

Ceanncheathrú
Bóthar na nOibreacha Gáis
Corcaigh, T12 RX96
Éire

Headquarters
Gasworks Road
Cork, T12 RX96
Ireland



T +353 21 453 4000
F +353 21 453 4001

gasnetworks.ie

SEM Committee
Commission for Regulation of Utilities
The Exchange
Belgard Square North
Tallaght
D24 PXW0

SEM Committee
Utility Regulator
Queens House
14 Queen Street
Belfast
BT1 6ED

By email:

CRMsubmissions@uregni.gov.uk

CRMsubmissions@cru.ie

Ref: *CMC_10_23: Mitigation of Impact on Participants Relating to 3rd Party Gas Connection Delays*

To Whom It May Concern,

Whilst Gas Networks Ireland is not a participant of the SEM Code Modification process, we have been made aware at this late stage of an ongoing proposed Code Modification being discussed in the Capacity Code Modifications Process. The proposed modification "*CMC_10_23: Mitigation of Impact on Participants Relating to 3rd Party Gas Connection Delays*" relates to the provision of natural gas supplies by the relevant Transmission System Operator within each jurisdiction.

Our understanding is that the outright intention of the modification is to allow for an extension period for the completion date of a gas fired generation project in circumstances where the gas connection has been delayed.

Should the Code Mod be approved by the SEM Committee, Gas Networks Ireland consider it may have a material impact on its business and would therefore ask for the opportunity to share its observations regarding this proposal.

Our high-level observations are as follows, but we would welcome further direct engagement accordingly at your convenience to discuss this matter further.

- (1) Firstly, it is important to note that the programme of works associated with the connection of a new power plant to the gas transmission network is complex in nature and any “planned completion date” in respect of the gas connection is subject to continual change as the programme evolves.
- (2) It is also important to note that there are numerous factors that can lead to the gas connection programme timings being amended. These factors can include:
 - a. Issues pertaining to the project promoter including change of scope in relation to the gas connection, site access and alignment with the overall project e.g. commissioning of gas turbines. In such circumstances, this can adversely affect the ability of Gas Networks Ireland to meet targeted completion timelines.
 - b. We understand that supply chain issues have been raised in the broader context in the electricity market and it is important to note that in the current market environment, Gas Networks Ireland also continues to experience issues/bottlenecks with the supply chain for a gas transmission connection. In many aspects of the gas connection, specialist materials and resources are required which can be in high demand.
 - c. For large gas transmission connections, there are a series of statutory consents that Gas Networks Ireland need to secure, and the successful delivery of such consents can be outside of Gas Networks Ireland’s control and timelines set by a third party e.g. securing pipeline consents or third-party landowner consents.
- (3) The proposer of the modification notes that there are delays in gas connections which are outside of the control of the Project and that *“Such delays could occur due to many gas connection related processes which are outside the control of the Project, but which are clearly within the control of the Gas Connection party.”* It is important to note, as illustrated above, that in many instances, delays to a gas connection are **not** within the control of Gas Networks Ireland. The modification therefore as proposed has shortcomings in that it appears to assume that delays on the gas connection are ultimately under the control of Gas Networks Ireland and it is the party which has caused a delay to the gas connection.
- (4) The modification also infers that if there is a case of doubt regarding the existence of a relevant delay in the gas connection and the attribution of this between the connection provider and the participant, this will be decided within the terms of the gas connection agreement. This infers that there may be an increased likelihood of contractual disputes emerging between the Participant and Gas Networks Ireland (and in the extreme would there be a perverse incentive for the Participant to raise a contractual challenge in respect of the gas connection with Gas Networks Ireland).

I am conscious that Gas Networks Ireland has been made aware of this modification proposal at a late stage and therefore to meet the modification deadlines, we have set out some key points at this juncture.

We would see merit in further discussions on this to provide greater clarity and perhaps provide more reassurance to Gas Networks Ireland on the risk of any adverse implications arising from this modification should it be approved.

Please do not hesitate to contact me should you wish to discuss this matter further,

Yours sincerely,



Áine Spillane

Regulatory Framework Manager

Gas Networks Ireland

Email: aine.spillane@gasnetworks.ie

Telephone: +353868250427