



Submission of the Micro-Renewable Energy Federation to the Public Consultation on the Micro-Generation Support Scheme for Ireland

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The Micro Renewable Energy Federation is pleased to submit this response to the public consultation on the Micro-Generation Support Scheme for Ireland.

MREF members very much appreciate this new initiative by our Government and we are asking that the Scheme is delivered by the date announced of July 1st, 2021 and that the supports are at a level that get widespread engagement and support by all stakeholders. The scheme needs to be simple to apply for and administer from the customers' perspective and ESB Networks must ensure that microgeneration systems of up to 50kWe can be quickly facilitated on the network.

Q1. Do you agree with the approach to introduce the CEG in order to provide an export payment that reflects the fair market value of the electricity in compliance with the recast Renewable Energy Directive? If not, what alternative model would you propose and why?

A: YES. However, we believe that any feed-in tariff should supplement the continuation of a grant scheme both for domestic and commercial micro-generation installations where the emphasis is on self-consumption. We need a grant for homes, business and farmers using in excess of 70% of the energy generated as well as a tariff support scheme to incentivise the wide adoption of micro-generation. We are proposing that the pilot domestic grant scheme be made permanent and this, with a market related CEP, will suffice for wider adoption. In relation to SME's and businesses who again are installing micro-generation to prioritise self-consumption (70% + self-consumption) we propose that a 30% bespoke grant be made available with a market related feed-in tariff for any surplus generation. This grant should facilitate installations for 70% + self-consumption of up to 500kWp and be underpinned with a market related feed-in tariff for the surplus.

Q2. Do you agree that initially the CEG should be a fixed, minimum tariff provided by suppliers as a pass-through cost based on the annual average Day Ahead Market (DAM) wholesale electricity price? If not, what alternative model would you propose and why?

The CEG should be fixed at the beginning of each year based on the weighted average market price for the previous year and operated for 15 years. In addition, MREF believes that the rate should be standardised and not left open for utility companies to manipulate and mislead for marketing purposes. For example, a utility company could offer a customer a high CEP to attract a customer but on the other side could charge a much higher energy cost. By having the rate fixed for all utilities will prevent misinformation and market manipulation.

Q3. A common 3.75% discount rate across all sectors assessed was chosen as an input to the viability gap assessment. Do the respondents agree with this approach? If not, what alternative would you propose and why?

Yes, this rate seems reasonable.

Q4. The emerging policy includes a measure whereby all Renewables Self-Consumers who install micro-generation technology after 30th June 2020 can access a payment of a fixed, minimum Clean Export Premium tariff for exported electricity determined by the lowest cost technology for each sector. Do the respondents agree with this approach? If not, what alternative model would you propose and why?

It is the strong opinion of MREF that all homes and businesses that have already adopted micro-generation have access to this tariff. The numbers, relatively speaking, are small and there will be a lot of anger and annoyance if they are denied the tariff for being early adopters. This is a very important issue to address and ensure equity.

Q5. The proposed Clean Export Premium tariff for exported electricity will be offered for a maximum duration of 15 years for all technologies. Do the respondents agree with this approach? If not, what alternative model would you propose and why?

Yes, 15 years is acceptable.

Q6. The high-level design includes a measure whereby a Clean Export Premium tariff for exported electricity will be capped by exported volume related to the installation size in order to prevent over-remuneration. Do the respondents agree with this approach? If not, what alternative model would you propose and why?

We agree, but it must be up to 30% of whatever system size is installed. There should be NO limit on the system size that is installed in homes as every situation is different. Likewise there should be no limit other than the 30% rule for SME's and businesses.

MREF also believes that there should be a separate CEP system for SME's and farmers who have grid access and roof spaces to generate and export up to 50kWp but who do not have the self-consumption. In this case we are proposing no grant but a CEP payment equivalent to twice the rate set under RESS for large scale solar PV farms. Currently, that would mean a payment of circa 14c/kwh and this should be for 20 years and linked to CPI.

Q7. The high-level design proposed 4 eligible renewable technologies listed above. Do the respondents agree with this proposal? If not, what alternative would you propose and why?

Yes, but we also believe that hydrogen technology should be eligible and included in supports given.

Q8. There is a range of renewable technology that can be deployed in domestic and SME premises and can facilitate high levels of renewable electricity self-consumption. The definition of micro-generation is therefore proposed to be “micro-generation technologies including micro-solar PV, micro-hydro, micro-wind and micro-renewable CHP with a maximum electrical output of 50kW”. Do the respondents agree with this proposal? If not, what alternative would you propose and why?

Yes, but we also believe that there needs to be a simple and cost-free grid connection process for all projects up to 50kWp. For systems between 50kW and 500kW, the grid connection process needs to be at the lowest cost possible and should be prioritised for assessment.

Q9. Applicants will be required to have an export connection from the Distribution System Operator. Do the respondents agree with this approach? If not, what alternative model would you propose and why?

Yes - the process should be similar to what operates currently for connections up to 50kW where an application is registered but there is no delay in progressing the project assuming the grid infrastructure is available on the site. For example, if there is an MIC of 50kWp on the premises, they should be allowed have an MEC of 50kW without any delay or cost.

Q10. The CEP will be available to existing buildings only. Do the respondents agree with this approach? If not, what alternative model would you propose and why?

The CEP should be available to all buildings old and new as it will be seen as unfair if it is not. Why shouldn't new (yet to be built) buildings qualify for a CEP?

In addition, MREF is totally opposed to any suggestion that the size of system installations in homes is limited to 3kW. These recommendations do not take any account of the size of the home, whether water is heated electrically, or heating is electric, or if the home has an electric car. The export limitation of 30% of the generation should be adequate as this will ensure systems are sized correctly for the home or business.

Q11. Occupied buildings will need to achieve a minimum post-works BER C rating. Do the respondents agree with this approach? If not, what alternative model would you propose and why?

MREF are totally opposed to this proposal. It discriminates and it is impractical for many old commercial SME's and farming buildings. Micro-generation generates electricity to displace bought-in power and has nothing to do with the energy efficiency of premises which is what the BER system is all about.

Q12. The minimum BER rating for the MSS will be increased over time to align with other Government energy efficiency retrofit programmes. Do the respondents agree with this approach? If not, what alternative model would you propose and why?

MREF does not agree with linking microgeneration to the BER ratings of homes or businesses. Micro generation has nothing to do with energy loss which is what a BER rating is primarily related to. Some homes do not have the option of bringing their BER up to a C1 or better. For example, old buildings with stone exteriors or listed buildings. (Many buildings in Ireland are listed and cannot increase their BER due to numerous reasons and restrictions. All listed and period houses should be entitled to the grant as they are exempt from the BER. These buildings have very high carbon footprints and solar PV is the easiest way to reduce this. In addition, at a minimum all homes that have electric heating or that have invested in an EV car should be included.)

There is no justification or sense in imposing a BER requirement on buildings such as warehouses, factory spaces, farms or any other building where the building envelope isn't necessary for thermal insulation.

Q13. Community groups must conform to the definition of a Renewable Energy Community and be registered with SEAI. Do the respondents agree with this approach? If not, what alternative model would you propose and why?

Yes, however the definition of a community group needs to be broadened and simplified. For example, if 10 farmers come together to generate renewable energy for their co-op, they should qualify as a community group. The process for registration and securing support needs to be simple and workable for voluntary groups.

Q14. The emerging policy proposes that Suppliers recover the costs of the Premium support through the PSO. DECC welcome the respondents' views on the funding mechanism supporting micro-generation. Do you think the PSO should support micro-generation or should this be through Suppliers retail rates or other mechanism?

MREF supports the funding for micro-generation coming from the PSO levy to ensure fairness and independence.

Q14. DECC welcomes the respondent's views on how to manage the scheme costs and the frequency of changes in the support arrangements.

The best way to keep the cost down is to make the process simple and non-bureaucratic. There are far too many reports and assessments linked to existing grants and especially the BEC and EXEED programs. It appears that compliance issues have gone way overboard, and this must be addressed in any new scheme.

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