Department of Transport, Tourism and Sport

Statement of Strategy 2017-2019

Gas Networks Ireland Response

5th August 2016
Introduction

Gas Networks Ireland (GNI) welcomes the opportunity to provide input for the DTTAS ‘Statement of Strategy for 2017 - 2019’. GNI was incorporated on the 13th of January 2015 as a fully owned subsidiary of Ervia (formally known as Bord Gáis Éireann). Gas Networks Ireland is responsible for the safe, reliable and efficient transportation of Ireland’s gas demand (representing 30% of Ireland’s primary energy) through the state-owned natural gas network. The network today consists of over 11,000 km of distribution pipelines and almost 2,500 km of transmission pipeline. The gas network has been developed since gas was established in the late 1970’s, with network investment of over €2.8 billion, supplying energy to 14 power stations, more than 23,000 multi-nationals and businesses and over 647,000 homes.

Transportation of gas is unobtrusive, with pipelines buried underground and particular attention taken to minimise impact on the local flora and fauna. In addition, the transportation of energy through gas pipelines is considered one of the most efficient modes of transporting energy. The existing transmission network has the capacity to accommodate substantial new loads, with connection to the higher tier pressure pipelines being the optimal option for large consumers who consume large quantities of natural gas and require the delivery of high pressure at their site. Equally, the distribution network has capacity to accommodate new loads, albeit on smaller scale and at lower pressures than that of the transmission system. GNI is working to continually advance the utilisation of the gas network for the benefit of Ireland.

Gas in Transport

Transport in Ireland is 98% dependent on imported oil. In addition, there is just one oil refinery on the island of Ireland. There is a significant risk to the country if we do not mitigate against this dependency on oil in transport. GNI is actively supporting the development of Compressed Natural Gas (CNG) and biogas for use in transport vehicles. The rollout of a network of CNG refuelling facilities will provide an alternative to diesel for trucks, buses and vans and will reduce Ireland’s reliance on imported oil. Initially using natural gas, CNG vehicles will see a reduction in CO₂ emission of up to 22% compared with their diesel counterparts and a huge reduction in other tailpipe emissions, such as nitrogen oxide, sulphur dioxide and particulate matter.

As the production of biogas/biomethane is scaled up and used in transport as bio-CNG, even greater lifecycle CO₂ emission reductions can be achieved. While CO₂ emission reductions contribute to climate change mitigation, the transportation of fuel through the existing gas network will also provide fuel security in all weather conditions and contribute to climate change adaption. Furthermore, the financial benefits for truck and bus operators are significant with estimated fuel savings of between €10,000 and €20,000 per annum (20% to 50%) based on recent trials carried out in Ireland.

Natural gas is the cleanest fossil fuel with significantly lower carbon dioxide and particulate emissions. There are clear advantages for the transport sector to transition from imported oil to natural gas especially considering that a significant proportion of the gas in Ireland is now indigenously produced¹.

¹ Current indications are that close to 60% of Ireland’s gas demand will be supplied from Corrib in 2016
since the Corrib gas field has become operational. Moreover, the introduction of natural gas to the transport sector will facilitate the gradual transition to bio-CNG.

**Climate Change**

Heating and transport account for 69% of Ireland’s energy-related CO₂ emissions due to the dependence of these sectors on oil as their primary fuel source (98% in transport and 44% in heating). Ireland is currently behind on meeting its targets for renewable energy which could result in referral to the European Court of Justice, with significant fines and sanctions likely. The adoption of renewable gas and CNG will reduce CO₂ emissions, and assist Ireland in meeting its EU targets. This will help reduce or mitigate the potential fines as well as having other economic benefits such as job creation and rural development.

**DTTAS Statement of Strategy 2017 – 2019**

Gas Networks Ireland believes that the completion the development of the National Policy Framework in line with the Directive for Alternative Fuels Infrastructure is an important element of the DTTAS’s Statement of Strategy. Gas Networks Ireland would like to highlight the following important points with regard to the completion of the National Policy Framework.

a. Inclusion in the National Policy Framework of minimum targets for the delivery of supporting infrastructure for Alternative Fuels including CNG and Electricity;

b. Inclusion in the National Policy Framework of minimum targets for the adoption of alternative fuel vehicles, particularly in state and semi-state fleets, e.g. State owned Bus Operators Fleet to consist of 15% Low Carbon Vehicles by 2020. Inclusion in state issued transport contracts or contracts that contain a transport element to require 15-20% low carbon transport.

c. Inclusion of a range of supports to encourage the adoption of alternative fuels e.g.:

   i. Lower road tax on commercial vehicles with lower emissions;

   ii. Lower toll charges on vehicles with lower emissions;

   iii. Make a support fund available to fund the reasonable additional capital cost of a low carbon alternative fuel vehicle to the end user.

Heavy vehicles such as trucks and buses account for 3% of the market, in number, but account for 20% of the energy consumption and thus the CO₂ emissions. As they are predominantly diesel, they are also responsible for the majority of the particulate matter emitted in urban environments and thus represent a significant threat to the health of the Irish urban population. As biogas can deliver carbon neutral and in some cases carbon negative fuel in a fully renewable form, we request that in the formation of strategy that biogas and CNG are recognised as being the optimum alternative fuel for heavy vehicles such as buses and trucks and are supported publicly in much the same way as electricity is in relation to the passenger car.
Gas networks Ireland and other stakeholders are currently engaged in the promotion of CNGV busses in the Cork Region with the aim of introducing CNGV busses on one of the busiest routes between the city and industrial and employment centres of the Cork lower harbour area. Gas Networks Ireland believe that “ground-up” initiatives such as this should be included and supported as part of the DTTAS strategy for 2017 – 2019 as it will facilitate the introduction of CNGV technology in a phased and controlled manner. The promotion of low carbon transport initiatives such as the introduction of CNGV bus transport has been identified by The Department of Jobs, Enterprise and Innovation as a key contributor to economic development and job creation. The Ireland’s Greenest Bus Route project has been identified as one of the key initiatives to be progressed under the South West Region Action Plans for Jobs.2 Gas Networks Ireland believe that initiatives such as this demonstrate a clear commitment to external stakeholders e.g. the EU, that Ireland is committed to doing all it can to decarbonise the transport sector.

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2 DJEI Action Plan For Jobs South West Region - see Actions 107 and 108 on page 69 of the document found at the following link: 