

## **Joint Committee on Communications, Climate Action, and Environment**

### **Opening Address: Denis O’Sullivan, Managing Director, Gas Networks Ireland**

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Chair, Deputies, Senators, Ladies and Gentlemen,

I would like to thank the Chair and members for inviting us here today to present an outline of our Vision 2050 strategy. My name is Denis O’Sullivan, and I am Managing Director of Gas Networks Ireland. I am accompanied by my colleague Brendan Murphy, Commercial & Regulatory Director of Ervia.

Addressing climate change is a key priority for our business. Ireland’s natural gas network can play a major role in decarbonising our society, while still maintaining the security and cost-effectiveness of our energy supply. While natural gas emits roughly one sixth of Ireland’s emissions, through a combination of technologies, we will create a carbon neutral gas network and reduce Ireland’s total CO<sub>2</sub> emissions by one third across key sectors including electricity, industry, heat, transport and agriculture. This will be achieved through the use of already proven technologies such as renewable gas, compressed natural gas (CNG), Carbon Capture Storage (CCS) and hydrogen. Our goal is that by 2050 half of the gas on Ireland’s network will be renewable gas and hydrogen. The other half will be ‘abated gas’ which is where carbon dioxide has been removed through the CCS process, preventing emissions from entering the atmosphere.

For a number of years now, we have been on a journey, developing a range of initiatives to reduce Ireland’s carbon footprint and to ensure that Ireland has indigenous and sustainable energy solutions. This decarbonisation journey has become even more significant with the publication of the Government’s Climate Action Plan (CAP) which sets out an ambitious trajectory to address climate disruption over the coming years.

We have already started delivering on our vision, for example, renewable gas was successfully injected into our network for the first time earlier this year. Planning for the first full scale renewable gas facility in Mitchelstown, Co. Cork is underway, a project that will provide renewable gas for 56,000 homes or 8% of Ireland’s residential gas demand.

The opening of Ireland's first public CNG re-fuelling station in December 2018 marked another important milestone in our plan. CNG offers an immediate reduction of over 20% in CO<sub>2</sub> emissions, when compared to diesel and will facilitate the introduction of renewable gas into transport offering a fully carbon neutral transport fuel. With a further 6 CNG stations currently in construction and development, our ambition is to ultimately have a network of 172 public and private stations.

In terms of CCS, we are fulfilling our role under the CAP to explore the feasibility of CCS in Ireland, we are providing key support to the Government's CCS Steering Group and we recently signed a Memorandum of Understanding with CCS technology leaders Equinor in Norway, to explore carbon export and storage options.

Hydrogen, the fourth pillar of Vision 2050, is fast becoming the decarbonisation fuel of choice around the world. With zero-emissions, hydrogen is an extremely flexible energy source which can be deployed across transport, heating and electricity generation. We see hydrogen as an exciting opportunity for Ireland especially in light of its potential to act as an energy store to maximise the utilisation of renewable electricity.

The Irish state has invested €2.6 billion in Ireland's gas network which is one of the most modern and safe gas networks in the world. The network has effectively no capacity constraints, and it can be used to facilitate renewable energies including renewable gas and hydrogen. We believe that the gas network has a long-term role to play in meeting our nation's energy demand and that Ireland cannot achieve its climate ambitions without it.

As an energy source, natural gas is of key strategic importance to Ireland, representing 30% of our country's primary energy mix and, importantly, approximately 50% of Ireland's electricity is powered by natural gas. The Climate Change Advisory Council's recent statement to the Government highlighted the importance of natural gas if we are to decarbonise the Irish economy by 2050 there will be a need for significant deployment of CCS with natural gas as a component of Ireland's energy system. This view is aligned with our Vision 2050.

We are strong advocates of renewable energy and believe that climate action and future energy policy will require a suite of different technical and renewable solutions. A move to 70% renewable sources for electricity generation, such as wind and solar, is planned by 2030 as part of ambitious national climate action targets. But while Ireland has excellent renewable energy sources and potential, such as wind and solar, this renewable energy is intermittent and needs the reliability of gas to facilitate its development.

Achieving these targets will require a significant reliance on gas powered electricity generation to provide the balance of requirements and to ensure Ireland has a secure energy supply at all times. Our vision is a carbon neutral network and it is through CCS and other technologies that this will be achieved.

## **Conclusion**

In conclusion, Vision 2050 outlines the role that the gas network and key technologies such as renewable gas, compressed natural gas, CCS and hydrogen will play in tackling climate change while also ensuring that Ireland has a sustainable, affordable and secure energy future. The combination of these technologies will result in a carbon neutral network by 2050 and the reduction in Ireland's overall CO<sub>2</sub> emissions by one third. We are committed to working with government and policy makers across all sectors, to ensure we maximise the contribution this state-owned asset can make in reducing Ireland's greenhouse gas emissions while also maintaining sustainable energy solutions in the least disruptive and most cost-effective way. I look forward to your questions.