



Energy for
generations

ESB Generation and Trading Response to the Utility Regulator Consultation on Seasonal Multiplier Factors for Gas Transmission

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ESB Generation and Trading (GT) welcomes the opportunity to respond to the Utility Regulator (UR) consultation on seasonal multiplier factors for gas transmission for gas year 2025/26. ESB GT supports the Utility Regulator proposal to retain the currently applicable seasonal multiplier factors for the tariff year 2025/26.

ESB notes that the current status quo supports the alignment with Commission for Regulation of Utilities' (CRU) approach in this matter applied in Ireland and therefore supports the efficient operation of SEM. We would like to stress the importance of this alignment going forward to ensure not only the security of supply but also the cost effective electricity market delivering the product to the end consumer at an economically efficient price while retaining the competitiveness and appropriate signals for future investments.

While UR and CRU are aligned in this topic, other elements of the gas market remain distinctive, most notably the absence of the short term exit capacity product. We have reviewed the recent UR decision on this matter and while we fully understand the regulator's obligation to ensure the protection of the end consumer, this decision does create a significant difference between NI and Ireland based gas-fired generators when bidding into SEM market. The current electricity network constraints with only 400MW of North-South interconnection creates a limited option for the flow of the electricity between jurisdictions, however the with the upgrade of this interconnection planned to be commissioned in 2031 the NI gas-fired generators could face a significant disadvantage when bidding into the market.

Additionally, the built-out of both of onshore and offshore renewable generation on the island of Ireland and in the UK (especially in Scotland) will continue to change the market dynamics where gas-fired generation will have more unpredictable running patterns than ever before. Dependence on wind patterns instead of running a steady baseload profile will create a new challenge for these plants and booking only long term exit capacity may create a significant disadvantage for NI located assets. ESB GT would welcome further engagement regarding this topic as mentioned in part 6 of the Short Term Exit Capacity for Gas Transmission in Northern Ireland Decision Paper¹.

Outside of the interaction with the electricity market there is a significant number of changes on the horizon for the gas market in NI. Given the strong resource potential in Northern Ireland there is significant potential to increase the volume of biomethane production with the gas system potentially acting as a cost effective vector to add value to this production. At the same time the most recent NI GMO gas capacity statement has highlighted that the capacity of the Scotland Northern Ireland Pipeline

¹ [Short term exit capacity - gas transmission decision paper - for publication .pdf](#)

(SNIP) may soon be reached which will bring additional operational challenges for the system. In these changing market conditions ESB GT believes that the wider gas transmission tariff methodology should continue to be reviewed and discussed across the industry along with the regulatory authorities to ensure it remains aligned with the needs of customers in Northern Ireland and those of the suppliers, shippers, network owners and operators that constitute the NI gas system on the journey towards decarbonisation.