's focus on the following with regard to the future use of the gas network:

- Compressed Natural Gas;
- Renewable Gas;
- Carbon capture and storage; and
- Hydrogen

⁵ TYNDP – Figure 7-1

⁶ TYNDP – Figure 6-13

⁷ TYNDP – Figures 6-14 & 7-2

3. Next Steps

The CRU is interested in the views of actual and potential users of the system regarding the above as presented by GNI.

The deadline for submitting responses to the CRU regarding GNI's 2021 TYNDP is 17.00, 1 March 2022. Responses to this paper should be in the form of email to afitzpatrick@cru.ie

Please note that all responses will be published by CRU on the website unless it is marked confidential. Where your responses include confidential information, please put it in a separate annex where possible.