

127 Baggot Street Lwr.
Dublin, D02 F634

Date: 25th of March 2021

By email to: araut@Cru.ie

RE: CRU21018a GNI Draft Ten Year Network Development Plan 2020 Consultation Paper

Dear Amber,

On behalf of the members of the EAI Gas Working Group, I am writing to you in response to the consultation on GNI's draft Ten Year Network Development Plan. As the representative group for generators operating in the Single Electricity Market (SEM), the Electricity Association of Ireland (EAI) represents some of the largest gas shippers and users on the island of Ireland.

To begin, the EAI and its members welcome the publication of GNI's development plan for this decade as it provides useful insights to end-users on the future vision for the gas network. We would ask for continued engagement with industry from GNI over any changes in the next decade, particularly in the context of the ongoing reliance on dispatchable gas generation during this period which we expand on below. Abated and renewable gas will play a key complementary role in supporting renewables in electricity as well as in heating and transport, on the road to decarbonising the energy sector and in the long-term.

The projected growth in renewable generation in the electricity market in Ireland has increased the importance of gas-fired electricity generation to manage intermittency, help with security of electricity supply and provide support to the system operators through ancillary services. There has been significant progress in developing indigenous renewable electricity production in recent years, however, a majority of the electricity produced remains derived from natural gas (50.8% in ROI in 2020¹), which is currently sourced from a combination of indigenous and imported natural gas from the UK (approx. 40:60 ratio). The contribution from the former has now potentially peaked, with little prospect of the exploitation of further sources of indigenous gas, returning Ireland to the import dependency which has characterised much of its recent history.

The requirements for gas-fired generation will continue to change across the decade with the projected growth in electricity production by indigenous renewable generation. However, gas will continue to play an important role in Ireland, both in terms of gas to power and power to

¹ <https://www.seai.ie/data-and-insights/seai-statistics/monthly-energy-data/electricity/>

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Electricity Association of Ireland

Registered Office: 127 Baggot St Lower, Dublin 2, Ireland D02 F634
Registered No. 443598 | VAT No. IE9682114C

T +353 1 524 1046 | E info@eaireland.com | [@ElectricityAI](https://twitter.com/ElectricityAI)

www.eaireland.com



gas. Reducing the carbon content of the current gas supply, for example by incorporating greater volumes of renewable gas, will be necessary in order to progress towards the overall decarbonisation of the power sector. It will also be important to ensure that excess renewable electricity production can be consumed, and curtailment avoided, for example by using this electricity to produce gases such as hydrogen and then potentially using this gas to generate electricity.

EAI's recently published report 'Our Zero e-Mission Future' authored by researchers at UCC MaREI looks at the configuration of the all-island power system in 2030 based on achieving the renewable energy target of 70% for electricity consumption by 2030. One of the takeaways from the study is that while wind energy will be the main driver of decarbonisation, the reliable delivery of electricity requires conventional generation to play a necessary role in providing energy, system services, and flexibility. The study finds the electricity system will be 40% larger in capacity with a similar level of gas capacity in 2030 as there is today although plants will operate 20% less with 25% of these hours at minimum generation and more start-ups for CCGTs and 50% of these hours at minimum generation for OCGTs².

In summary, this study tells us that the all-island power system will have a need for significant dispatchable generation in 2030 to ensure system security. One of the main areas of concern for our members relates to security of supply issues. We welcome GNI's discussion of the role of gas in power generation in this publication and would ask for continued engagement on the matter of the role of gas and the gas network in contributing towards Ireland's transition to a low-carbon energy future while ensuring security of supply.

We welcome the gas decarbonisation ambition as part of the continued role of gases (including the use of abated and renewable gases) and gas-fired power generation in electricity security of supply, and stress the need for collaboration and engagement with the power sector on changes to gas quality specifications. While small, domestic end-users are relatively untroubled by changes in gas composition within a safe range, fluctuations and variability in gas quality can cause disruption to operations for sensitive equipment such as gas turbines, burners, and boilers. GNI began engagement with EAI members on prospective changes to the transmission level gas quality specification in 2020, which has demonstrated the complexities and concerns which need to be addressed. We would welcome an update from GNI on the status of this piece of work. Future prospects of changes in export gas composition at Moffat give rise to further concerns (e.g. hydrogen blending). It is clear that it will be very important for gas system operators to work in full cooperation with sensitive loads

² <https://eaireland.com/wp-content/uploads/2020/11/Our-Zero-e-Mission-Future-Report.pdf>



in the coming months and years for changes in gas content to be managed successfully, with minimal disruption and cost to the wider industry and energy consumers.

We look forward to future engagement on these issues.

Yours Sincerely

Gemma Bewley

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Policy Analyst

Electricity Association of Ireland