Assessment of Market Demand for Bi-Directional Capacity at the Gormanston Interconnection Point

22nd of June 2026

GNI (UK) Ltd.

Gas Networks Ireland

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1. Introduction

Under both EU and UK law Transmission System Operators ("**TSOs**") must endeavour to enable permanent physical capacity to transport gas in both directions ('**Bi-directional Capacity'**) on all interconnections / Interconnection Points ("**IP"**), except where an exemption from that obligation has been granted from the relevant authorities, after detailed assessment and after consulting in accordance with legislative requirements.

In 2018 GNI (UK) Ltd. and Gas Networks Ireland, were granted an exemption from the obligation to enable permanent physical capacity to transport gas in both directions ('bi-directional capacity') at the Gormanston IP (South-North Pipeline ("**SNP**")) for four years and again in 2022 until the 28th September 2026 by the Commission for Regulation of Utilities (CRU) in Ireland and by the Department for Business, Energy and Industrial Strategy ("**BEIS**") in the UK, acting as the Competent Authorities as defined under Regulation (EU) 1938 / 2017. This responsibility now rests with the Department for Energy Security and Net Zero (DESNZ) for the UK. The current exemptions will expire on the **28th of September 2026**.

Following on from Brexit, the requirements regarding Bi-directional Capacity (and many other aspects of security of supply) were transposed into UK law via UK Statutory Instrument (**"S.I."**) 2019 No. 531. The relevant legislation (in both the EU and UK) sets out, clearly, that a proposal for enabling or enhancing bi-directional capacity or a request for granting or prolongation of an exemption shall include a cost benefit analysis ("**CBA**") based on the following elements:

- an assessment of market demand; (see **Section 2**)
- projections for demand and supply; (see **Section 3**)
- the possible economic impact on existing infrastructure; (see **Section 4**)
- a feasibility study; (see **Section 5**)
- the costs of bi-directional capacity including the necessary reinforcement of the transmission system; (see **Section 6**) and
- the benefits to the security of gas supply taking into account the possible contribution of bi-directional capacity to meeting the infrastructure standard. (see **Section 7**)

The purpose of this Market Assessment consultation paper is to enquire from the market as to the potential demand(s) for bi-directional capacity on the SNP, such that the TSOs can subsequently discharge their obligations as to the above, in accordance with the relevant legislation.

This market consultation paper, which seeks to address each of these requirements in turn, is hereby issued jointly by GNI (UK) Ltd. and Gas Networks Ireland (hereinafter referred to as "**the TSOs**"). We are seeking response to this Market Assessment consultation paper by the 22nd of July 2026. See **Section 2** for further details on how to respond to this paper.

It should be noted that even if an exemption is requested and subsequently granted, this does not preclude work being progressed to enable Bi-Directional Capacity beyond the expiry of that exemption. Interested parties can still progress a demand indication for Bi-Directional Capacity at a later date via the Incremental Capacity Process.

1.1 Legislative basis

1.1.1 Security of Gas Supply Regulation (EU) 1938 / 2017

Regulation (EU) 1938 / 2017 concerning measures to safeguard the security of gas supply in the EU (the "**Security of Gas Supply Regulation**") requires that TSOs shall enable permanent physical capacity to transport gas in both directions ('bi-directional capacity') on all interconnections between EU Member States. This requirement is captured under Article 5 (Infrastructure Standard) of the regulation, which states that;

4. *"**The transmission system operators shall enable permanent physical capacity to transport gas in both directions ('bi-directional capacity') on all interconnections** between Member States, **except**:*
   - *(a) in the case of connections to production facilities, to LNG facilities and to distribution networks; or*
   - *(b) **where an exemption from that obligation has been granted, after detailed assessment and after consulting other Member States and with the Commission in accordance with Annex III**".*

Furthermore, Annex III states that;

2. *"To enable or enhance bi-directional capacity on an interconnection or to obtain or prolong an exemption from that obligation, **transmission system operators on both sides of the interconnection shall submit to their competent authorities ('competent authorities concerned') and to their regulatory authorities** ('regulatory authorities concerned') after consulting with all transmission system operators potentially concerned:*
   - *(a) proposal to enable permanent physical capacity to transport gas in both directions for permanent bi-directional capacity concerning the reverse direction ('physical reverse flow capacity'); or*
   - *(b) a request for an exemption from the obligation to enable bi-directional capacity.*

   The transmission system operators shall endeavour to submit a joint proposal or request for exemption."

1.1.2 The Gas (Security of Supply and Network Codes) (Amendment) (EU Exit) Regulations 2019 / 531

Following Brexit, the Security of Gas Supply Regulation was transposed into UK law via UK S.I. 2019 No. 531; the Gas (Security of Supply and Network Codes) (Amendment) (EU Exit) Regulations 2019, with amendments as set out in its Schedule 1.

The relevant requirements regarding bi-directional capacity are amended to state the following, at Article 5(4);

> *"The **transmission system operators must endeavour to enable permanent physical capacity to transport gas in both directions ('bi-directional capacity') on all interconnections** between the United Kingdom and Member States, **except**:*
>
> *(a) in the case of connections to production facilities, to LNG facilities and to distribution networks; or*
> *(b) **where an exemption from that obligation has been granted, after detailed assessment and after consulting in accordance with Annex III**.*

As amended under UK S.I. 2019 No. 531, Annex III states that;

> 2. *"To enable or enhance bi-directional capacity on an interconnection or to obtain or prolong an exemption from that obligation**, the transmission system operator on the side of the interconnection in the United Kingdom must submit to the Secretary of State and the regulatory authority** after consulting with all transmission system operators potentially concerned:*
>
> *(a) a proposal to enable permanent physical capacity to transport gas in both directions for permanent bi-directional capacity concerning the reverse direction ('physical reverse flow capacity'); or*
> *(b) **a request for an exemption from the obligation to enable bi-directional capacity.***
>
> *The transmission system operator in the United Kingdom must endeavour to submit a joint proposal or request for exemption with the transmission system operators on the other side of the interconnection".*

Under both the EU and UK Regulations the Competent Authorities may "***grant or prolong a temporary exemption for a maximum period of four years***".

1.2 Overview

The Gormanston Interconnection Point is currently unidirectional as it can support gas flows from Republic of Ireland (ROI) interconnector system (IC2) to Northern Ireland (NI) only via the SNP. In cases such as this, the regulations concerned (in both the EU and UK) provide that a Market Assessment must be carried out in a transparent, detailed and non-discriminatory manner to assess the need for infrastructure investment to enable bi-directional capacity at Interconnection Points (IPs), or whether an exemption from this requirement is appropriate.

Where there is insufficient market demand, and assessments shows that the investment costs would significantly outweigh any prospective benefits, then TSO's may make a request for an exemption from the obligation to enable bi-directional capacity, in order to satisfy both the EU and (amended) UK Regulation. Such exemptions can only be granted for a maximum of four years, so the TSOs anticipate that any exemption granted at this time would expire prior to 1st October 2030.

Figure 1: *GB to NI and ROI interconnector system and transmission pipelines.*

2. Assessment of Market Demand

The purpose of this paper is to enquire of the market as to whether there is sufficient demand, and the timing of same, to support undertaking the necessary investment(s) to enable gas to flow physically from Northern Ireland to the Republic of Ireland, most particularly prior to October 2030 to inform the length of any subsequent exemption.

2.1 Invitation to Declare Interest

Respondents are invited to indicate whether or not they have such interest by completing the questionnaire attached at **Appendix A**.

Respondents are asked to specify any interest they may have by indicating;

(i) when they would like to have physical reverse flow capacity from,
(ii) the volume,
(iii) duration of that demand, and
(iv) to note potential financial commitments required to progress Bi-Directional Capacity.

Respondents expressing an interest in Bi-Directional Capacity will be contacted for further discussion about the commitment they are prepared to give, and the options available to give this investment signal. Feedback from interested parties regarding how this process could be improved in the future is also welcome.

Respondents are invited to return the completed questionnaire by the 22nd of July 2026 to:

Stephen O'Riordan,
Wholesale Market Manager,
Gas Networks Ireland,
Gasworks Road,
Cork,
Ireland.
stephen.oriordan@gasnetworks.ie

If you require any additional information in relation to this document, please contact: Stephen O'Riordan (+353 87 906 7408; stephen.oriordan@gasnetworks.ie).

2.2 Process

Interested parties have until 22nd of July 2026, to respond to the questions set out in **Appendix A.** However, given the timelines and the level of work involved in converting an expression of interest into binding commitments, the TSOs request that any market participants genuinely considering applying for Bi-Directional Capacity should contact the TSOs as soon as practicable in order to discuss potential requirements at the earliest possible stage. It is anticipated that any binding agreements will be entered into by market participants, with the relevant TSOs, using the existing processes pertinent to each TSO. This will be completed as soon as reasonably practicable following the initial expression of interest but can be expected to take a number of months.

As part of this process and as required under both the EU and UK regulations, the TSOs are required to consult with other "transmission system operators potentially concerned". In this regard Premier Transmission Ltd. ("**PTL**") has been identified as a "potentially concerned" TSO. Thus, following the conclusion of this Market Assessment, the TSOs will consult with PTL and seek their views on the proposed submission to the Competent Authorities. Our consultations with PTL, will include providing PTL with the responses received to the Market Assessment questionnaire contained within this paper.

Following on from this Market Assessment consultation, the TSOs will consider if 'credible' market demand(s) (i.e. that which the TSO's reasonably consider may alter the position of supply and demand so as to require Bi-Directional Capacity, most particularly within the maximum exemption period permissible) is expressed in response to this Market Assessment, and will engage with the relevant project promoters and the Competent Authorities and the Regulatory Authorities concerned (who shall be given sight of details in responses to the market assessment) as appropriate regarding next steps.

It is anticipated that the Competent Authorities and Regulatory Authorities concerned will assess the draft proposal or draft request for an exemption made by the TSOs and provide comments as they see fit.

3. Projections for demand and supply

The analysis contained within this document has been drawn from the Gas Networks Ireland 2024 Network Development Plan (NDP) and the 2025/26 Northern Ireland Gas Transmission Outlook (NI GTO) publications and contains a five year[1] supply / demand forecast for the island of Ireland.

Until 2016, the majority of the gas demand in the Republic of Ireland and all of the gas demand in Northern Ireland was supplied with gas imported from Great Britain through the Moffat IP, with the remainder being supplied from indigenous gas production / storage at Inch. The Corrib gas field, following commencement of production in December 2015 and a subsequent period operating at full capacity, reached a production plateau at the beginning of 2018. A steady decline in production has been observed since January 2018, in line with supply profile projections as provided by the operators of the Corrib gas field. The reduction in Corrib gas supplies re-established the Moffat IP as the dominant supply point in 2018/19. The subsequent decommissioning of the Kinsale gas fields in July 2020 has solidified Moffat's position.

In 2023/24 Corrib met 16% of annual Gas Networks Ireland system demands (22% of ROI demand), with the Moffat Entry Point providing the balance of gas supplies (84%). Corrib gas is anticipated to meet 7.4% of the forecasted GNI peak day demand (10% of ROI demand) and 12% of the annual GNI system demand (15.8% of ROI demand) in 2026/27. The Corrib production profile, as provided to Gas Networks Ireland by the Corrib partners, is now in depletion, and is projected to reduce to approximately 16% of its peak production by 2029/30. Corrib gas is anticipated to meet 5% of the forecasted GNI peak day demand (6.6% of ROI demand) and 8% of the annual GNI system demand (11.2% of ROI demand) in 2029/30.

The introduction of renewable gas onto the Irish gas network for the first time in 2019 at Cush, Co. Kildare marked a significant milestone for the gas network. The share of renewable gas in the network is set to continue to grow over the coming years and is projected to reach 7.1% of ROI demand in 2029/30.

Figure 2 outlines the supply and demand outlook for the island of Ireland over the next 5 years for the median scenario as published in the **Gas Networks Ireland 2024 Network Development Plan.**

[1] The five year time frame includes the current gas year 2021/22 and extends out to October 2026.

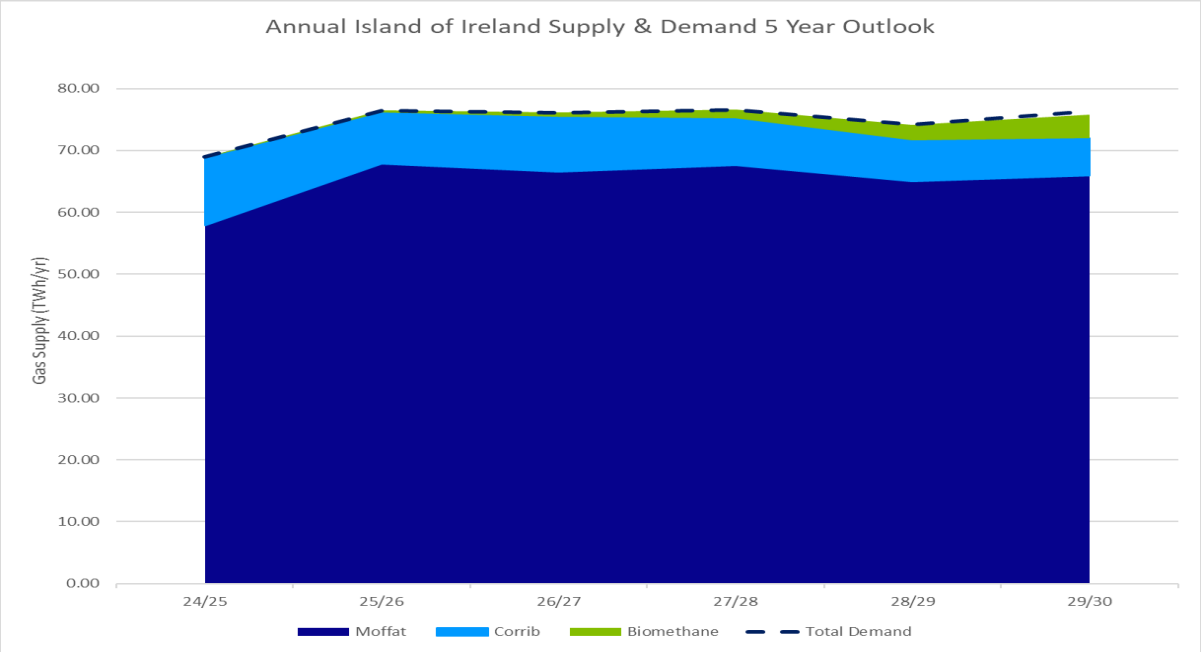

Figure 2: Island of Ireland demand and supply – NDP 2024 Median Scenario

The Moffat entry point supplied 100% of Northern Ireland gas demand in 2024/25. This situation is likely to continue in the short to medium term. **Figure 3** outlines the supply and demand outlook for Northern Ireland over the next 5 years for the base scenario in the 2025/26 NI GTO. In the absence of indigenous gas production or gas storage in Northern Ireland, 100% of gas demand will be covered by imports via the interconnector system.

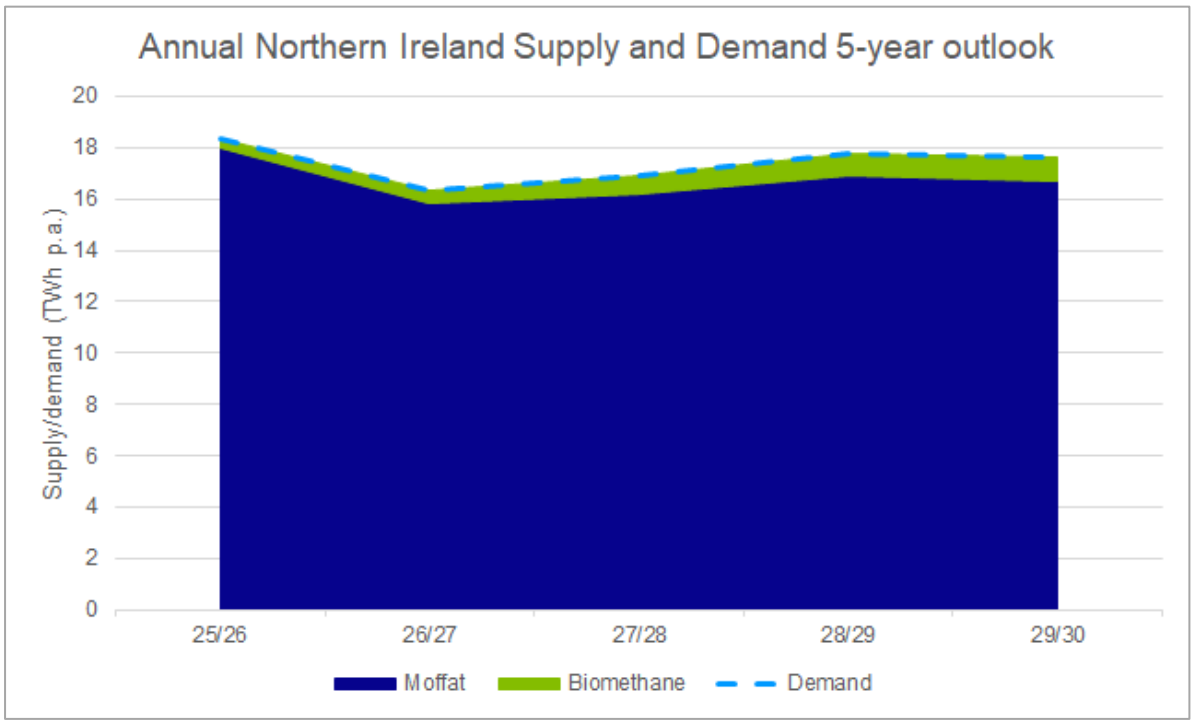

Figure 3: Northern Ireland demand and supply – NI GTO 2025/26 Base Scenario

The TSOs note that there are potential supply developments being currently progressed by project developers, including (amongst others):

- **Islandmagee Gas Storage Facility:** Islandmagee Energy Limited ("**IMEL**"), a subsidiary of Harland and Wolff Group Holdings plc, hold the development rights to an Underground Gas Storage project located in Islandmagee, Co. Antrim.

No indication of Final Investment Decision and/or potential operational commencement date is presently available for this project. Given that there is currently no firm data regarding this (or any other) project, it is not possible to determine their potential impact on the supply position in Northern Ireland.

Based on the above analysis is not foreseen that supply in Northern Ireland will exceed demand within the October 2030 timeline. Therefore, it is considered unlikely that Bi-directional Capacity at the Gormanston IP will be required by the market. This consultation presents an opportunity for market participants to present their views on this matter.

The aforementioned project is included on the basis on inclusion in relevant outlook documents[2] , or on the basis of firm policy decisions to advance their development. The TSOs recognise that additional projects may exist which could either enable or benefit from the provision of bi-directional capacity.

Project promoters are encouraged to identify any such projects by responding to this questionnaire, including details of anticipated timelines and capacity requirements. It should be noted that the granting of exemptions does not preclude the development of bi-directional capacity, and the TSOs remain committed to engaging with stakeholders to assess and facilitate such opportunities. All submissions relating to the provision of bi-directional capacity will be reviewed and shared with the Competent Authorities to ensure they are fully considered as part of the decision processes.

[2] The relevant outlook documents are the Gas Networks Ireland Network Development Plan (NDP) 2024 and the Northern Ireland Gas Transmission Outlook (NI GTO) 2025/26.

4. Economic impact on existing infrastructure

Indicative costs associated with the provision of bi-directional capacity at the Gormanston IP are detailed in **Section 6**. These include the cost of reinforcements and other modifications to existing infrastructure (See **Section 5** for further details).

Tariffs for bi-directional capacity will be determined in accordance with current processes applicable to each TSO, or the Capacity Allocation Management European Network Code (or European Tariff Network Code), depending upon which prevails at the time of any commitment.

5. Feasibility Studies

The Gormanston IP connects the Republic of Ireland Interconnector system (IC2) to Northern Ireland via the SNP. Currently, all Northern Ireland demand is currently supplied via the Scotland-Northern Ireland Pipeline (SNIP); however, a limited number of shippers are registered at the Gormanston IP. The TSO's have in place balancing gas buy Gormanston IP as the secondary contract and high-level arrangements are in place to facilitate the use of the Gormanston IP in the event of an emergency in either jurisdiction.

The scope of the bi-directional capacity preliminary analysis explores the estimated costs associated with facilitating physical bi-directional capacity from Northern Ireland to the Republic of Ireland onshore transmission system on the assumption that there is gas surplus to requirements in Northern Ireland.

Bi-directional capacity from Northern Ireland to the Republic of Ireland is only likely if any new supply projects arise in Northern Ireland and proceed to development. To facilitate bi-directional capacity from the Northern Ireland system to the Republic of Ireland, the operating pressure for the SNP would need to be raised from 75 bar g to 85 bar g, however this process will involve additional costs and complexity and is expected to require a certification process. This pipeline was originally designed to operate at 85 bar g.

In order to successfully transport gas from Northern Ireland to the Republic of Ireland at safe system pressures, significant system modifications would be required, particularly at the Gormanston AGI. The inclusion of additional metering, flow control and pressure control equipment would be required. Modifications may also be required at Carrickfergus and Ballanabanagh. Compression facilities north of Gormanston would also be required for firm gas flows from Northern Ireland to the Republic of Ireland onshore transmission system via the Gormanston IP.

6. Bi-Directional Capacity costs

The following table presents the potential order of magnitude costs that might be incurred if bi-directional capacity at the Gormanston IP was to be facilitated. This list of assumed indicative costs is by no means comprehensive and depending on the supply outlook, some of these costs may not be applicable.

Project Description	Order of Magnitude Cost in €m (approximate high-level preliminary costs, subject to engineering analysis)
Compression north of Gormanston	98.5
Gormanston AGI Bi-directional Modifications	7.2
SNP Uprating	2.9

Table 1: Physical Reverse Flow implementation costs

Note: *In the absence of developing a revised bottom up estimate in 2026, 20.3% inflation has been applied to original figures which reflects the Percentage Change from 2022 to 2026 as guided by Interactive Data Visualisations, CSO Ireland. In addition, a contingency estimate of 20% has been added to these costs developed in 2022.*

7. Bi-Directional Capacity benefits

It is assumed that the main benefits of providing bi-directional capacity would be related to the trade of natural gas. However, in order to provide any benefits, demand would need to exceed supply in Northern Ireland, or else there would be no flows resulting, regardless of what technical adaptations are made to the gas network. Thus, given the current demand and supply position (as outlined in **Section 3**) no benefits can be assumed.

A potential benefit is the likelihood that the availability bi-directional capacity would increase the probability of a future Northern Ireland supply point (e.g. LNG or storage) going ahead and therefore would indirectly contribute to the security of supply benefits that a new supply point would create in Northern Ireland. Given the uncertainty around the exact increase in probability that the project generates, these benefits cannot be easily accounted for.

Bi-directional capacity may potentially offer a security of supply benefit to Republic of Ireland, however this would only likely be the case where a significant supply project is initiated in Northern Ireland which exceeds gas demand. It is also worth noting that a Security of Supply issue impacting Republic of Ireland, may also significantly impact on Northern Ireland

Given the uncertainties around these potential benefits, it is difficult to determine a monetary value in the absence of firm indications from project developers and further detailed and extensive analysis.

8. Summary

Forecasts of expected relevant demand and supply scenarios over the next five years are presented in **Section 3**. Based on this data it is anticipated that supply capacity will not exceed demand in Northern Ireland for any of the years considered. In all years, the requirement for imports of gas from Great Britain to serve Northern Ireland gas demand remains. The TSOs wish to consult the market in order to determine if a market requirement exists for bi-directional capacity at the Gormanston IP resulting from the supply position.

If bi-directional Capacity is to be implemented, more detailed analysis of the available capacity products, emergency considerations, costs and associated tariffs will be required.

It should be noted however that, as outlined in **Section 6** the design solutions analysed have significant associated costs which would need to be justified by societal welfare determined through CBA – and determined by the relevant authorities.

There are multiple documents which govern the transportation of gas between Northern Ireland and the Republic of Ireland, which include inter-operator agreements between the TSOs involved and agreements between the TSOs and gas shippers. These are listed in **Appendix B** and if bi-directional capacity was to be put in place at the Gormanston IP these documents would need to be revised to ensure they accommodate the change. In order for TSOs to take investment decisions, it is assumed that bi-directional capacity would be made available on a firm basis and its availability would be harmonized initially with existing arrangements, it is expected that these arrangements will continue to conform with European network codes.

This Market Assessment presents a 5 year view out to October 2030, and notwithstanding the outcome of this consultation and any subsequent security of supply analysis, the TSOs have committed to review the requirement for bi-directional capacity in line with the Security of Supply Risk Assessment publication every four years.

Data corresponding to these scenarios will be employed in conducting the Risk Assessment for Article 7 of the Regulation (EU) 1938/2017 as applicable in the EU and as retained in UK law.

9. Next Steps & Timelines

Market participants are invited to respond to this Market Assessment by 22nd July 2026, indicating on a non-binding basis their interest in bi-directional capacity at the Gormanston IP.

Where expressions of interest are received, the TSOs will engage with the interested parties as required. The TSOs will also consult with PTL as a TSO "potentially concerned" and seek their views on the proposed submission to the competent authorities. Our consultations with PTL, will include providing PTL with the responses received to the Market Assessment questionnaire contained within this paper.

Following on from this Market Assessment consultation, the TSOs will consider if 'credible' market demand(s) (i.e. that which the TSO's reasonably consider may alter the position of supply and demand so as to require bi-directional capacity, most particularly within the maximum exemption period permissible) is expressed in response to this Market Assessment, and will engage with the relevant project promoters and the Competent Authorities and the Regulatory Authorities concerned (who shall be given sight of details in responses to the market assessment) as appropriate regarding next steps.

It should also be noted that given that the current exemption from the requirement to enable bi-directional capacity expires on the 28th of September 2026, and given the timelines involved in implementing bi-directional capacity, it is highly likely that the TSO's will seek at continuation of the current exemption. It should also be noted that even if an exemption is requested and subsequently granted, interested parties can still progress a demand indication for bi-directional capacity at a later date via the Incremental Capacity Process.

Should you have any queries on any aspect of the process then please contact: Stephen O'Riordan (+353 87 906 7408; stephen.oriordan@gasnetworks.ie).

APPENDIX A – Questionnaire

No.	Question	Answer
1.	Name of Company: Address:	
2	Do you broadly agree with the analysis contained within this document concerning the potential supply / demand situation on the island of Ireland out to 2029/30 ? If no, please provide details of your analysis. *(Please use separate sheet if necessary)*	YES/NO

No.	Question	Answer
3.	Is your company interested in reserving Bi-directional Capacity at the Gormanston Interconnection Point?	YES/NO
4.	If the answer to Q3 is yes, please indicate subject to contract the volume and duration to which you would be prepared to commit. Required prior to 1st October 2030: (a) Start date: (b) Volume (in tranches of 30,000 kWh/day): (c) Duration (in years): Required beyond to 1st October 2030: (d) Start date: (e) Volume (in tranches of 30,000 kWh/day): (f) Duration (in years):	 (a) (b) (c) (d) (e) (f)

No.	Question	Answer
5.	Respondents answering YES to Question 3 and/or Question 5 are asked to acknowledge that they may be required to contribute to the costs of carrying out any CBA of Bi-directional Capacity in the context of their requirements. Subject to acceptable terms and conditions are you willing to enter into a long-term contract which covers the indicated amount of capacity (in the previous question)?	YES/NO YES/NO
6.	Contact Person: Title: Date:	

APPENDIX B – Related Documents

Doc No	Document
1.	Code of Operations
2.	Uniform Network Code
3.	Moffat Interconnection Agreement
4.	Moffat Ancillary Agreement
5.	IT Systems