

# Consultation on the proposed amendments to the TEN-E Regulation

## Gas Networks Ireland's Response

February 2021



Gas Networks Ireland (GNI) welcomes the opportunity to provide feedback on the draft TEN-E Regulation. We believe that gas infrastructure can and should be leveraged to deliver a 'Just Transition' at least cost, whilst maintaining economic growth. That said, any amendments to the Regulation should consider the implications for Ireland following Brexit.

### **Security of Supply Considerations**

Among the provisions in the draft Regulation is to "exclude natural gas infrastructure but include hydrogen, P2G and smart gas grids". The preamble to the draft Regulation states that "all Member States will have access to at least three gas sources". Natural Gas is currently supplied to the Republic of Ireland (ROI) from one indigenous source, and via interconnection with the UK. The role of gas interconnection is particularly important considering that, with the expected fall in indigenous production in the future, Ireland is likely to be primarily reliant on one gas source from the UK, a third country. Furthermore, Ireland is no longer directly interconnected with another Member State which leaves Ireland in a very unique position compared to other EU Member States. Consequently, Ireland will not meet the 'N-1 Infrastructure Standard' as specified in Regulation (EU) 2017/1938 concerning measures to safeguard the security of gas supply. GNI believes that the TEN-E Regulation should take account of Ireland being an island EU Member State which has specific security of supply considerations post Brexit.

### **Cross Border Criteria Considerations**

The cross-border criteria for PCI projects in the draft Regulation, as it currently stands, will make it difficult if not impossible for projects in Member States which have limited interconnection, including ROI projects, to qualify for PCI status. In its current form, the draft Regulation could exclude projects that contribute substantially to EU energy and climate targets (through the deployment of renewable and low carbon gases), even though these projects could be key components of priority corridors and thematic areas. The new provisions in Article 4(2) concerning Projects of Mutual Interest (PMIs) do not overcome the inability of ROI projects to meet the cross-border criteria post Brexit, as PMIs are also required to bring significant benefits to at least two Member States.

We believe that the proposed cross-border criteria, set out in Article 4, should be broadened so that any project which is necessary for at least one of the energy infrastructure priority corridors and thematic areas should be eligible for PCI status. The corridors themselves are, by definition, a cross-border concept and any project which contributes to the development of corridors and/or thematic areas is, in GNI's view, consistent with the intent of the Regulation and fully aligned with the European Commission's Energy System Integration and Hydrogen Strategies.

GNI welcomes the addition of a 'priority thematic areas' and 'infrastructure categories' for smart gas grids, hydrogen and electrolyzers. However further clarification is sought as to how electrolyzers, biomethane injection points and similar projects, which are unlikely to have a cross-border component, can be eligible for PCI status; we believe they should be eligible once the project sufficiently demonstrates that it is an essential part of a priority corridor or thematic area.

In the context of the establishment of priority corridors for hydrogen and electrolyzers, GNI welcomes the inclusion of Ireland in the 'HI West' group. However, we have some concerns

as to how this will work in practice, and how ROI projects will be accounted for given the cross-border criteria issues identified above. GNI proposes that Ireland, as a Member State, should have a virtual link-in to the hydrogen priority corridors across other EU Member States following Brexit, in order to allow Ireland to develop PCI projects which form part of the HI West hydrogen backbone.

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