

Biomethane Industry Briefing

4th October 2023

Questions and Answers

Q1 – When will the Granville connection become operational?

It is anticipated that the Granville biomethane connection will become operational in November 2023.

Q2 – What is the range of CV (Calorific Value)?

The CV range will be set so that it matches the prevalent CV value in Northern Ireland; this depends on the CV of the gas coming into Northern Ireland through the Scotland-Northern Ireland Pipeline. Propane addition will be required to bring the CV of biomethane up to the required level for the near future. A project to consider alternatives to setting a target CV has been included in the GD23 energy strategy funding proposals, and the Distribution Network Operators are keen to progress this. Whilst such alternative solutions may be technically feasible, further consideration will need to be given to the associated consequences. This will require for example further engagement with gas consumers who may be affected by lower CV values, due to their geographical proximity to a biomethane injection point, as well as further engagement with suppliers and pay-as-you-go system providers on implications for the billing systems. The Distribution Network Operators are working together closely to ensure their respective arrangements are, and remain, aligned.

Q3 – Who is handling GOO (Guarantees of Origin) in Northern Ireland?

Administration of and oversight over Guarantee of Origin schemes sits outside the regulatory framework. The biomethane project is based on the working assumption that consideration of arrangements to support specific Guarantee of Origins schemes will be subject to interest in such specific schemes being raised. The biomethane regulatory framework currently in place supports the requirements of both the RTFO (Renewable Transport Fuel Obligation) scheme and the REA (Renewable Energy Assurance) scheme. The [2022 Biomethane Industry Briefing](#) provided further details on this GB scheme and the potential to extend it to Northern Ireland. Stakeholders are encouraged to proactively familiarise themselves with the requirements of any specific Guarantee of Origin scheme they are interested in. Gas Network Operators are keen to understand the needs of large gas users in regard to Guarantee of Origin and wish to assist stakeholders to ensure the right Guarantee of Origin scheme is implemented for the Northern Ireland context.

Q4 – Who will be controlling the BNEF (Biomethane Network Entry Facility) remote operating valve?

The remotely operated valve will be controlled and maintained by the Distribution Network Operator to prevent any non-compliant gas being injected into the network. The Distribution Network Operators are working together closely to ensure alignment of their respective arrangements. The Distribution Network Operators will all be

using the same third-party service provider to manage the SCADA (Supervisory Control and Data Acquisition) service which monitors and controls the remote operating valve for the Biomethane Network Entry Facility.

Q5 – Does UREGNI have R&D money to develop Operator Training Modules for the site managers?

No, the GD23 energy strategy funding is for licensed Distribution Network Operators only; licensed Transmission System Operators can also request energy strategy funding, but there is no funding for other entities.

Q6 – How are 100,000-ton plants near towns going to clear planning in time?

Planning is always a concern with large energy projects. DfE (Department for the Economy) has asked the bodies with responsibilities for the planning process (such as DfI (Department for Infrastructure) and the councils) to account, as part of the planning process, for the strategic importance of a project for the transition to net zero. It is our understanding that for some of the projects with interest in injecting biomethane into the gas network the planning process is already underway or completed.

Q7 – Is DfE's description of large scale 100,000-ton ADs (anaerobic digestors) in line with (a) the existing operational base of ca. 80 ADs in Northern Ireland, and (b) the network constraints described in this presentation which are affecting current projects in development? Considering the need to decarbonise energy related emissions by 56% by 2030, support schemes should be aimed at the most shovel-ready projects.

The ca. 80 existing anaerobic digestors have been primarily built for electricity production under the NIRO (Northern Ireland Renewable Obligation) scheme. It is anticipated that producers who have invested in these sites will likely want to get the full amount of their investment. It is possible that some may wish to expand to also inject biomethane into the network. If projects are ready for biomethane injection, there is a willingness for these to be facilitated as far as possible. The Northern Ireland gas network overall has substantive capacity for biomethane injection. There currently are localised constraints in some areas where demand is insufficient to absorb the quantities to be injected in these areas. The Northern Ireland network strategy work seeks to resolve these constraints. In the interim, injection remains possible, and interested parties are encouraged to contact the Gas Network Operators to discuss the best solution for their specific project.

Q8 – Will this improve energy security for NI? And what impact will it have on cost to the consumer?

Biomethane injection will be an alternative source of gas for Northern Ireland and will thus improve security of supply. Reliability of gas infrastructure in Northern Ireland has traditionally been high, and security of supply considerations will be a key factor in strategic network planning and development.

Cost impact on consumers will depend on a number of factors. Currently, the producer pays principle is being applied. This means that all cost associated with a biomethane connection will be borne by the producer. However, the findings from the DfE call for evidence on options to support biomethane production in Northern Ireland and any associated policy implications will be considered. There is a potential that these could impact on the cost to the consumer.

Q9 – Can the GNI GOO (Guarantees of Origin) be accepted?

Yes, Ireland's Renewable Gas Registry, operated by Gas Networks Ireland, facilitates the generation and trading of two types of certificates;

- (i) a Guarantee of Origin, compliant with the requirements of the EU Renewable Energy Directive (RED) II, which discloses to the end-consumer, via a 'book and claim' system, the origin of the renewable gas injected into the Irish gas network, and;
- (ii) a Proof of Origin certificate, which further confirms the 'mass balancing' of the renewable gas through the network, from injection to withdrawal. A Proof of Origin will have proof of sustainability documentation inseparably connected to it.

Renewable gas certificates may be traded by account holders in the registry prior to the final allocation of renewable gas to a consumer. When an account holder sells renewable gas certificates to a consumer, Gas Networks Ireland cancels the associated certificates in the registry and issues a cancellation statement. This ensures a link from producer to consumer of the relevant certification associated with the renewable energy.

A Proof of Origin certificate in Ireland's Renewable Gas Registry can be used to comply with the mass balancing requirements of the Renewable Transport Fuel Obligation schemes in the UK and Ireland, and the European Union Emissions Trading Scheme (EU ETS).

Further information is available here: [Renewable gas certification \(gasnetworks.ie\)](https://www.gasnetworks.ie/renewable-gas-certification).

Q10 – Commercialisation of digestate and CO₂ has struggled in most other countries. Denmark and Germany have had a successful roll-out of thousands of ADs with policy support of subsidy schemes like feed in tariffs. Should this approach be followed? Support levels would naturally be reviewed over time and should reduce when there is evidence to show these revenue streams exist in the future, but this is not currently the case.

Denmark and Germany do have established biomethane industries. However, their gas markets are significantly bigger than the Northern Ireland one. This needs to be factored into any considerations on a potential subsidy mechanism and how it should be financed. Any government support for a new technology is typically only provided in the beginning and then stepped down as the technology becomes established.

Q11 – DfE acknowledge there is a gap between income and cost for NI AD plants. Given the potential environmental benefit of AD plants is DfE not jumping, and taking a hugely ambitious position, before the call for evidence is

gathered by already stating the preferred position is to make the economics of large AD working by selling CO₂ and processing digestate?

DfE's considerations are informed by academic thinking and research. This will be set out in the call for evidence and can be challenged. There will also be further stages of engagement with industry as policy is developed.

Q12 – Do you require individual safety cases?

Each of the three Distribution Network Operators have updated their safety case to facilitate the injection of biomethane. To the extent that each Distribution Network Operator is covered by its individual safety case, the number of injection points on a network does not matter.