

127 Baggot Street Lwr., Dublin, D02 F634

## Date: 4th of March 2022

By email to: kkavanagh@cru.ie

Cc to: jmelvin@cru.ie

RE: HSE consultation on proposed changes to GSMR and impacts on gas-fired generation.

## Dear Karen,

On behalf of the members of the Electricity Association of Ireland (EAI) Gas Working Group, I am writing in relation to the recently published Health and Safety Executive (HSE) consultation regarding proposed changes to the Gas Safety Management Regulations (GSMR) in Great Britain. As highlighted in our previous letter of 30 April 2021 (a copy is attached for your reference) these proposed changes could have potential impacts on the operation of gas-fired generation units, and by default on the security of electricity supply in Ireland. The EAI represents generators and therefore some of the largest gas shippers and users on the island of Ireland and is highly concerned around the lack of communication, clarity and awareness relating to these proposed changes to the GSMR and the potential resulting consequences.

A number of proposed changes to the GSMR are being considered within the HSE consultation. HSE has carried out an initial impact assessment and is seeking views on a number of changes to include, but not limited to, the following:

- A new lower Wobbe number (WN) limit.
- To remove the Incomplete Combustion Factor (ICF) and the Soot Index (SI) limits in Schedule 3 and introduce a relative density of ≤0.700.
- To incorporate the HSE class exemption limit of ≤1 mol% for oxygen in gases conveyed at pressures up to 38 barg.

As outlined in the impact assessment as part of the consultation, HSE has engaged in interviews and surveys with UK gas-fired generators to determine the impact of changes to GSMR, primarily around changes to the WN limit. A key finding from this process was that "...equipment, and control and monitoring systems will need engineering surveys to determine if they can safely manage the proposed WN changes regardless of the age of the facility". In addition, the impact

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assessment highlights potential modification costs for control system upgrades and tuning of turbines as well as increased ongoing maintenance costs. These findings are highly concerning, not only in the context of the potential direct impact on gas-fired generators but also on the wider impact to the safe and secure operation of the electricity supply in Ireland. Given the widely held view that gas will act as the transition fuel to support the energy transition and 2030 energy targets and noting Ireland's continued and growing dependence on imports of UK gas, the potential impact of these changes cannot be underestimated.

Noting the potential impacts, it is now imperative that the Regulatory Authorities take decisive steps to engage both with their counterparts in the UK (on both gas and electricity) and also the necessary stakeholders in Ireland in order to protect the interests of consumers in Ireland on this matter. It is vital that Irelands interests are appropriately represented and considered and that all necessary costs and impacts have been adequately assessed before any decision to implement the proposed changes has been taken. This should include the costs that will be imposed on Ireland as result of these changes in order to ensure safe and reliable operation of the system. This has not been taken into the consideration in the Impact Assessment that forms part of the HSE consultation. The Regulatory Authorities have statutory responsibilities incumbent on them to protect security of supply. Should the proposed changes to GSMR be implemented, and then come into effect in Ireland, given the potential impact on gas-fired generators there is a clear risk of disruption to the power system and thus security of supply. These potential impacts therefore need to be incorporated into the Security of Supply review currently underway, noting that modifications to equipment at gas-fired generators may be required as well as increased ongoing maintenance.

In addition, generators are likely to incur significant costs in relation to the proposed changes to include impact assessment reports, upfront modification costs to equipment and increased maintenance costs. Should the proposals proceed, a suitable remuneration mechanism will need to be developed to allow for these costs and presented to industry for review and consideration as required. We ask that a prompt conclusion is reached on the impacts to Irish gas users to avoid unnecessary cost and uncertainty for gas-fired electricity generators.

Furthermore, in addition to the above concerns around changes to GSMR, it is worth re-iterating that changes are also being considered to the gas quality specifications in Ireland directly resulting from biomethane injections into the Irish Grid. Whilst changes in this regard may be further away than the proposed changes to GSMR, it is vital that that the impacts of projected biomethane injections are also considered so that shippers understand when these changes be expected, and what quantum of change to the gas quality delivered by the Irish gas grid is to be expected. This concern was also highlighted in our aforementioned letter of 30 April 2021.



We would appreciate an understanding of the change communication plan to be implemented by the Regulatory Authorities regarding any forecast changes to the Irish grid gas quality for Irish gas users supplied from the grid, and guidance on when gas end-users can expect engagement from the Regulatory Authorities under this plan. EAI proposes a bilateral meeting at the earliest opportunity to discuss the concerns raised in this letter.

We look forward to a meaningful engagement on these issues and to receiving a response to this communication.

Yours Sincerely,

Dara Lynott

Electricity Association of Ireland (EAI)