



Gas
Networks
Ireland

Interim Distribution Renewable Natural Gas (RNG) Entry Tariff Proposal: 25/26



Introduction

There are new Biomethane production facilities connecting to the Gas Networks Ireland (GNI) gas Distribution system in 2026 and the purpose of this paper is to propose the tariff that would apply to these Distribution production points in the immediate future.

The proposal is for an interim tariff to apply to these points pending the outcome of a more formal tariffing process. The approach outlined in this paper is without prejudice to the longer-term tariff application, which will be concluded as part of an overall Distribution Tariff review and consultation process.

Background and Considerations

While there is ongoing work on the development of the longer-term tariff arrangements, there are new Renewable Natural Gas (RNG) Entry Points being commissioned in Gas Year 25/26 and an interim RNG Entry Tariff will need to be applied at these points in this Gas Year.

To determine what tariff to apply, consideration was given to the commercial and financial framework under which the new connections were appraised when connecting these customers to the natural gas network, i.e. what assumed Entry Tariff Revenues were considered when evaluating their economic viability as outlined in the Connection Policy Appraisal.

The economic appraisals for new RNG connections are based on the current Transmission RNG Entry Tariff Methodology with the RNG Entry Tariff being applied in the appraisal modelling as opposed to the Moffat Entry Tariff. The Moffat Entry Tariff would be used in a new demand side connection. The RNG Entry Tariff is applied consistently across both Transmission and Distribution connection appraisals. The benefit that the producer has obtained would have related to the assumption that the RNG Entry Tariff revenue would be collected from Shippers from the entry of the Biomethane into the gas network. Therefore, to be consistent with this approach, the RNG Entry Tariff, as calculated under the Matrix methodology, would be applied for the connection to the Anaerobic Digestion (AD) Production facility for the gas entering the gas network.

When determining the RNG Entry Tariff, consideration should also be given to the equitable treatment of RNG Entry gas across both Transmission and Distribution to ensure all AD production facilities are treated on a fair and equitable basis across the overall gas market. Therefore, to ensure equitable treatment at the entry level there should be a consistent approach to tariffing RNG with the specific entry tariff applying being calculated under a consistent methodology across both Distribution and Transmission.

The business rules proposed for the treatment of RNG Entry Points have been developed with a view to achieving a consistent approach to the treatment of both CGI Gas Points and RNG Entry Points, i.e. the RNG Entry Points on the Distribution Network will have access to the Short Term Monthly and Daily capacity products regardless of the fact that the connection is Transmission or Distribution. The key objective being to reduce complexity and have a standard set of business rules for all RNG Entry Points. This will facilitate market development and reduce unnecessary complexity and costs for Shippers and end customers.

RNG Entry Points on Distribution will be set up on the Gas Transportation Management System (GTMS) reducing costs and complexity for Shippers. This also provides Shippers with access to the Irish Balancing Point (IBP) and will support the overall market development for Biomethane. GNI would propose that the new RNG Entry Points in Distribution would also be set up on the GTMS system. This facilitates the producers having access to the gas market in a similar matter to Moffat and/or Corrib Shippers. The RNG Entry Tariff can be set up on the GTMS and therefore facilitate similar access and tariffing arrangement to the Gas Network. This will ensure that new RNG Entry Points that would be commissioned in Gas Year 25/26 would be set up on the systems with a common set of Tariffs.

Looking at the longer term, to ensure equal and fair treatment at all RNG Entry Points, GNI would also like to discuss with the CRU that standard tariffing arrangements would apply to all RNG entry points on the Distribution network and therefore look at potentially replacing any legacy arrangements which would be in place.

Proposal

GNI is formally proposing that the RNG Entry Tariff for Distribution is calculated under the Matrix Methodology. This tariff would apply to all RNG Entry Points connections to the Distribution network in Gas Year 25/26.

The RNG Entry Capacity Tariff would be 228.220377 per peak day MWh and the Commodity charge would be 0.168658 per MWh applied at the RNG Entry Point into the GNI Network for Gas Year 25/26.

