EirGrid Response to the ERGEG Consultation: Capacity allocation and congestion management in the natural gas transmission network.

EirGrid welcomes the opportunity to comment on the ERGEG public consultation paper: Capacity allocation and congestion management in the natural gas transmission network. EirGrid is the Irish electricity Transmission System Operator and Licencee to the Single Electricity Market Operator in conjunction with SONI. These comments relate specifically to the proposed principles on congestion management procedures, as they have potential implications for the electricity market and the security of electricity supply in Ireland.

Guideline G4.1.2 "Limitation of existing re-nomination rights" states, *inter alia,* that:

• In order to make day-ahead capacity available, the national regulatory authority may reduce or remove existing rights for re-nomination of firm capacity and modify the lead time of re-nominations.
• National regulatory authorities in neighbouring Member States shall coordinate decisions.

The flexibility of gas-fired generation can be critical when managing large amounts of intermittent generation on the system. In Ireland, approximately 60% of the installed electricity generation capacity is gas-fired generation and significant amounts of intermittent wind generation is connected or forecast to connect to the system. A decision to reduce or remove existing rights for re-nomination or modify lead times could reduce the flexibility of gas suppliers to change gas nominations and hence the flexibility of gas-fired generation in the Single Electricity Market.

It is important that national regulatory authorities retain the discretion to determine the rights and lead-times for re-nominations in their own jurisdictions taking into account their own unique circumstances. EirGrid is concerned that the proposed wording in the draft Guideline that "National regulatory authorities in neighbouring Member States *shall* coordinate decisions" [emphasis added] could remove such discretion.