



Public Accounts Committee Inquiry on Northern Ireland
Energy Strategy – GNI (UK) submission



August 2026

Introduction

GNI (UK) welcomes the opportunity to respond to the Public Accounts Committee (“PAC”) Inquiry on Northern Ireland’s (“NI”) Energy Strategy.

GNI (UK) is one of two gas transmission system operators (“TSOs”) in NI and one of five gas network operators (“GNOs”), to include the three gas distribution network operators. We are committed to playing our role in NI’s energy transition and are collaborating alongside the other GNOs, and other key stakeholders, to deliver the beneficial role the gas network and integration of renewable gases (both biomethane and hydrogen) can play in supporting the cost-effective decarbonisation of all sectors of the NI economy, and to maintaining and enhancing NI’s energy security of supply.

Responses to Consultation Questions

1. Has the Energy Strategy and its implementation had a positive, negative or mixed impact on your sector? Please provide examples where possible.

In GNI (UK)’s view, while the Energy Strategy has provided a strategic framework as to NI’s energy ambitions, implementation of measures relevant to the gas sector has progressed slower than anticipated. The main impact has been the (need for) significant investment in resource time and effort the NI gas networks – and other stakeholders, including potential producers and interested offtakers of renewable gas – have made to support policy development, with limited tangible progress to report as of yet, however.

Examples of this include, amongst others:

- **Biomethane strategy** – a NI biomethane strategy has yet to be developed, although the Energy Strategy Action Plan 2026 committed to developing a draft of such.¹ The cross sectoral benefits associated with the development of a biomethane economy have received cross party-political support, which was captured most recently in the plenary debate at the NI Assembly on 20th April 2026 through a motion titled “Clean Biomethane for Northern Ireland’s Energy, Food and Environmental Security”.² Please refer to our response to question 4 regarding our view on key issues relating to the ongoing development of this policy.
- **Hydrogen policy** – a NI hydrogen policy/strategy has yet to be developed, and the timing to do so remains unclear. GNI (UK) note the Department for the Economy’s (“DfE”) May 2026 Consultation Response Report to its 2025 consultation on such a policy,³ but suggest it signals ongoing uncertainty regarding the long-term policy pathway needed to realise NI’s hydrogen opportunity.
- **Low Carbon Heating in Residential Buildings** – DfE’s January 2026 response to its 2024 consultation indicated criterion for a future scheme to financially support customers to transition to lower carbon heating solutions which would exclude the potential for gas

¹ [Energy Strategy the Path to Net Zero Energy - Action Plan 2026](#) (see Action 2)

² [Official Report: Monday 20 April 2026](#)

³ [Public Consultation Response Report - Consultation on a sustainable, regional approach for the production, storage, transport and use of hydrogen as a fuel](#)

hybrid heat pumps.⁴ Gas hybrid heat pumps can improve the cost-effectiveness of emissions abatement for both:

- government, as a greater number of properties can be supported to convert, due to the lower cost of installation (including deep retrofit measures often needed alongside) and so lower level of financial support necessary to incentivise, and;
- consumers, with a lower balance of installation costs, net of subsidy, and running costs than electric-only heat pumps.

Doing so could thereby accelerate the decarbonisation of residential heat and deliver greater cumulative emissions reductions. Designing-in optionality in transition pathways entailing renewable gas is consistent with the Energy Strategy commitment to focus to 2030 on *“ensuring that certain low-regret pathways remain open while focusing on removing the most carbon intensive sources of heating”*, whereas DfE’s approach to focus on electric-only heat pumps appears to have gone beyond the advice of the Climate Change Committee (“CCC”). GNI (UK) suggest there is an opportunity for DfE to demonstrate a pragmatic approach by re-visiting this point in the final design of any such scheme, taking into account the latest evidence from ongoing local trials, as well as from other jurisdictions and gas/electricity strategic planning analysis on ‘whole system’ impacts/requirements of heat decarbonisation pathways.

- **Lack of focus on security of supply** – while GNI (UK) agree with the Energy Strategy’s recognition of the complementarity between the potential for indigenous renewables (including renewable gases) and enhancing security of supply in the long-term, we suggest maintaining energy security through the transition is worthy of greater focus and that gas infrastructure (networks and storage) will be paramount in this. While security of supply was a consideration in DfE’s January 2024 consultation on a ‘Smart Systems and Flexibility Plan’, GNI (UK) note no steps subsequent to this consultation with respect to the role of gas have progressed since. This is particularly relevant given NI is dependent upon natural gas imports from Great Britain (“GB”), which is itself considering actions to mitigate disruptions to natural gas supply in the medium-term. GNI (UK) would like to see NI Government take proactive measures to address this inherent risk.

2. What impact, if any, is the current Energy Strategy having on investment decisions within your sector, including business confidence and future investment planning?

GNI (UK) are aware of significant prospective investment in credible biomethane projects which has potentially been lost (and at best downscaled and/or delayed) by the lack of a local supportive biomethane policy. Indeed, for certain such projects:

- (i) specifically those which use manure-based feedstocks, GNI (UK)’s understanding is that these were enablers to significant prospective investment in the local agri-food sector, and;
- (ii) such projects not proceeding impacted upon associated investments not being made to reinforce the gas network to create the injection capacity needed, and from which other potential biomethane projects could have benefited.

⁴ [Support for Low Carbon Heat in the Residential Sector - Summary and Government Response](#)

3. Are there aspects of the current policy, regulatory or infrastructure environment that are supporting investment or creating barriers to investment? (For example grid capacity, planning, connection timelines or energy costs.)

GNI (UK) suggest that investment potential could be improved if relevant barriers were addressed including in relation to matters such as:

- **Gas infrastructure to support peak demand growth and security of supply**
 - network capacity – GNI (UK) suggest that evaluation of the needs case and investment solutions in the gas transmission system to increase capacity is appropriate, to enable growing (peak) demand on the system. This is needed to securely support increasing (peak) electricity demand associated with forecast electrification of transport and heat, etc. as well as potential for additional large energy users (e.g. data centres, etc.).
 - storage – energy security concerns across Europe have intensified in recent years due to geopolitical risk. The island of Ireland remains particularly exposed, without domestic gas storage or commercial Liquefied Natural Gas (“LNG”) import capacity, relying on subsea interconnectors with GB for the majority of gas supply. GNI (UK) would advocate for a strategic review of NI’s energy security to be instigated.
 - in 2022, in response to the Russian invasion of Ukraine, the RoI Government instigated a ‘review of the security of energy supply of Ireland’s electricity and natural gas systems’.⁵ This culminated in development of an ‘Energy Security Package’,⁶ Action 17 of which was to “to create a Strategic Gas Emergency Reserve” (“SGER”) which would provide emergency gas supply capability in the event of a major disruption to interconnector gas supplies. GNI were tasked to progress this and, in March 2025, the Department of Climate, Energy and the Environment (“DCEE”) approved a State-led Floating Storage and Regasification Unit (“FSRU”) project in Co. Clare as the optimal, transitional solution. This is expected to enhance overall security of supply across the interconnected gas system on the island, providing resilience benefits to both RoI and NI.
 - The salt cavern storage potential at Islandmagee should be seen as a regionally/nationally strategic asset and opportunity to improve security of supply (and system resilience to support acceleration of decarbonisation). It would, however, be unlikely to develop without policy support (including a financial underpinning) and inter-jurisdictional cooperation. GNI (UK) would be interested in partnering with stakeholders in such a project, subject to all the relevant due diligence and investment decisions.
- **Lack of Biomethane policy**
 - supply availability and competitiveness – many industrial and commercial consumers (often with ‘hard-to-electrify’ processes/demands) are seeking access to affordable supply of biomethane to meet supply chain pressures to show a credible route to decarbonisation. This requires suitable ‘route to market’ policy development (to include financial support) for biomethane production (in addition to the other beneficial outcomes associated with anaerobic digestion of waste and other feedstocks), in order to ensure industrial competitiveness with other

⁵ [Review of the security of energy supply of Ireland’s electricity and natural gas systems](#)

⁶ [Energy Security in Ireland to 2030](#)

jurisdictions with such policy support (including RoI and GB, for example). Without clear signals of affordable/competitive suitable renewable energy solutions being forthcoming, the potential for businesses to increasingly allocate capital to other jurisdictions is very real. If this were to result in reduced volumes through the gas network, this would increase costs for other consumers (such as residential properties and small and medium enterprises (“SMEs”)), as significant fixed costs in the energy system would be spread over a smaller consumer base.

- injection capacity and connection/reinforcement costs – the majority of NI’s significant biomethane production opportunity is predominantly located in rural areas,⁷ where the level of demand on the nearest gas network is often insufficient to allow for the volume of biomethane to be potentially injected. This creates an opportunity to maximise use of existing gas infrastructure by investment in network optimisation and/or ‘deep reinforcement’ solutions to overcome this, the costs of which are a barrier to biomethane projects proceeding
 - for example, such as ‘reverse compression’ of biomethane supply to the higher-pressure transmission system, enabling it to meet with the full demand across the wider regional gas network. Such measures can reduce the need for more extensive network reinforcement, supporting more cost-effective development of the gas network required to enable deployment of renewable gas projects.

GNI (UK) advocate for NI’s biomethane policy to include a suitable socialisation regime to address this market barrier (noting such principles already apply in the NI electricity sector, and gas markets elsewhere which are successfully scaling their biomethane sectors, including GB and RoI).

- **Utility Regulator mandate**

- statutory climate duty – GNI (UK) advocate that the Utility regulator (“UR”) be given a statutory duty to support meeting NI’s interim emissions reductions targets, carbon budgets and any future Climate Action Plan (“CAP”) set pursuant to the Climate Change Act (Northern Ireland) 2022 (the “CCA NI 2022”). Ofgem have been given such a mandate in the Energy Act 2023.⁸ GNI (UK) responded to DfE’s 2024 consultation on the Utility Regulator (Support for Decarbonisation Preparation) Bill,⁹ and again to the Committee for the Economy’s July 2026 survey,¹⁰ to suggest consideration be given to achieving this position through it.

⁷ Sources demonstrating this include:

- (1) 2022 [research](#) by CASE/Queen’s University, which calculated NI could produce 6,124 GWh biomethane from agricultural manure and underutilised grassland – equating to 90% of total 2022 NI gas distribution demand. The vast majority of this feedstock, 83%, is located within 10km of the gas distribution network. More recent QUB [research](#) that considered additional potential biomethane feedstock such as organic waste and sewage sludge has identified a total theoretical maximum potential of 8 TWh, and;
- (2) a 2024 [NI GNO Request for Information](#) (“RfI”) from biomethane producers, which returned a combined total potential output of c.3.5 TWh – sufficient to meet 90% of NI’s industrial and commercial gas demand.

⁸ [Energy Act 2023](#) – see sections 1(6) to 1(8)

⁹ [Utility Regulator \(Support for Decarbonisation Preparation\) Bill | Department for the Economy](#)

¹⁰ [Utility Regulator \(Support for Decarbonisation Preparation\) Bill | NI Assembly](#)

- hydrogen – GNI (UK) note DfE’s intention to appoint UR as the economic regulator for hydrogen,¹¹ which we support. Until this occurs, however, NI-based projects cannot compete in the UK-wide allocation rounds run by the Department for Energy Security and Net Zero (“**DESNZ**”) for ‘business model’ financial support for hydrogen transport (networks) and storage infrastructure. GNI (UK) suggest development of such infrastructure will be important to achieving NI’s hydrogen opportunity, and so would encourage a solution which provides a clear and robust mandate for UR with respect to hydrogen be expeditiously progressed, with industry input.

4. Does the current pace of delivery under the Energy Strategy provide sufficient certainty for businesses to plan and invest? Please give reasons for your answer.

In GNI (UK)’s view, the pace of delivery under the Energy Strategy remains a key challenge to a policy and regulatory framework which would suitably support the required investment in the energy system, and for businesses to plan and make their own aligned investments. The central issue is not the absence of strategic ambition in the Energy Strategy, or in industry, but the pace at which policy commitments are being translated into delivery frameworks and investment signals.

GNI (UK) suggest a prime example of this is found in the ongoing lack of an ambitious local biomethane policy.

GNI (UK) responded to DfE’s May 2024 Call for Evidence (“**CfE**”) on ‘Developing Biomethane Production in NI’,¹² with the understanding this would be an initial step on a priority area of policy development to unlock the significant potential opportunity for biomethane to support outcomes aligned with NI’s decarbonisation, green growth, agricultural, rural development and environment goals (for example, reduced nutrient surpluses presently affecting local soil health and water course conditions). However, such a policy has yet to materialise.

While the 2026 Action Plan has committed to consult of such a draft policy in 2026,¹³ GNI (UK) remains concerned that challenges around inter-departmental cooperation – in particular between DfE and the Department of Agriculture, Environment and Rural Affairs (“**DAERA**”) – to unlock the policy across these outcomes (and associated funding commitments) needed to drive progress at the appropriate pace may remain a barrier to progress and the sector’s growth. Please see our response to question 5 below regarding industry co-design and representation on the ‘Interdepartmental Biomethane Group’ (“**IDBG**”) charged with developing NI’s biomethane policy, which GNI (UK) suggest may add expertise and improve transparency and accountability with delivery of a suitable policy.

The pace of doing so as it relates to biomethane policy is particularly vital – not just in order to address the points raised above in relation to making biomethane available to support industrial decarbonisation and competitiveness, sustainability and growth in the agri-food sector and the potential for improved environmental outcomes, but also because of the time-limited availability of funding the current policy development is targeting. DfE confirmed to the PAC at its 11th June meeting on this Inquiry that it plans, as one part of its policy framework, to target using under-utilised Annually Managed Expenditure (“**AME**”) funding from the Non-Domestic Renewable

¹¹ [Public Consultation Response Report - Consultation on a sustainable, regional approach for the production, storage, transport and use of hydrogen as a fuel](#)

¹² [Call for Evidence - Developing Biomethane Production in Northern Ireland](#)

¹³ [Energy Strategy the Path to Net Zero Energy - Action Plan 2026](#)

Heat Incentive (“**RHI**”) scheme to financially support biomethane production.¹⁴ However, DfE suggested the timelines to develop and secure Business Case approvals means it could take to 2028 for any monies under this mechanism being available to biomethane producers. GNI (UK) understand that such Treasury funding opportunity is only available up to 2035. A limited available support period may be a critical barrier to the financeability of projects, and so the scheme delivering its intended results (with finalised scheme detail being a financing dependency and allowing for subsequent construction times).

Given this risk – and in order to avoid the loss of this available Treasury funding be putting to good effect in NI – GNI (UK) suggest DfE:

- (i) give strategic priority to accelerating its efforts, in concert with DAERA and leveraging industry input via the IDBG, to developing and timely deployment of a suitable biomethane support scheme (please refer to our response to question 5 below regarding the need for greater resource allocation in this respect), and;
- (ii) should be open to the possibility in its policy framework for the potential need for a separate funding mechanism for any such support scheme for biomethane production, given GNI (UK) are in agreement with DfE’s analysis that, in order to incentivise the initial development of the sector, *“there needs to be a subsidy to make it economically viable for the end users”*.¹⁵ Options include capital grant funding from government resources, like in RoI,¹⁶ and/or revenue support mechanisms funded via energy levies, like the ‘Green Gas Support Scheme’ in GB.¹⁷

It is important, however, that any levies to fund biomethane production are proportionate to the energy decarbonisation outcomes they support and avoid perverse incentives (for example, discouraging properties converting from oil to gas). It is, therefore, crucial that the wider value associated with progressing biomethane in NI is accounted for, with appropriate value and alternative revenue streams attributed to the wider green growth, agricultural, rural development and environment outcomes biomethane can help unlock.

5. Are there any particular implementation issues the Committee should be aware of when considering the effectiveness of the Energy Strategy?

GNI (UK) suggest key factors affecting the implementation of the Energy Strategy include:

- **DfE resourcing**
 - **Staffing** – in GNI (UK)’s view, the scale, complexity and imperative for pace in developing the policy agenda relating to gas (renewables and security of supply), in addition to the operational oversight and other duties of the relevant Officials, requires a greater level of DfE resourcing dedicated to such policy subjects. For example – in addition to the problematic timelines DfE have indicated for development of a scheme leveraging available AME funding for biomethane, as discussed in our response to question 4 – with respect to development of an NI-specific support scheme for hydrogen, DfE have confirmed that, *“while this was acknowledged as something that would have been beneficial, it is not feasible due to the lack of available resources”*.¹⁸ GNI (UK) suggest DfE give consideration to

¹⁴ [Public Accounts Committee OFFICIAL REPORT \(Hansard\) – Inquiry into Northern Ireland Energy Strategy: Department for the Economy, 11 June 2026](#)

¹⁵ [Public Accounts Committee OFFICIAL REPORT \(Hansard\) – Inquiry into Northern Ireland Energy Strategy: Department for the Economy, 11 June 2026](#)

¹⁶ [Minister Heydon announces Biomethane Capital Grant payments to issue](#)

¹⁷ [Green Gas Support Scheme and Green Gas Levy | Ofgem](#)

¹⁸ Hydrogen Industry Working Group minutes, 4th June 2026 (not published)

suitably re-assigning existing, or recruiting additional, staff as necessary to the relevant teams charged with delivering such workstreams in the time ahead (which may also benefit from exploring secondment opportunities from organisations with industry expertise).

- Industry co-design – more generally, DfE should embed co-design with industry as a principled way of working, to support moving at the appropriate pace and benefiting from industry expertise. GNI (UK) are aware the Centre for Advanced Sustainable Energy (“**CASE**”) have been brought in by DfE and DAERA to chair the IDBG, which GNI (UK) support as a positive development. GNI (UK) encourage that CASE be enabled to advise and assist with the development of a policy framework which balances the various interests across relevant Departments and which appropriately recognises industry views and needs to drive delivery of the policy objectives. GNI (UK) believe the IDBG would be increasingly effective if it had proportionate gas industry representation, enabling increased cohesion, transparency and common purpose between policy makers and those who will lead marketplace implementation.
- Finance – delivering the energy transition requires policy which will need to be funded by government and/or consumers, and GNI (UK) would advocate for this to be recognised as a key enabler of realising NI’s renewable gas opportunity in all forthcoming policy matters (e.g. biomethane, low carbon heat, etc.).
 - it would clearly be beneficial for DfE to be able to plan any such allocations from its own budgets over as long a period as possible, which would be furthered by the NI Executive agreeing multi-year budgets in future.
 - GNI (UK) appreciate that any policy funded via consumers, such as the Renewable Electricity Price Guarantee (“**REPG**”),¹⁹ requires particularly robust justification as part of a balanced policy approach (including specific consideration to protecting vulnerable consumers), but suggest this as a crucial matter for DfE to remain conceptually open to as it relates to renewable gas.
- **Need for Executive commitment to a longer-term, holistic outlook and plan, aligned with climate policy:** GNI (UK) suggest that NI’s Energy Strategy is not yet taking a sufficiently committed, long-term and holistic view of options as to how to progress towards net zero. Doing so would assist with charting out key longer-term policy milestones and nearer-term matters to be focused on. There is scope, and a need, in this for greater focus on policy development to further the role the gas network, and renewable gases, can beneficially play. Key, forthcoming opportunities for NI government to demonstrate this strategic approach and necessary commitment include:
 - Climate Action Plan – a Draft CAP for the first carbon budget period (2023-27) was published for consultation closing in October 2025,²⁰ but has still yet to be finalised (whereas the CCA NI 2022 envisaged it being so by June 2024).²¹ It is important this, together with the associated Sectoral Plans (given the significant impact these have on the Energy Strategy), is finalised quickly. GNI (UK) suggest that attention then rapidly turns to developing the CAP for the second carbon budget

¹⁹ [Final Scheme Design for a renewable electricity support scheme for Northern Ireland - Renewable Electricity Price Guarantee](#)

²⁰ [Draft Climate Action Plan 2023-2027](#)

²¹ Pursuant to subsection 51(1) of [Climate Change Act \(Northern Ireland\) 2022](#)

period to 2032, in order to understand the longer-term policy measures needed to achieve NI's statutory climate requirements.

- Mid-term Review / Energy Policy Position Statement: GNI (UK) note the Mid-term Review published in December 2025, which (in addition to providing a useful synopsis of progress to that point) committed that, *“2026 will see the publication of an Energy Policy Position Statement, setting out a clear direction for delivery through to 2030”*.²² GNI (UK) would suggest:
 - (i) this ‘Energy Policy Position Statement’ in an opportunity to better meet the Energy Strategy commitment that *“a major strategic update review will also take place every five years, with the first in 2025, with targets being reviewed and updated as necessary”*,²³ and;
 - (ii) to do so, it should take a longer-term outlook beyond the 2030 focus of the Energy Strategy when published in 2021, and provide for industry input as to updated strategic priorities and targets.

A practical example of a key matter GNI (UK) would like to have seen the Mid-term Review recognise as a key priority and chart out the way forward to develop associated policy, is the long-term vision for power sector, including how dispatchable capacity is to be decarbonised (in which we think the gas network, and renewable gases, will play a crucial role). In RoI, DCEE have recently announced a commitment to develop a ‘Power Sector White Paper’,²⁴ which will provide a framework for future policy, legislation and investment, encompassing electricity generation, transmission, distribution and regulation. GNI (UK) would encourage DfE to initiate similar policy considerations, including those which would benefit from taking an all-island view, and would be pleased to engage on same.

- Programme for Government (“PfG”): GNI (UK) suggest that it is important to see future PfGs recognise the importance of Energy Strategy and CAP delivery as central government priorities, together with achievable targets, clear plans for associated policy development and budgetary commitments necessary to enable delivery.

²² [Mid-term Review of the Energy Strategy - The Path to Net Zero Energy](#)

²³ [The Path to Net Zero Energy. Safe. Affordable. Clean.](#)

²⁴ [Minister O'Brien embarks on key White Paper – setting out long-term vision for power sector](#)