

CRU Proposed Direction on Interruptible Gas Connections

Introduction

On 25 June 2026, the Commission for Regulation of Utilities (“**CRU**”) published Consultation Paper CRU202657 on a proposed Direction to Gas Networks Ireland (“**GNI**”) regarding the processing of new connection applications by certain categories of Industrial Customers to the gas network. The consultation is open for responses until 5 August 2026.

The proposed Direction, if adopted, would introduce mandatory interruptible gas capacity connections for new Industrial Customers other than gas fired generators participating in the Single Electricity Market (“**SEM**”). This represents a significant change to the basis on which these customers connect to the Irish gas network and carries significant implications for data centre developers and other large energy users planning new gas connections.



Who is an Industrial Customer?

The proposed Direction applies solely to applicants with very high demand requirements. Under the Gas Act 1976 (as amended) (“**Gas Act**”) and the GNI Connections Policy, an “**Industrial Customer**” is defined as a customer with a peak hourly demand exceeding 50MW (thermal input) and a connection pressure of 16 barg or above. To put this in context, an Industrial Customer with a peak hourly demand of just above 50MW is equivalent to just under 12,000 homes during a typical winter cold snap. In practice, new Industrial Customers are expected to be either power stations or data centres.

Electricity demand from data centres in Ireland grew from 5% of national demand in 2015 to 22% in 2024, with EirGrid forecasting growth to 31% by 2034. The CRU’s [Large Energy User Connection Policy](#) (“**LEU Policy**”) requires data centres to provide matching dispatchable generation, and the CRU has noted this may put upward pressure on gas demand. Irish Government policy does not support islanded data centre developments that are disconnected from the electricity grid and powered primarily by on-site fossil fuel generation.

GNI Demand Analysis

Following the publication of the CRU’s proposed decision on the LEU Policy, GNI carried out significant additional analysis of its Industrial Customer demand projections. As of August 2025, GNI had received 17 pending applications from potential Industrial Customers, with a combined maximum hourly load of 5,466 MWth. This combined

load is equivalent to the peak gas demand of six 500 MWe Combined Cycle Gas Turbine generators. Of these 17 applicants, 10 had planning permission in place, accounting for a combined maximum hourly load of 2,614 MWth.

GNI performed additional network analysis based on the Network Development Plan 2024 Best Estimate scenario and determined that if all 17 potential Industrial Customers were to connect on a firm basis, there would be sufficient capacity on an average winter peak event. However, the total system entry capacity could be in a 9% deficit by 2033 in the event of 1 in 50 year peak day conditions. This assessment assumes no additional entry capacity is constructed beyond that included in the current forecast. In a risk adjusted analysis with the 17 additional connections, the deficit is forecast to increase from 9% to 18% in the case of a 1 in 50 severe winter peak event.

Without intervention, the CRU has identified that existing headroom in the system would be eroded more quickly than new capacity can be delivered, and gas emergencies could be triggered on an increasingly frequent basis in the absence of additional entry capacity infrastructure.

Mitigation Options considered by the CRU

The CRU has evaluated four options for managing new Industrial Customer demand on the gas network.

Option 1: Maintain Existing Connection Policy

Under Option 1, new Industrial Customers would continue to connect on a firm capacity basis under the existing Gas Connections Policy. GNI is legally required under the Gas Act to provide third party access to the network and cannot refuse to connect an Industrial Customer on the grounds of possible future capacity limitations. However, the CRU considers that connecting all applicants on a firm basis without new capacity being built would erode existing network capacity headroom and lead to gas and electricity security of supply concerns.

Option 2: Moratorium on New Industrial Customer Connections

Option 2 would involve directing GNI to cease processing all Industrial Customer connection applications. The CRU considers that a moratorium would hinder the development of flexible gas fired power generation, creating risks to electricity security of supply and likely having an adverse impact on foreign direct investment in Ireland.

Option 3: Interruptible Connections for All Industrial Customers

Under Option 3, an interruptible gas product would be introduced for all new Industrial Customers, including gas fired generators participating in the SEM.

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The CRU has rejected this option on the basis that it would transfer an unacceptable level of security of supply risk from the gas system to the electricity system.

Option 4: Interruptible Connections Except Power Generators (Preferred Option)

Option 4 is the CRU's preferred approach and the only option it considers to be justifiable, proportionate and effective. Option 4 would introduce a mandatory interruptible product for all new Industrial Customers with a peak hourly demand above 50 MWth, while exempting gas fired generator applicants participating in the SEM. This exemption is designed to protect both electricity and gas security of supply, as gas fired generators are essential for maintaining electricity supply during periods of low renewable generation, particularly on cold and calm days.

Under Option 4, the likelihood of interruption is linked to total gas demand, total system capacity, and the occurrence of weather conditions that are worse than average (e.g. low wind and cold temperatures). GNI's analysis indicates that even if all 17 potential new Industrial Customers were to connect, there would be sufficient capacity on an average winter peak day. The probability of full interruption would therefore be low outside of extreme winter and market conditions, with partial interruption linked to worse than average weather variations.

A tariff discount would be applied to reflect the probability of interruption. The Direction is expected to apply prospectively to new connections and to increased demand volumes where existing Industrial Customers expand beyond their current contracted capacity.

What Option 4 Could Mean in Practice For Industrial Customers

For Industrial Customers planning new gas connections, Option 4 would mean connection applications from Industrial Customers (other than SEM generators) would continue to be processed by GNI. However, the connection agreement could include a right for GNI to interrupt gas capacity at the connection point during periods of high demand when the system approaches its capacity limits.

On most days, Industrial Customers would likely receive their full contracted gas supply. Partial reductions may occur on colder or less windy days, with full interruption arising only in extreme winter conditions such as a 1 in 50-year peak day event.

A tariff discount would reflect the interruptible nature of the connection, with the specific discount to be determined through the annual tariff setting process. Interestingly, colder weather events that are most likely to trigger interruption under Option 4 could correlate with when data

centre cooling infrastructure requires less energy, which could provide headroom in gas supply requirements.

Industrial Customers should consider building operational flexibility into their design and planning. In the context of data centres, current practice suggests several approaches to managing the risk of interruption on an interruptible gas connection. AI training runs and other batch computational processes can be deferred to off-peak periods or brought forward ahead of forecast demand events, allowing operators to align intensive workloads with periods when gas network headroom is greatest.

Where operators maintain facilities across multiple locations, workloads can be redistributed to data centres in less constrained markets, providing geographical flexibility that reduces dependence on any single connection point. Tiered service models for inference and other compute workloads, which distinguish between tasks requiring immediate execution and those that can tolerate delay are also emerging globally and enable operators to achieve reductions in power consumption without requiring a full operational shutdown.

Taken together, these approaches indicate that data centres connected on an interruptible basis under Option 4 could be designed and operated to absorb periods of reduced gas supply. GNI has engaged with a sample of proposed connecting Industrial Customers and understands that there may be willingness to accept an interruptible gas product, provided that mitigation measures of this nature can be deployed.

Conclusion

The proposed Direction seeks to address the capacity risks identified by GNI, preserving third party access to the gas network for Industrial Customers while introducing a mechanism to protect system integrity during periods of extreme demand.

For data centre developers and other large energy users planning new gas connections, the practical impact of an interruptible product will turn on the degree of operational flexibility available at the facility and the effectiveness of mitigation strategies deployed. Operators capable of scheduling workloads around forecast peak demand events, distributing activity across geographies and reducing power consumption are likely to absorb periods of reduced supply with limited disruption to end users.

Whether this is ultimately an effective intervention will depend on how clearly the parameters of interruption are defined in connection agreements and on whether the interruptible product, together with the proposed tariff discount, provides sufficient commercial certainty to support investment and financing decisions by Industrial Customers.

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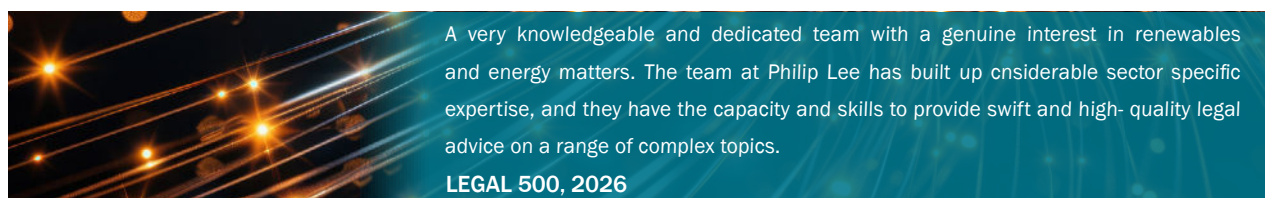
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