

GAS NETWORKS IRELAND NETWORK DEVELOPMENT PLAN 2018

SEA Screening Report



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1 INTRODUCTION

Gas Networks Ireland (GNI) are preparing a Network Development Plan (NDP) for submission to the Commission of Regulation of Utilities (CRU) in accordance with Article 22 of EU Directive 2009/73/EC (concerning common rules for the internal market in natural gas) and Article 11 of the EC (Internal Market in Natural Gas and Electricity) (Amendment) Regulations 2015. The purpose of the NDP is to provide a capacity statement which sets out Gas Networks Ireland's assessment of the future demand and supply position for the natural gas industry in the Republic of Ireland (ROI). The document also examines system operation and consequent capital investment requirements. The NDP is an annual statement which looks forward on a rolling 10-year horizon.

This is the Strategic Environmental Assessment (SEA) Screening Report for the draft NDP 2018. The purpose of this report is to inform the decision on whether or not to undertake SEA on the draft plan.

This report should be read in conjunction with the documents cited within, including the draft Network Development Plan 2018.

1.1 Legislative Context for Strategic Environmental Assessment

SEA is a process for evaluating, at the earliest appropriate stage, the environmental consequences of implementing plans/ programme initiatives prior to adoption. The SEA process also gives an opportunity for interested parties and statutory consultees to comment on potential environmental impacts of the proposed plan or programme and to be kept informed during the decision-making process.

The requirement for SEA derives from European Directive (2001/42/EC) on the Assessment of the Effects of Certain Plans and Programmes on the Environment (the SEA Directive) which has been transposed into national legislation in Ireland through two statutory instruments (S.I.) as follows:

- S.I. No. 435 of 2004 (European Communities (Environmental Assessment of Certain Plans and Programmes) Regulations 2004, as amended by S.I. No. 200 of 2011 (European Communities (Environmental Assessment of Certain Plans and Programmes) (Amendment) Regulations 2011)
- S.I. No. 436 of 2004 (Planning and Development (Strategic Environmental Assessment) Regulations 2004, as amended by S.I. No. 201 of 2011 (Planning and Development (Strategic Environmental Assessment) (Amendment) Regulations 2011).

In the context of the draft NDP 2018, S.I. No. 435 of 2011 (as amended) is the governing national legislation.

1.2 Is the Plan Relevant for SEA?

In the first instance, it is necessary to establish if the scope of SEA legislation applies to the plan in question. SEA is required for plans and programmes and modifications to them which are subject to preparation at a national, regional or local level or which are prepared by an authority for adoption through legislative means and which are required by legislative, regulatory or administrative provisions. As the NDP is a national plan required for submission to CRU under legislative provisions, it can be taken that SEA legislation is likely to apply and as such the plan must be considered in the context of SEA.

Further to this, Article 3(2) of the directive requires that environmental assessment be carried out for plans and programmes across a range of sectors and which set the framework for future development consent of projects listed in Annexes I and II to Directive 85/337/EEC. It is noted that the sectors included do not deal with gas supply/ transmission specifically. Further to this Article 3(4) requires that plans and programmes, other than those referred to in paragraph 2, which set the framework for future development consent of projects, are likely to have significant environmental effects. This is done with reference to criteria listed in Annex II of the directive.

It has been concluded that the NDP falls within the scope of SEA legislation and that furthermore it will be screened under Article 3(4) of the directive to determine if it is likely to have significant environmental effects.

2 OVERVIEW OF THE NDP

2.1 Background

Gas Networks Ireland is a wholly-owned subsidiary of Ervia and was established in accordance with the Gas Regulation Act 2013, as amended. It owns and operates the natural gas transmission and distribution networks in Ireland. As Ireland's gas Transmission System Operator (TSO), Gas Networks Ireland is required to submit an annual statement to CRU outlining its ten-year capacity and demand forecasts in accordance with Article 22 of EU Directive 2009/73/EC (concerning common rules for the internal market in natural gas) and Article 11 of the EC (Internal Market in Natural Gas and Electricity) (Amendment) Regulations 2015.

Gas Networks Ireland is also obliged to submit a long-term development statement to the CRU in accordance with condition 11 of its Transmission System Operator (TSO) licence. The publication of the NDP also satisfies the requirements of Section 19 of the Gas (Interim) (Regulations) Act 2002, as amended by the European Communities (Security of Natural Gas Supply) Regulations 2007 (S.I. No. 697 of 2007). This requires the CRU to monitor and publish a report outlining gas supply and demand in Ireland over seven years.

2.2 Purpose of the NDP

The NDP 2018 is an annual capacity statement; its purpose is to set out Gas Networks Ireland's assessment of the future demand and supply forecasts for the natural gas industry in the ROI, as well as a view of how the gas network may develop over a rolling ten year period. The Network Development Plan also considers system operation and consequent capital investment requirements.

2.3 Scope of the NDP

The NDP sets out the historic and current situation with respect to gas energy in Ireland, and covers the following key areas:

- Overview and future of the gas network system;
- Historic demand and supply;
- Gas demand forecasts;
- Gas supply;
- Gas growth;
- Projects of common interest;
- Commercial market arrangements; and
- Gas network capacity and capital investment.

The NDP recognises that gas is an important energy source in Ireland. In this context and the above areas, the NDP looks at the current situation, likely demands, growth areas and technologies that could affect gas supplies and the network, and it examines trend data year on year. This is to inform Gas Networks Ireland's statutory reporting requirements in order to assess adequacy and security of supply. In order to inform the demand and supply analysis, the NDP examines three growth scenarios (low, medium and high) which were designed to represent a broad range of likely outcomes and are informed by a range of external and internal factors. The NDP also considers renewable energy targets, and its aims to achieve 20% renewable gas on the gas network by 2030.

The NDP also looks at capital investment requirements for gas-related projects including recent builds, those in planning, and possible future requirements.

It also clarifies the environmental and planning assessment procedures associated with capital works designed and planned for Gas Networks Ireland. This includes an environmental assessment tool known as 'Envirokit', which is supported by a guidance document known as 'Enviroplan'. Together, these form a bespoke environmental planning and assessment tool modelled on environmental legal and regulatory requirements and best environmental practice, including requirements pursuant to the EIA Directive (85/337/EEC), as amended, and the Habitats Directive (92/43/EEC). This procedure ensures that environmental and planning matters and appropriate mitigation measures are considered and communicated during the design and project planning stages of all Gas Networks Ireland projects.

3 SCREENING FOR STRATEGIC ENVIRONMENTAL ASSESSMENT

3.1 Introduction

This section examines whether the provision of the NDP would be likely to have significant environmental effects (and therefore require assessment and preparation of an Environmental Report).

The examination takes account of the relevant criteria set out in Schedule 1 “*Criteria for determining whether a plan or programme (or modification thereto) is likely to have significant effects on the environment*” of S.I. No. 435 of 2004 European Communities (Environmental Assessment of Certain Plans and Programmes) Regulations 2004, as amended.

These criteria relate to the characteristics of the Plan itself and to the characteristics of the effects of implementation of the Plan and of the area likely to be affected.

3.2 Schedule 1 Screening

The results of the SEA screening exercise for the NDP are summarised in **Table 3.1**. This should be read in conjunction with the draft NDP 2018.

Table 3.1: Assessment of the draft NDP 2018 against Schedule 1 Criteria

| Criteria for determining whether the proposed draft Plan is likely to have significant effects on the environment | |
|--|--|
| Criteria | Assessment |
| The characteristic of the Plan having regard, in particular, to: | |
| The degree to which the plan sets a framework for projects and other activities, either with regard to the location, nature, size, operating conditions or by allocating resources | The NDP is a supply/demand analysis and capacity statement. The Plan will not in and of itself set the context for land use or development activities or future development consent. |
| The degree to which the plan or influences other plans including those in a hierarchy | As Ireland's gas Transmission System Operator (TSO), Gas Networks Ireland is required to submit an annual NDP forecast to the CRU in accordance with Article 22 of EU Directive 2009/73/EC (concerning common rules for the internal market in natural gas) and Article 11 of the EC (Internal Market in Natural Gas and Electricity) (Amendment) Regulations 2015. Gas Networks Ireland is also obliged to submit a long-term development statement to the CRU in accordance with condition 11 of its Transmission System Operator (TSO) licence. The publication of the NDP also satisfies the requirements of Section 19 of the Gas (Interim) (Regulations) Act 2002, as amended by the European Communities (Security of Natural Gas Supply) Regulations 2007 (S.I. No. 697 of 2007). This requires the CRU to monitor and publish a report outlining gas supply and demand in Ireland over seven years. |
| The relevance of the plan, for the integration of environmental considerations in particular with a view to promoting sustainable development, | The NDP is primarily a supply/demand analysis and capacity statement. It supports sustainable development of the gas network by planning to achieve renewable gas targets to contribute to the renewables mix available to consumers. The Plan also recognises environmental considerations by including information on the system of checks and balances operated by Gas Networks Ireland for projects. It explicitly outlines that all proposals for current and future development demonstrate compliance with the requirements of environmental and planning legislation and planning processes. In order to assist with its obligations in this regard, Gas Networks Ireland implements an environmental and planning assessment procedure for all works designed and planned for Gas Networks Ireland, which includes an environmental assessment tool known as 'EnviroKit' supported by a guidance document known as 'EnviroPlan'. Together, these form a bespoke environmental planning and assessment tool modelled on environmental legal and regulatory requirements and best environmental practice, including those requirements |

Criteria for determining whether the proposed draft Plan is likely to have significant effects on the environment

| Criteria | Assessment |
|--|---|
| | pursuant to the EIA Directive and the Habitats Directive (92/43/EEC). This procedure ensures that environmental and planning matters and appropriate mitigation measures are considered and communicated during the design and project planning stages of all Gas Networks Ireland projects. |
| Environmental problems relevant to the plan, | <p>Environmental problems arise where there is a conflict between current environmental conditions and legislative targets. The NDP recognises Ireland's overall national renewable energy targets, and the importance of the gas network to Ireland's energy supply and security. The key environmental problem of relevance to the Plan is the need to decarbonise the energy generation sector. Gas Networks Ireland therefore has a strategic plan to achieve 20% renewable gas on the gas network by 2030, and looks at sectoral demand, supply sources and forecasts in this regard.</p> <p>Environmental issues at project level are also acknowledged in the plan through reference to Gas Networks Ireland's environmental and planning assessment procedure for all works designed and planned for Gas Networks Ireland (Envirokit and Enviroplan).</p> |
| The relevance of the plan, for the implementation of European Union legislation on the environment (e.g. plans and programmes linked to waste management or water protection). | The NDP is a supply/demand analysis and capacity statement. The Plan has limited direct relevance in terms implementation of European Union legislation on the environment however it clearly signposts how environmental considerations relating to transmission and distribution projects are considered through Gas Networks Ireland's environmental and planning assessment procedure for all works designed and planned for Gas Networks Ireland (Envirokit and Enviroplan). These bespoke tools specifically relate to requirements of the EIA Directive and the Habitats Directive and associated legislation relating to water, biodiversity, soils, landscape, cultural heritage, waste etc. |
| Characteristics of the effects and of the area likely to be affected, having regard, in particular, to: | |
| The probability, duration, frequency and reversibility of the effects, | <p>The 2018 NDP is a supply/demand analysis and capacity statement. It looks to a ten year horizon and considers three gas demand scenarios for the period 2017/18 to 2026/27, namely low, median and high demand scenarios. These scenarios are designed to represent a broad range of likely outcomes and are informed by a range of external and internal factors.</p> <p>The plan is produced annually in line with Gas Networks Ireland's statutory reporting obligations in order to appraise the capacity/ adequacy of the national gas network and to forecast likely supply and demands.</p> |
| The cumulative nature of the effects | The NDP is a supply/demand analysis and capacity statement. It identifies possible sources of demand e.g. data centres, residential developments etc. however it has no remit in the planning or permitting of these demand sources. The cumulative nature of the effects from these demand sources is addressed through land use planning and zoning which is outside the remit of Gas Networks Ireland. |
| The transboundary nature of the effects | <p>The NDP is and all-island capacity statement which outlines system demands for ROI, Northern Ireland (NI) and Isle of Man (IOM). The Gas Networks Ireland transmission network includes onshore Scotland, interconnectors and the onshore Republic of Ireland (ROI) network. The interconnector sub-system comprises of two subsea interconnectors between ROI and Scotland.</p> <p>Future network development may therefore include transboundary impacts with a number of Member States.</p> |
| The risks to human health or the environment (e.g. due to accidents), | The NDP is a supply/demand analysis and capacity statement, therefore the Plan would not be likely to result in significant risks to human health or the environment. |
| The magnitude and spatial extent of the effects (geographical area and size of the population likely to be affected), | The NDP is a supply/demand analysis and capacity statement. While it includes reference to built, planned and potential future capacity needs, it is in the context of demand and capacity. As such the plan does not in and of itself give rise to significant effects. The plan does include specific reference to Gas Networks Ireland's environmental and planning assessment procedure for all works designed and planned for Gas Networks Ireland (Envirokit and Enviroplan). |

Criteria for determining whether the proposed draft Plan is likely to have significant effects on the environment

| Criteria | Assessment |
|--|--|
| The value and vulnerability of the area likely to be affected due to: | The NDP is a supply/demand analysis and capacity statement. These issues are addressed through Gas Networks Ireland’s environmental and planning assessment procedure for all works designed and planned for Gas Networks Ireland (Envirokit and Enviroplan) which is outlined in the NDP. |
| (a) special natural characteristics or cultural heritage, | |
| (b) exceeded environmental quality standards or limit values, | The NDP is a supply/demand analysis and capacity statement. These issues are addressed through the Gas Networks Ireland’s environmental and planning assessment procedure for all works designed and planned for Gas Networks Ireland (Envirokit and Enviroplan) which is outlined in the NDP. |
| (c) intensive land-use, | The NDP is a supply/demand analysis and capacity statement. These issues are addressed through the Gas Networks Ireland’s environmental and planning assessment procedure for all works designed and planned for Gas Networks Ireland (Envirokit and Enviroplan) which is outlined in the NDP. |
| The effects on areas or landscapes which have a recognised national, European Union or international protection status | The NDP is a supply/demand analysis and capacity statement. These issues are addressed through the Gas Networks Ireland’s environmental and planning assessment procedure for all works designed and planned for Gas Networks Ireland (Envirokit and Enviroplan) which is outlined in the NDP. |

3.3 Summary and Conclusion

The characteristics of the NDP are such that they would not give rise to significant environmental effects. The plan is an annual demand/ capacity statement to assist Gas Networks Ireland in forecasting. While it identifies capital works, these are presented in the context of those already built and therefore adding to the network, others in planning, and possible additional capital investment which may be needed to address capacity based on high, medium and low growth forecasts. It is not intended to set the framework for future development consent of projects listed in Annex I and II to the Environmental Impact Assessment Directive.

The NDP does not meet Schedule 1 criteria for plans or programmes likely to have significant environmental effects. The NDP presents demand / capacity statements based on industry knowledge and reports on the current and likely future status of the network. It acknowledges that environment and planning considerations are relevant to the network and includes clear signposting and a stated commitment to the application of the Gas Networks Ireland environmental and planning assessment procedure for all works designed and planned for Gas Networks Ireland (Envirokit and Enviroplan).

The conclusion that arises from the SEA screening analysis is that the NDP would not be likely to result in significant environmental effects and therefore does not require full Strategic Environmental Assessment.