



Composting & Anaerobic Digestion
Association of Ireland

Submission to the
Commission for Energy Regulation

on

**Certification Process for High Efficiency CHP
Consultation Paper**

From:
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December 14th, 2011

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1. Background and Relevance

Cré – Composting and Anaerobic Digestion Association of Ireland is a non-profit Association with over 100 members representing the anaerobic digestion sector in Ireland.

Cré welcomes this opportunity to examine the consultation paper on the “Certification Process for High Efficiency CHP”.

Cré respects the Commission for Energy Regulation’s role under the relevant legislation to certify high efficiency CHP (HE CHP) and we are a proponent of good regulation. We thank CER for the opportunity to make this submission and trust our concerns will be taken on board and look forward to a consultative process which will help all parties achieve their goals.

Cré requests a brief meeting with the CER to discuss our submission.

2. Submission Points

Having reviewed the Commission's document "Certification Process for High Efficiency CHP Consultation Paper" we have a number of suggestions outlined below in point format.

Our opinion, in summary, is that a distinction needs to be made for Anaerobic Digestion (AD) HE CHP as CHP in the vast majority of traditional AD plants is an integral part of the AD process. It should be noted that electricity and heat generation from biogas is not a compulsory stage of an anaerobic digestion process. For instance in the future, with the correct legislative mechanism, biogas from anaerobic digestion could potentially be injected directly to the Irish gas network. In these instances an external heat source will be required to provide the heat demand needed to sustain the AD process itself and thereby demonstrates that the recycled heat in a CHP AD plant should indeed rightfully be counted in its efficiency measurement.

Increased implementation of AD nationwide is required in order to help meet various national and EU obligations including landfill diversion targets, renewable energy and climate change targets. In addition to these, AD has many associated environmental and social benefits. We strongly urge the CER to consider the important role that AD can play on a number of levels when preparing a certification process for HE CHP and to ensure that the final approach adopted is not detrimental to the development of AD infrastructure in the country.

Furthermore it is widely accepted, by the AD Industry and regulators, that the recycling of CHP generated heat back into the AD process is the most efficient use of its heat, contributing to an overall reduction in fossil fuel reliance.

1. Our opinion is that Approach 1 is the only option for AD HE CHP. We feel that Approach 2, if adopted, would have a very damaging impact on the potential to develop AD plants in Ireland. If the heat recycled in the AD process cannot be classified as 'useful' heat, AD plants will not be able to meet the 75% CHP efficiency target as there will not be sufficient heat available after the parasitic demand of the AD plant is met, to export for 'useful' applications in order to achieve the target.
2. There is currently a precedent for light controls to be applied on small scale projects in terms of Authorisation to Construct and Licence to Generate as well as priority 90 day grid connection offer. In this regard we would argue that, as a minimum, AD should be a separate category having as basic a compliance format as possible while meeting the legislative requirements. Micro/Small AD should also have a different principle of assessment. Cré would propose an automatic certification approval for micro and small scale¹ AD CHP plants similar to that of automatic approval for authorisation to construct and license to generate for small scale generation.

While Cré seeks light control on Micro/Small AD plants, it is important not to overburden the larger plants for which controls should be kept to the absolute minimum necessary.

3. Any metering required should be as supplied with the plant equipment, i.e. ESB Meter. Also there should not be any test equipment required for the annual review. The original commissioning Report should be sufficient for Micro and Small plants. The accuracy requirements of the equipment for such plants should also not have to be more accurate than +/- 2%.
4. We again feel the distinction needs to be made for Micro/Small scale and large scale which is consistent with other necessary project requirements as referenced above. Particularly regarding access to finance, it is our experience from dealing with lending institutions that they require certainty in respect of all the relevant compliances. Therefore, the application and renewal processes of such compliances need to be as straightforward as possible to alleviate any bank doubt on the project not achieving compliance or maintaining it over the term of the loan.
5. AD is a live process, encompassing living bacteria producing biogas for supply to the CHP. While AD is generally a stable process, it is possible that on rare occasions these bacteria may die due to poor supplying of feeding material or contamination being introduced in the

¹ The Directive specifies the following three scales of CHP plant:

Large scale: ≥ 1 MW

Small scale: ≥ 50 kW and < 1 MW

Micro scale: < 50 kW

organic feed material. Therefore, a certain amount of leeway or allowance must be granted to the AD operator in respect of any decreased running time and electrical and thermal production occurring through no fault of their own. Consequently, the requirements for the annual review should be kept to a minimum and should allow for AD downtime.

6. If, for whatever reason, some problem is found at the yearly review/audit then there should be a time period granted to rectify the problem, e.g. 30 days for a minor error and 10 days for a more serious one. It is imperative that there should be no automatic loss of compliance as this would result in serious ramifications for projects achieving and maintaining project finance, as discussed at point 4 above.
7. Where heat loads are complementary to AD directly or an ancillary or related business this should be looked at favourably to enable and facilitate innovative heat use and cluster initiatives. Many Cré members are already operating compost facilities close to their intended AD development sites. The adjacent or co-location of these operations would result in complementary benefits to each plant.
8. A business plan should not be necessary as the lending institution due diligence process will ensure that the project is viable as otherwise it would not be funded. Rather, a letter of intent from the promoter should suffice particularly again for Micro and Small scale projects.
9. We would also submit that there should be an option for lodgement of Further Information subsequent to the initial application, particularly if something was omitted or clarification sought. This lodgement of Further Information should not result in the applicant losing their place in the application process.
10. We understand from the consultation document that the CER are seeking to ensure that the heat is not 'dumped'. We would again re-iterate that AD, by its very nature and configuration, enables and assists many on and offsite heat applications.
11. The requirement to measure feedstock is not practical for an AD plant, as the quality and the consistency of the material can vary widely. It would also be cost prohibitive, particularly for Micro and Small scale plants. In an AD plant the gas quantities are the important measure and these also vary in quality and yield with seasonal and feed adjustments. Therefore the requirement of the applicant to provide 'evidence of robust, reliable and verifiable measurement' must include the option for the AD operator to use their reasonable approximation of the figures where certainty is impractical and/or too costly.

3. Conclusion

In conclusion, it is the opinion of Cré that implementation of the more onerous compliance requirements outlined in the Commission's consultation document, without adopting the suggestions/concerns outlined above will sound the death knell of an AD industry which is already struggling to grow from its infancy in the current strained financial circumstances.

It is of critical importance that compliance with HE CHP does not serve as a prohibitive factor to AD development. We propose that AD plants, in particular Micro and Small scale plants are deemed to be compliant with the minimal amount of administrative requirements and additional cost.

We would recommend that the CER would have a second round of consultation on their revised draft for a two week period. This consultation should be limited to the trade Associations in this area as it would not make the consultation too onerous for the CER and not slow down the timeframe to have a scheme in place by the end of March.

We look forward to working with the CER in the future and are grateful for the opportunity to make our input on this consultation.