
From: Michael O'Neill <Michael.ONeill@gasnetworks.ie>
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Cc: Ann Marie Colbert
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To whom it concerns,

Please find attached Gas Networks Ireland's response to the Public Consultation on the Proposed Publication of the Circular Economy Strategy. Gas Networks Ireland would welcome the opportunity to discuss this response with you in more detail.

If you have any questions or require any clarification with regard to the attached consultation response please let me know.

Kind regards,
Michael

Michael O'Neill | *Commercial Analyst*

Gas Networks Ireland

P.O. Box 51, Gasworks Road, Cork, Ireland

M +353 86 3778953

E michael.oneill@gasnetworks.ie

Progress is natural, which is why we're moving Ireland towards a cleaner energy future.

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Tá an fhaisnéis á seachadadh dírithe ar an duine nó ar an eintiteas chuig a bhfuil sí seolta amháin agus féadfar ábhar faoi rún, faoi phribhléid nó ábhar atá íogair ó thaobh tráchtála de a bheith mar chuid de. Tá aon athsheachadadh nó scaipeadh den fhaisnéis, aon athbhreithniú ar nó aon úsáid eile a bhaint as, nó aon ghníomh a dhéantar ag brath ar an bhfaisnéis seo ag daoine nó ag eintitis nach dóibh siúd an fhaisnéis seo, toirimisce the agus féadfar é a bheith neamhdhleathach. Níl Líonraí Gáis Éireann faoi dhliteanas maidir le seachadadh iomlán agus ceart na faisnéise sa chumarsáid seo nó maidir le haon mhoill a bhaineann léi. Ní ghlacann Líonraí Gáis Éireann le haon dliteanas faoi ghníomh nó faoi iarmhairtí bunaithe ar úsáid thoirmisce the na faisnéise seo. Níl Líonraí Gáis Éireann faoi dhliteanas maidir le seachadadh ceart agus iomlán na faisnéise sa chumarsáid seo nó maidir le haon mhoill a bhaineann léi. Má fuair tú an teachtaireacht seo in earráid, más é do thoil é, déan teagmháil leis an seoltóir agus scríos an t-ábhar ó

gach aon ríomhaire.

Féadfar ríomhphost a bheith soghabhálach i leith truailithe, idircheaptha agus i leith leasaithe neamhúdraithe. Ní ghlacann Líonraí Gáis Éireann le haon fhreagracht as athruithe nó as idircheapadh a rinneadh ar an ríomhphost seo i ndiaidh é a sheoladh nó as aon dochar do chórais na bhfaighteoirí déanta ag an teachtaireacht seo nó ag a ceangaltáin. Más é do thoil é, tabhair faoi deara chomh maith go bhféadfar monatóireacht a dhéanamh ar theachtairachtaí chuig nó ó Líonraí Gáis Éireann chun comhlíonadh le polasaithe agus le caighdeáin Líonraí Gáis Éireann a chinntiú agus chun ár ngnó a chosaint. Líonraí Gáis Éireann cuideachta ghníomhaíochta ainmnithe, faoi theorainn scaireanna, atá corpraithe in Éirinn leis an uimhir chláráithe 555744 agus a tá hoifig chláráithe ag Bóthar na nOibreacha Gáis, Corcaigh, T12 RX96.

Go raibh maith agat as d'aird a thabhairt.

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Thank you for your attention.

Public Consultation on the Proposed Publication of the Circular Economy Strategy

Department of the Environment, Climate and Communications

Gas Networks Ireland Response

11th June 2021



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1 Introduction

Gas Networks Ireland (GNI) welcomes the opportunity to respond to the Department of the Environment, Climate and Communications 'Public Consultation on the Proposed Publication of the Circular Economy Strategy'. GNI owns, operates, builds and maintains the gas network in Ireland and ensures the safe and reliable delivery of gas to its customers. The company is responsible for transporting natural gas through over 14,500km of pipeline networks. The gas network supplies energy to over 700,000 customers, including businesses, domestic users and power stations. GNI believes that gas and the gas network are integral to Ireland's energy system and future.

2 Consultation Questions

1. Do you agree with the draft Strategy's proposed key objectives? In your view, are there further or alternative objectives that should be included?

GNI agrees with the proposed key objectives in the consultation document while taking the view that these key objective areas will need to be supported by targeted policy and support mechanisms. The first objective states that a framework is required to support Ireland's transition to a circular economy. This is a vital component of Ireland's circular economy ambition and the drafting of this framework must consider an all-encompassing approach to circular economy supporting technologies. The Waste Action Plan¹ is mentioned in the consultation document as the guiding document for waste planning in Ireland for the coming years. GNI welcomes that the Waste Action plan specifically mentions Anaerobic Digestion (AD) however, the plan only considers the benefits of AD in the context of food / organic waste management. AD has the capacity to manage agricultural waste and offset some agricultural emissions through the production of renewable gas and biofertiliser. Agriculture is a necessary part of Irish life, but farms produce waste which must be managed, and minimised where possible. Farm and food wastes mixed with other feedstocks can be converted to biomethane which is a renewable gas. This renewable gas can in turn be used by farmers and food companies in their operations. As outlined in the EU methane strategy², through the AD process non-recyclable human and agricultural waste (i.e. manure) and residue streams can be utilised to produce biogas which can then be upgraded to biomethane for injection into the gas grid. As well as this, a by-product from the AD process, known as digestate, can be returned to the land as a fertiliser thus completing the cycle. The use of digestate derived bio-fertiliser is an alternative to chemical fertilisers. Digestate bio-fertiliser offers many environmental and productivity benefits over chemical fertilisers and raw slurry. This process is something that encompasses all the fundamentals of the circular economy approach. GNI would welcome supports for AD in the management of agricultural waste.

GNI supports the inclusion of key objectives 4 and 5. Objective 4 details the need to support investment in the circular economy with a view to delivering balanced regional growth. The development of the circular economy provides a great opportunity to create jobs across the country. AD technologies supporting the

¹ <https://assets.gov.ie/86647/dcf554a4-0fb7-4d9c-9714-0b1fbe7dbc1a.pdf>

² https://ec.europa.eu/energy/sites/ener/files/eu_methane_strategy.pdf

circular economy can be drivers of economic development in rural settings. AD can support the circular economy through the production of renewable gas, bio-fertiliser and carbon dioxide for re-use, while regenerating waste, reducing pollution and providing rural employment. AD plants are largely based in rural settings and can create both direct employment, and indirect employment in the services needed to support AD plants. The widespread agricultural land across Ireland provides the right conditions for balanced regional growth in the sector. The Renewable Gas Forum of Ireland commissioned KPMG to produce a report on 'An Integrated Business Case for Biomethane in Ireland in 2019'. This report states that AD would enable diversification and stimulation of the rural economy and job creation of over 3,000 jobs³.

An important factor in the success of the strategic objectives is to acknowledge the need for incentivisation and supportive funding for circular economy projects. The RGFI has highlighted in its 'Delivering a Sustainable Solution for Agriculture and Energy' position paper that a dedicated fund for renewable gas production projects could be put in place with funding coming from sources such as investment funds, private funding, the European Investment Bank and Strategic Investment Funds⁴. AD plants can play their part in reducing emissions while supporting circular economy principles. However, potentially high investment costs for AD plants and uncertainty about financial returns could act as barriers to implementation⁵. Therefore, supports that provide assurances or a level of certainty would be of value to renewable gas projects and other circular economy projects.

2. Do you agree with the overall level of ambition set out in the draft Strategy? If not, is further ambition needed or is the draft Strategy overly ambitious?

GNI agrees with the level of ambition shown in the draft Strategy.

3. Should Ireland measure its progress in achieving a more circular economy relative to its European Union peers? If not, what alternative benchmark should Ireland adopt and why?

Yes, benchmarking Ireland's progress against its EU peers is a good approach to measuring the success of achieving a more circular economy. It would also be beneficial to benchmark circular economy activities across sectors of the economy and different industries with Ireland's European counterparts. The EU Circular Economy Action Plan which is a building block of the EU Green Deal, includes a transition of all sectors of the EU economy with focus on resource intensive sectors such as construction, textiles, electronics and plastics⁶.

The circular economy is an important part of the EU Green Deal strategy and needs to be considered as part of the drafting of the Irish Circular Economy Strategy document. As well as factoring the EU Green Deal Strategy, Ireland should look towards EU countries where the circular economy is more developed to learn from their experiences. For example, France boasts the fastest growing AD plant roll out in the

³ <https://www.agriland.ie/farming-news/agricultural-led-biogas-a-strategic-national-opportunity-kpmg/>

⁴ <https://assets.gov.ie/75966/723d0bdd-e3b5-4254-9741-3ed73e92e11c.pdf>

⁵ <https://www.mdpi.com/2076-3298/8/2/8/pdf>

⁶ https://ec.europa.eu/commission/presscorner/api/files/attachment/859152/What_is_the_European_Green_Deal_en.pdf.pdf

EU buoyed by a funding scheme designed to push the market towards biomethane production.⁷ Ireland should analyse the French approach and look at the mechanisms and policies in place which are producing positive results for AD development.

4. Would you rate Irish public awareness of the circular economy as high, medium or low? And how important do you think raising public awareness is to further develop the circular economy?

GNI believes raising public awareness is instrumental in the success of the development of the circular economy throughout Ireland. Awareness levels will determine the amount of ownership and responsibility felt by individuals and key groups in Ireland. Personal buy-in is a critical factor in the pursuit of expansion of the circular economy.

5. What are the most effective awareness raising measures that could be taken under the Strategy?

GNI believes the following measures are the most effective ways of raising awareness under the Strategy:

- A clear, easy to follow roadmap and framework
- Awareness campaigns avoiding ambiguous language via social media, radio and television
- Education campaigns across all sections of society and countrywide distribution of easy to follow literature and illustrations across homes, businesses and organisations
- Promotion of Circular Economy Principles from senior management / administration across all organisations in society to create a sense of ownership and responsibility

GNI engages in a number of awareness campaigns about gas safety⁸ and carbon monoxide safety⁹ with advertising across social media and media outlets proving to be a success in raising awareness about these important issues. GNI engages with Age Action Ireland through its volunteering programme to help raise digital literacy among older age demographics as well as installing carbon monoxide alarms in member's houses¹⁰.

6. Are you satisfied with the proposed stakeholder engagement arrangements in the draft Strategy? Which additional stakeholders (if any), not already part of the Waste Action Group, do you think should be included in the Strategy's implementation?

No response.

⁷ https://www.europeanbiogas.eu/wp-content/uploads/2019/05/EBA_Statistical-Report-2018_AbridgedPublic_web.pdf

⁸ <https://www.gasnetworks.ie/corporate/news/active-news-articles/do-you-smell-gas-300421/>

⁹ <https://www.gasnetworks.ie/corporate/news/active-news-articles/check-your-carbon-monoxid/>

7. What do you see as the major economic and/or social co-benefits of moving towards a more circular economy in Ireland, so that environmental improvements also provide economic and social opportunities, and vice versa?

The move towards a more circular economy has a number of economic and social benefits. In particular, AD plants will boost the country's rural economy by providing jobs in rural settings. According to the 2019 RGFI commissioned KPMG Report¹¹ on biomethane in Ireland, the RGFI's ambition to develop a sustainable indigenous biomethane industry in Ireland on a phased basis by 2030, will stimulate the rural economy and save over 2.6m tonnes of CO2 emissions per annum. A key benefit of biomethane production highlighted in this document is the viable economic alternative that AD provides farmers with while leveraging Ireland's rural agricultural resources to a greater degree and supporting decarbonisation. The report goes on to state that an agri industry led AD biomethane approach also provides significant wider economic benefits including the diversification of income for farmers and stimulation of the rural economy and creation of over 3,000 jobs. This is a prime example of the many benefits of a move towards a circular economy through the implementation of Agri-AD in Ireland

8. What do you see as the major regulatory barriers to the further development of the circular economy in Ireland? In answering this question please feel free to address economy-wide issues or those affecting your sector in particular.

No response.

9. What do you see as the major non-regulatory barriers to the further development of the circular economy in Ireland? In answering this question please feel free to address economy-wide issues or those affecting your sector in particular.

No response.

10. How important do you consider Green Public Procurement is in supporting the development of new circular goods and services?

No response.

11. What would be the most effective action Government could take to promote/support and incentivise the further development of the circular economy?

Ireland requires a simple framework / roadmap outlining how the country can move towards a circular economy. This coupled with policy support to incentivise investors in technologies that support the circular economy represents the most effective action the government can take to build the circular economy in Ireland. The European Green Deal specifically mentions the availability of funds to help develop the rural economy to harness opportunities in the circular economy and bioeconomy. The EU Farm to Fork Strategy identifies the bio/circular economy as largely untapped resources while stating that farmers should invest

¹¹ https://www.europeanbiogas.eu/wp-content/uploads/2019/11/RGFI_Vertically-Integrated-Business-Case_Executive-Summary.pdf

in AD to help offset methane emissions and produce renewable energy by utilising agricultural waste and residues¹². GNI would welcome the inclusion of similar supports in the Circular Economy Strategy document. The development of AD is a capital-intensive endeavour for potential investors and in order to increase the provision of these facilities incentivisation and financial supports are needed.

12. Which sectors do you think can make the biggest contribution to making Ireland's economy more circular?

GNI believes agriculture, energy production and construction are in a position to make impactful contributions to a more circular economy in Ireland. Renewable gas can play its part in the provision of energy supporting the circular economy but further supports and investment will be required to help renewable gas reach its potential in Ireland. GNI is involved in facilitating the injection of renewable gas, a carbon neutral energy source, into the gas network. Renewable gas was first introduced to the Irish gas network through a renewable gas injection point in County Kildare, supplied by Green Generation, in August 2019. A recent deal¹³ between Tesco Ireland and Green Generation sees Tesco supplying 6,400 tonnes of food waste per annum to Green Generation for conversion to renewable gas. This renewable gas is injected into the gas network at the Cush injection point. In turn, Tesco purchases this renewable gas and uses it to supply six Tesco stores. This results in carbon savings of 1,200 tonnes per year for Tesco and supports the circular economy. Renewable gas, which is often produced from waste materials co-digested with other feedstocks in an anaerobic digestion plant, supports the circular economy, improves security of energy supply and helps diversify energy sources.

Energy efficiency in buildings is also an area where circular economy principles supported by renewable gas production can have a significant impact. In this context, decarbonisation of the existing housing stock is an important consideration. The gas network can play a part in transitioning domestic heating to renewable energy. Ervia, GNI's parent company, commissioned KPMG to develop and evaluate scenarios for decarbonisation of the one million Irish residential homes currently connected to, or within close proximity to the existing gas network. The study¹⁴ concluded that renewable gas is the lowest cost option to decarbonise the domestic heat sector. Furthermore, the need for potentially costly deep retrofits to convert properties to a BER rating for electric heat pumps to work effectively, is minimised.

13. Do you broadly agree with the policy areas listed for future development in the draft Strategy? If not, which areas would you remove/add to the list?

GNI agrees with the policy areas listed in the consultation document and believes that if the issues outlined in this response are factored into the strategy document then the overall goals and ambitions of the circular economy strategy can be achieved.

¹² https://ec.europa.eu/food/sites/food/files/safety/docs/f2f_action-plan_2020_strategy-info_en.pdf

¹³ <https://www.irishtimes.com/business/energy-and-resources/tesco-to-cut-emissions-by-converting-waste-food-from-irish-stores-to-gas-1.4271907#:~:text=Tesco%20plans%20to%20cut%20carbon,to%20be%20converted%20into%20energy>

¹⁴ [KPMG, Decarbonising Domestic Heating in Ireland: http://www.ervia.ie/decarbonising-domestic-he/KPMG-Irish-Gas-Pathways-Report.pdf](http://www.ervia.ie/decarbonising-domestic-he/KPMG-Irish-Gas-Pathways-Report.pdf)

14. Any other comments?

No response.

3 Conclusion

GNI asks that the Department of the Environment, Climate and Communications considers the above comments/suggestions and would welcome the opportunity to discuss this response in more detail.