

# DAIRYGOLD CO-OPERATIVE SOCIETY LTD.

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Mr Maurice Stack  
Commission for Energy Regulation  
The Exchange  
Belgard Square North  
Tallaght  
Dublin 24

Ref: WPDRS Proposal for Rules and Rates for 2009/10 Season 17/09/09

Maurice

I would like to make the following submission in relation to the proposed changes to the Rules for 2009/10 WPDRS Scheme.

## **Background**

DG has two CHP Sites which participate in the scheme Mitchelstown (2 x 5MWh) & Mallow (1 x 5MWh).

As both sites operate on a seasonal basis the proposed new rules will discourage us from participating in the scheme. I will endeavour to explain why the seasonal nature of these sites, the nature of our electrical load why the proposed rule for Baseline calculation will not incentivise us to participate in the scheme.

The CHP facilities on both sites operate during the milk season using the power and waste heat to process milk Mar to [Mid](#)-Nov approx.

The economics of running a CHP plant depend on a use for the waste heat. Dairy facilities such as ours see a reduction of processing during the winter months, and so there is less of a requirement for the waste heat from the CHP facility, this means that the CHP is uneconomical in the winter period and so is shut down, with our electrical requirements now imported from the National Grid instead of been supplied by the CHP plants. This presents the somewhat counterintuitive notion that when the factory ramps down production, our electrical requirement from the grid increases.

## **Baseline**

If the Baseline were set using the September & October demand data the baseline would be low or negative as the site is currently running the CHP facility and Exporting excess electricity to the Grid.

The low or negative baseline would not reflect what the sites actual load would be if the CHP plant was not running and we were actually importing from the Grid.

If such a low or negative Baseline (based on Sep & Oct) were imposed for November, the site's would be unlikely to participate in the Scheme despite having **5 MW per Site of Generation available. ([10MW in Mitchelstown](#))**

We would like to see the Baseline for CHP facilities based on the sites actual load if the CHP facility was not running between 5-7pm in Sep & Oct.

Surely the aim of the WPDRS Scheme is to get Efficient CHP facilities such as ours to participate between the hours of 5-7pm.

**Benchmark Energy Calculation**

Under the new proposed rule the Benchmark Ratio will use 00:00 to 16:30 as the Off Peak Hours, we would request that for sites with CHP this remains unchanged where the Off Peak Hours ended at 16:00.

Our reasoning behind this is that we would require from 16:00 to 17:00 to ramp up our generation.

The apparent Site Load during this period would distort the Baseline as it would not be a true reflection of the Site Load during Off Peak hours.

If you require any additional information, please contact me on 025-44011 or 086-8105530

Regards

John Gubbins