



An Roinn Cumarsáide,
Fuinnimh agus Acmhainní Nádurtha,
Baile Átha Cliath 2.

Department of Communications,
Energy and Natural Resources,
Dublin 2.

Deputy Simon Coveney
Leinster House
Kildare Street
Dublin 2

foi/11/2008

FREEDOM OF INFORMATION REQUEST – FOI/000/2008

Dear Deputy Coveney

I refer to your recent request under the Freedom of Information Acts 1997 and 2003 for records held by this Department relating to the issue of security of gas supply imports from the UK which was received in this Department on 28th January, 2008.


I have been assigned the role of decision maker for this request and in this regard, I wish to advise you that I have made a decision, on 13 February 2008 to grant your request. If you have any queries regarding correspondence you can contact me by telephone at 6782506.

Access to the records will be by means of photocopies. Accordingly, a copy of the records is now enclosed.

RIGHT OF APPEAL

You may appeal this decision. In the event that you need to make such an appeal, you can do so by writing to the Freedom of Information Unit, Elm House, Earlsvale Road, Cavan. Your correspondence should include a fee of €75 for processing the appeal. Payment should be made by way of bank draft, money order, postal order or personal cheque made payable to Department of Communications, Energy and Natural Resources. You should make your appeal within 4 weeks from the date of this notification, however, the making of a late appeal may be permitted in appropriate circumstances. *A week is defined in the Act to mean 5 consecutive weekdays, excluding Saturdays and public holidays (Sundays are also excluded, as they are not weekdays).* The appeal will involve a complete reconsideration of the matter by a more senior member of the staff of this Department.

Regards,



Rebecca Minch

Assistant Principal
Department of Communications, Energy and Natural Resources
29-31 Adelaide Road
Dublin 2
Tel: 6782506

13 February 2008

Department of Communications, Energy and Natural Resources

FOI Application

Schedule of Records: Reference Number FOI/000/2008
Release Details

File Ref	File Name	Record No.	No of pages	Brief Description	Record Edited/Identify Deletions	Grants/ Refusals/ Part grant	Basis of Refusal: Section of Act	Record edited/ Identify deletions
CER 19/12/1	Gas Capacity Statement 2007-2014	1	2	Questions raised by Minister in context of submission of Gas Capacity Statement 2007 – 2014.	N/A	Grant	N/A	N/A
CER 19/12/1	Gas Capacity Statement 2007-2014	2	2	E-mail from Department officials requesting information from CER expert.	N/A	Grant	N/A	N/A
CER 19/12/1	Gas Capacity Statement 2007-2014	3	1	Handwritten version of questions by Minister.	N/A	Grant	N/A	N/A
CER 19/12/1	Gas Capacity Statement 2007-2014	4	6	Submission to Minister on Gas Capacity Statement 2007 – 2014.	N/A	Grant	N/A	N/A

REF: CER 19/12/1
FOI 2/3/5

Copy

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Mr Glynn (on A/L)

Ms White, Deputy Secretary General

**Questions raised by Minister in context of submission of
Gas Capacity Statement 2007 – 2014**

Please find under responses by the CER to a number of questions raised by Minister (at Tab A) on the occasion of the submission of the most recent Gas Capacity Statement.

You may wish to discuss with Minister.

BC

Bernie Comey
11 October 2007

NOTE FOR MINISTER'S INFORMATION

1. What percentage of electricity supply will be from wind power in 2013, given the assumption that installed capacity will be 2443MW in 2013?

With installed wind generation capacity of 2443MW, wind generation would account for 19.5% of projected total electricity consumption in 2013.

2. What are the implications of system pressure not being able to be maintained as per section 5.2.2 of the Gas Capacity Statement?

The implications of system pressure not being maintained in the gas system would be load shedding of gas-fired power stations. The CER has advised that the particular scenario contemplated in para. 5.2.2 of the recent Gas Capacity Statement was somewhat extreme in that it assumed the following conditions:

- 1 in 50 winter peak-day demand
- All loads assumed to be firm (i.e. non-interruptible)
- Corrib is delayed by a year (not available winter 09/10)
- Commissioning of the two CCGT stations in Cork brought forward for winter 09/10, and
- There is no storage available at Inch

The resulting shortfall in supply would be for the winter of 2009/2010 only, if it is assumed Corrib is available the following year but the other conditions above were to continue to prevail.

3. When will the next Gas Capacity Statement be prepared and what will be the new time frame?

The CER has begun work on next year's Gas Capacity Statement and it will be completed by 31st July 2008. It will continue to have at least a 7 year time frame (i.e. 2007/08 to 2014/15). However, in line with the commitment in the Energy White Paper, the next Statement will also look at global trends over the next 20 years. The CER has also advised that it has flagged in the terms of reference for next year's Capacity Statement consultancy, that the Statement will in all likelihood include some modeling of the Northern Ireland gas system.

4. What capacity forecasts do the UK regulators undertake and what is their capacity forecast post 2014?

In the UK, National Grid prepare a 10-year Statement.

From: Denis Cagney [mailto:dcagney@cer.ie]

Sent: 10 October 2007 15:55

To: Bernie Comey

Cc: FionaM O'Sullivan ELEC; Keelin O'Brien; Robert O'Rourke

Subject: RE: Gas Capacity Statement 2007 - information request

Dear Bernie

I was away last week so forgive the delay in getting back to you on the Minister's queries. Taking them in turn:

1. With installed wind generation capacity of 2443MW, wind generation would account for 19.5% of projected total electricity consumption in 2013.

2. The implications of system pressure not being maintained in the gas system would be load shedding of gas-fired power stations. I would recall, however, that the particular scenario contemplated in para 5.2.2 of our recent Gas Capacity Statement was somewhat extreme in that it assumed the following conditions:

1 in 50 winter peak-day demand

All loads assumed to be firm (i.e. non-interruptible)

Corrib is delayed by a year (not available winter 09/10)

Commissioning of the two CCGT stations in Cork brought forward for winter 09/10

There is no storage available at Inch

The resulting shortfall in supply would be for the winter of 2009/2010 only, if we assume Corrib is available the following year but the other conditions above were to continue to prevail.

3. We have begun the project for next year's Gas Capacity Statement and it will be completed by 31st July 2008. It will continue to have a 7 year time frame (i.e. 2007/08 to 2014/15) because the legislation stipulates this timeframe. That said, our next Statement will look at global trends over the next 20 years (as per White Paper). Objectively, there is a good case for a Capacity Statement looking beyond the next 7 years, while recognizing that there is always some trade off between the a longer timeframe and the reliability of the underlying assumptions and projected results.

4. In the UK, National Grid prepare a 10-year Statement.

I trust this is helpful. Needless to say, don't hesitate to contact us if you have any further queries.

Regards

Director Energy Networks

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From: FionaM O'Sullivan ELEC [mailto:FionaM.O'Sullivan@dcmnr.gov.ie]

Sent: 28 September 2007 15:59

To: Denis Cagney

Cc: Bernie Comey; Daniel Shine

Subject: Gas Capacity Statement 2007 - information request

Dear Denis,

A number of questions have been raised by the Minister in relation to the Gas Capacity Statement 2007.

We would greatly appreciate if you could answer the following:

1. What percentage of electricity supply will be from wind power in 2013, given the assumption that installed capacity will be 2443MW in 2013?
2. What are the implications of system pressure not being able to be maintained as per section 5.2.2?
3. When will the next Gas Capacity Statement be prepared and what will be the new time frame?
4. What capacity forecasts do the UK regulators undertake and what is their capacity forecast post 2014?

Thank you.

Kind regards,

*Fiona O' Sullivan
 Electricity & Gas Regulation Division
 Department of Communications, Energy & Natural Resources
 29-31 Adelaide Road, Dublin 2 Ireland
 +353 1 6783137
 fionam.o.sullivan@dcentr.gov.ie*

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Thank you for your attention

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[1] O.J. No. L176, 15.07.2003, p.57.

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Submission Cover Sheet

Title: Gas Capacity Statement 2007	
Summary/Recommendation	
<p>what percentage of electricity supply will be ^{from} wind power in 2013 Given the assumption that installed capacity will be 2443MW in 2013? what are the implications of system pressures not being able to</p>	
Minister's Signature	
<p>be maintained as per section 5.2.2? when will the next gas capacity forecast capacity statement be prepared and what will be the new time frame. what capacity forecasts do the UK regulators undertake and what is their capacity forecast post 2014?</p>	

[Signature] 29/03

perhaps I could have meeting with Sara White on the issue as she suggests.

Dave,
 Can you review his questions and we could meet him in due course,
 Jon

Submitted for information. The Study presents reasonable assurance on gas security of supply. He will continue to engage fully with the CER in monitoring the situation and addressing problems as they arise, if any.

Mr Glynn

Ms White, Deputy Secretary General

Secretary General (communications)

Runai Aire

Minister
You may wish to discuss
5/8

Gas Capacity Statement 2007

The Commission for Energy Regulation (CER) has statutory responsibility for securing the continuity, security and quality of supplies of natural gas. The obligation on the CER to provide annual statements stems from Regulation 8 of the European Communities (Internal Market in Natural Gas) (No 2) Regulations 2004.

In line with its responsibilities the CER has submitted its fifth annual Gas Capacity Statement to the Department (in file pocket across). The Statement, which covers the eight year period 2007 – 2014, provides an estimate of the adequacy of the Irish natural gas transmission system to meet demand growth over the period.

The purpose of the Statement is to provide a timely indication of the need for new investment in gas transmission for the medium and longer term.

Minister will wish to note the conclusions drawn in the 2007 Gas Capacity Statement.

The study has been carried out against the background of concerns internationally about security of energy supply, a fully contestable Irish gas market since 1 July 2007, the undertakings of the Programme for Government, commitments of the Energy White Paper and a consultancy study, currently underway, on all-island gas storage and LNG.

Programme for Government

With regard to security of gas supplies the Government is committed to securing long-term energy security. The Programme for Government commits to:

- ensuring the security and reliability of gas supplies,
- enhance the diversity of fuels used for power generation,

- deliver gas to homes and businesses over networks that are efficient, reliable and secure, and
- mitigate the impact of any energy supply disruptions by ensuring that contingency measures are in place.

Energy White Paper

With regard to the White Paper commitments that impinge on the work of the Department and the CER as regards ensuring the security and reliability of gas supplies, the following commitments together with an update on commitments are relevant:

- *Commitment to ask the CER to take a strategic "look forward" on a 20 year time horizon in its Gas Capacity Statement.*
 - The CER will, in the work programme underway for the next Gas Capacity Statements, take cognisance of a longer time frame. *see note + this in 2008*
- *Review the scope for enhanced fuel switching in gas based power stations for security of supply.*
 - The assessment process by the CER in regard to applications for construction of new plant includes scope for fuel switching.
- *Agree the necessary arrangements to address impacts of UK regulatory reforms for booking of exit capacity.*
 - The Moffat exit reforms are currently on hold following the recent decision of the UK Competition Commission in regard to Ofgem reform proposals. The ball is now back in the Ofgem court and it is not clear whether Ofgem will accept the ruling. Meanwhile, the Division will stay in touch with DTI and CER on developments.
- *Encourage private sector interest in investing in gas storage facilities and LNG.*
 - While the Department does not have a role in the planning process for this facility the promoters of the Shannon LNG project (and others) are in contact with the Department and Shannon LNG have requested meeting with Minister in September.
- *Review the potential role of Government intervention in the event of market failure in light of the findings of the all-island gas storage study.*
 - Any actions to await finalisation of all island study currently underway (see below).
- *Work proactively with other MS and the Commission through EU Working Groups to ensure coordination of security of supply measures by the EU in the event of a major gas disruption.*
 - The Department actively participates in all EU security of supply Working Groups and fora.
- *Work proactively in Europe to ensure Ireland's needs are met under EU plans to assist diversification by Member States currently dependent on one gas supplier.*
 - Ongoing.

All-Island Gas Storage and LNG Study

A joint DCENR/DETINI commissioned and funded North/South study is scheduled for completion in late August/early September. The study will assess the medium to long-term security of supply on an all-island basis including the scope for a common approach to gas storage and LNG. A progress report on the study will be presented to a meeting of the All-Island Joint Steering Group in early September.

Overall Conclusion

The result of the analysis shows that

- the gas transmission system has sufficient capacity for supplies to meet reasonable expectations of demand growth under most conditions for the period.
- There is a need for onshore reinforcement, in particular, in the Cork area to meet demand growth. The report notes that BGE are planning completion of transmission pipeline reinforcement by 2009/10 to meet anticipated demand growth.
- The results of the sensitivity cases examined showed that, provided the Corrib supply is available for the winter peak of 2009/10 there will not be a capacity problem over the period. However, delays beyond 2009/10 in the development of Corrib gas and no storage service at Inch may lead to a potential capacity constraint on the system in Scotland. In this case reinforcement of the transmission system is required in Scotland for a short period prior to the arrival of supplies from either Corrib or LNG at Shannon. Taking account of the high capital investment associated with large transmission projects, the report concludes that the low cost alternative of performance improvement of operating equipment and commercial incentives to reduce peak-day demand should be pursued as an alternative to reinforcement. Performance studies currently being undertaken by BGE will indicate possibilities for gradual enhancement of the onshore system as an alternative option.
- The proposed delivery of LNG at Shannon will also have a significant influence on the Irish gas market in terms of security of supply and the relationship with gas markets through physical and commercial interconnectedness. (2012)

A background note on gas supply and capacity together with a detailed note on the scenarios examined by the CER is attached.

Submitted please.

B. Comey

Bernie Comey
Electricity and Gas Regulation Division
8 August 2007