

**Comments on “Arrangements for Micro Generation”  
CER06/190**

Dear Paul,

I hope you will be able to accept the following brief comments on CER’s “Arrangements for Micro Generation”, CER06/190.

**General Comments:**

Micro generation will play an increasingly important role in our energy system. This consultation process is therefore very timely, although it is unfortunate that CER has not approached this topic earlier and in a much more ambitious manner.

The Labour Party believes that it is imperative that a coherent micro generation strategy and accompanying targets are established which takes a holistic approach to micro generation including grid arrangements, financial supports, planning procedure and legislation. In the UK, for example, in 2004 the Mayor of London’s *Energy Strategy* established a target of 7,000 domestic solar panels and wind turbines within the London region by 2010.

I believe that there are key initiatives that the Regulator and government must urgently address to facilitate the development of micro generation including the legislation necessary to facilitate micro generation projects and the establishment of community energy schemes; the acceptance of excess capacity generated by small-scale units into the

**national grid and the introduction of net metering; and the establishment of national government, local authority and community partnerships to allow for the development of community renewable and micro generation programmes**

**Up until now there has only been a small degree of support for micro generation. In 2005 Sustainable Energy Ireland (SEI) established a “bioheat” pilot programme of grant aid for wood chip and pellet boilers for large buildings and small industrial sites. Budget 2006 contained a small financial package for renewable energy schemes including aid for the domestic sector. The Department of Communications, Marine and Natural Resources has recently provided details of the new support scheme of up to €27 million over five years, entitled “Greener Homes”, for domestic small-scale heat generation.**

**However, there is little in the current government Greener Homes package to encourage micro generation or the small-scale production of power by householders and community groups. I hope that CER, during its regular briefings with the Minister for Communications, Marine and Natural Resources, has tabled proposals for the upcoming Budget 2007 for a substantial enhancement of the Greener Homes programme in the area of the development of micro generation.**

**There is also a clear need for the demonstration effect on these systems so householders can view and understand the benefits of micro generation technologies. The Commission in conjunction with SEI should begin a rollout of a public**

information campaign, perhaps akin to the broadband demonstrative “road shows” in order to facilitate increasing public knowledge and awareness of micro generation.

### **Section 2: Installation Process for Micro Generation**

Concerns have been raised that the use of micro generation units for the purpose of domestic generation may be in conflict with provisions under the Electricity Regulation Act 1999 against the construction or reconstruction of generating station. It is clear that the process of authorising micro generation units must be easy to navigate, transparent and as straightforward as possible so as encourage as great as possible an uptake by domestic households and community groups.

Recently questions have been raised over the planning process in relation to small scale generation. It is unclear whether the Minister for the Environment will be amending regulations or introducing new ones. It is imperative that there are absolutely clear and transparent planning guidelines in this regard.

### **Section 3: Metering and Commercial Arrangements**

The most problematic section in the document is that which deals with metering and commercial arrangements for micro generation. The Commission’s outright rejection of net metering is overly-hasty and may be a disincentive to householders wishing to establish their own micro generation

units. Many other states that have much more developed micro generation sectors, such as the UK and Spain, have successfully implemented mechanisms that facilitate net metering.

The document also states that “explicit compensation for exported units may not be advisable at this juncture.” This is justified in order to “counteract subsidies by other distributed Use of System customers.” However net metering must be considered on its own merits and for the wider benefits it will contribute to the wider grid and electricity system. The idea of the meter spinning backwards engenders great excitement and clearly demonstrates the advantages of micro generation to the individual householder.

It is also unclear when, if not now, spill payments would be necessary from this conclusion. We are already far behind many of our EU and OECD partner states in the development of micro generation, and net metering mechanisms have a proven track record in encouraging micro generation projects. It would appear very inefficient in the long-term (both financially and in terms of our energy supply) to not establish proper mechanisms for utilising excess electricity that has been produced locally, and to provide financial recompense for these electricity units.

Yours Sincerely,  
Thomas P. Broughan T.D.