

File Note

Project title GNI Gas Forecast Statement 2022
Job number 292976-00
File reference Rev/1
cc
Prepared by Ailsa Doyle
Date 12 January 2023
Subject Note on AA Screening Requirement

50 Ringsend Road Dublin 4 D04 T6X0 Ireland
t +353 1 233 4455 d +353 1 233 4287
arup.com

1. Introduction

Gas Networks Ireland (referred to hereafter as GNI) is required to submit a ten-year Network Development Plan to the CRU in accordance with Article 22 of EU Directive 2009/73/EC and Article 11 of the EC1 (Internal Market in Natural Gas and Electricity) (Amendment) Regulations 2015.

Amendments to the EU Directive 2009/73/EC (enacted under EU2022/869 in May 2022) has revised the requirement for ten-year Network Development Plans from yearly, to bi-yearly. In interim years when a ten-year Network Development Plan is not requested by the CRU, GNI will produce a Gas Forecast Statement (GFS). A GFS provides a view of how the gas network may develop over a ten-year period. It is based on current supply and demand for gas, as well as projections for growth in gas consumption and development of infrastructure.

Arup has been commissioned by GNI to prepare a report for the purposes of Appropriate Assessment (AA) Screening with regards to the 2022 GFS.

Having reviewed the content of the 2022 GFS, Arup are of the opinion that the requirements of the Habitats Directive 92/43/EEC (hereafter referred to as ‘the Habitats Directive’) do not apply to the 2022 GFS, and that ultimately, there is no requirement to carry out an AA of same.

This File Note provides information on the applicability of the Habitats Directive to the 2022 GFS.

2. The Habitats Directive and Appropriate Assessment

Directive 92/43/EEC on the Conservation of Natural Habitats and Wild Flora and Fauna – the ‘Habitats Directive’ provides legal protection for habitats and species of European importance. Article 2 of the Habitats Directive requires the maintenance or restoration of habitats and species of interest to the EU in a favourable condition. The Directive was transposed into Irish law by the European Communities (Natural Habitats) Regulations, SI 94/1997.

Job number 292976-00
Date 12 January 2023

Under Article 6(3) of the Habitats Directive an Appropriate Assessment must be undertaken for any plan or program that is likely to have a significant effect on the conservation objectives of a Natura 2000 site. Article 6 paragraph 3 states:

“Any plan or project not directly connected with or necessary to the management of the site but likely to have a significant effect thereon, either individually or in combination with other plans or projects, shall be subject to appropriate assessment of its implications for the site in view of the site’s conservation objectives. In the light of the conclusions of the assessment of the implications for the site and subject to the provisions of paragraph 4, the competent national authorities shall agree to the plan or project only after having ascertained that it will not adversely affect the integrity of the site concerned and, if appropriate, after having obtained the opinion of the general public.”

Therefore, an AA is an evaluation of the potential impacts of a plan on the conservation objectives of a Natura 2000 site, and the development, where necessary, of mitigation or avoidance measures to preclude adverse effects. In a situation where it is not possible to fully demonstrate that adverse effects on the site integrity would occur, options must be explored so that any risk of damaging designated sites is avoided.

Plans can only be adopted after having ascertained that there will be no significant adverse effects on the integrity of the sites in question.

3. Background to the Plan

GNI is a wholly owned subsidiary of Ervia and was established in accordance with the Gas Regulation Act 2013, as amended. It owns and operates the natural gas transmission and distribution networks in Ireland.

As Ireland’s gas Transmission System Operator (TSO), GNI is required to submit a ten-year Network Development Plan to the CRU in accordance with Article 22 of EU Directive 2009/73/EC and Article 11 of the EC1 (Internal Market in Natural Gas and Electricity) (Amendment) Regulations 2015.

Amendments to the EU Directive 2009/73/EC (enacted under EU2022/869 in May 2022) has revised the requirement for ten-year Network Development Plans from yearly, to bi-yearly. In interim years when a ten-year Network Development Plan is not requested by the CRU, GNI will produce a Gas Forecast Statement (GFS). A GFS provides a view of how the gas network may develop over a ten-year period. It is based on current supply and demand for gas, as well as projections for growth in gas consumption and development of infrastructure.

GNI have prepared their first GFS- the 2022 GFS, which is the subject of this File Note.

The purpose of the 2022 Gas Forecast Statement is to assess the gas network’s capacity based on existing and forecast supply and demand in order to guarantee the adequacy of the gas transportation system and security of supply in the interim years where the Network Development Plan (NDP) is not required. Some of the key messages of the 2022 GFS are as follows:

Job number 292976-00
Date 12 January 2023

- The Corrib gas field is expected to meet 21% of annual Gas Networks Ireland system demands (28% of ROI demand) in 2021/2240, with the Moffat Entry Point providing the remaining 79%.
- The Corrib gas field supplied approximately 14% of Gas Networks Ireland peak day system demand (19% of ROI demand) in 2021/22.
- The Moffat Entry Point in Scotland will remain key in terms of energy security as Corrib production declines in the medium-term.
- Moffat is anticipated to meet 95% and 94% of Gas Networks Ireland system and ROI peak day demands respectively in 2030/31.
- Biomethane is forecast to meet 1% and 1.5% of Gas Networks Ireland system and ROI peak day demands respectively in 2030/31. This is based on achieving 3.2 TWh/year of indigenous biomethane by 2030/31. This is ahead of the base case volume of biomethane deployment developed in the Government’s National Energy and Climate Plan 2021-2030 and CAP 2021, which set the target for indigenous biomethane at 1.6 TWh by 2030.
- Biomethane is forecast to meet 4.4% and 6.1% of Gas Networks Ireland system and ROI annual demands respectively in 2030/31.
- The GFS forecasts includes low level blends of hydrogen in the network equating to 2% of annual system demand by 2030/31, supplied both indigenously and through the interconnectors from the UK.

4. Legislative Requirements for Appropriate Assessment

As outlined in Section 2, AA is required for “*any plan or project not directly connected with or necessary to the management of the site but likely to have a significant effect thereon, either individually or in combination with other plans or projects.*”

Having regard to the purpose of the 2022 GFS, as described in Section 3, it was first considered prudent to investigate whether the GFS is a ‘Plan’ as defined by the Habitats Directive.

The European Commission published the document ‘Managing Natura 2000 sites — The provisions of Article 6 of the Habitats Directive 92/43/EEC’ in 2019. The purpose of the document is to provide “*guidelines to the Member States on the interpretation of certain key concepts used in Article 6 of the Habitats Directive.*” The document incorporates the large body of rulings that have been issued by the Court of Justice of the EU over the years on Article 6 of the Habitats Directive. It also builds on a series of Commission notes addressing Natura 2000 management as well as other relevant Commission guidance documents on Article 6.

Section 4.4 of the Commission Document, ‘what is meant by ‘plan or project not directly connected with or necessary to the management of the site?’ highlights that “*the term ‘plan’ has, for the purpose of Article 6(3), a potentially very broad meaning.*”

Section 4.4 goes on to state that

“a distinction needs to be made with ‘plans’ which are in the nature of policy statements, i.e. policy documents which show the general political will or intention of a ministry or lower authority. An example might be a general plan for sustainable development across a

Job number 292976-00
Date 12 January 2023

Member State's territory or region. It does not seem appropriate to treat these as 'plans' for the purpose of Article 6(3), particularly if any initiatives deriving from such policy statements must pass through the intermediary of a land-use or sectoral plan (C 179/06, paragraph 41) (43).

Thus, the nature of the 2022 GFS was examined in order to assess the applicability of Article 6(3).

The 2022 GFS provides a view of how the gas network may develop over a ten-year period, based on projections for growth. The 2022 GFS, in and of itself, will not give rise to any infrastructure projects, nor does it dictate land-use. It is considered that the 2022 GFS is more in the nature of a policy statement in that it sets out general intentions of GNI for the gas supply network over the next ten years.

The Commissions assertion that “*it does not seem appropriate to treat these as 'plans' for the purpose of Article 6(3), particularly if any initiatives deriving from such policy statements must pass through the intermediary of a land-use or sectoral plan (C 179/06, paragraph 41) (43)*” is also considered to be of relevance.

GNI prepares NDPs every 2 years, which outline a number of capital investment projects which will be delivered over the coming years (in the short, medium and long-term), including future proposed large capital projects and proposed new technologies.

In 2020, GNI also prepared their first Network Implementation Plan (NIP). The purpose of the NIP is to set out in more detail, the manner in which the short-term capital investment proposals identified in the NDP may be developed in the Plan area over the three-year plan period 2020 - 2023. This includes greater detail on the capital investment proposals included in the NDP, including their locations, nature, extent etc. The Plan provides for short term capital investment projects including the provision of AGI (Above Ground Installation) upgrade works, new AGIs, CGI (Centralised Gas Injection) and CNG (Compressed Natural Gas) facilities. As the NIP is more project-specific than the higher-level NDP, it is subject to AA, under the provisions of the Habitats Directive. In essence, the initiatives deriving from the 2022 GFS will pass through the intermediary of sectoral plans in the form of the NDP and the NIP, which are subject to AA.

Having regard to the nature and scope of the 2022 GFS, which does not make provisions for any projects or land-use, and that the initiatives deriving from same will pass through future NDPs and NIPS, the 2022 GFS is not considered to be a 'plan' to which the Habitat Directive applies. There is thus no requirement to prepare a Report for the Purposes of AA.

5. Conclusion

Arup was commissioned by GNI to prepare a Report for the Purposes of AA Screening, in relation to the 2022 GFS.

Having reviewed the 2022 GFS, Arup first carried out an investigation of the applicability of the Habitats Directive to the 2022 GFS, and the subsequent requirement for AA.

Job number 292976-00
Date 12 January 2023

Having regard to the nature and scope of the 2022 GFS, which does not make provisions for any projects or land-use, and that the initiatives deriving from same will pass through future NDPs and NIPS, it is the opinion of Arup that the 2022 GFS is not considered to be a 'plan' to which the Habitat Directive applies. There is thus no requirement to prepare a Report for the Purposes of AA Screening.