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Mr. James McSherry,
Commission for Energy Regulation,
The Exchange,
Belgard Square North,
Tallaght,
Dublin 24.

14th December 2011

Re: Certification Process for High Efficiency Combined Heat and Power

Dear James,

Please find below comments from Greenstar on the matters set out for public consultation. We would very much appreciate if you would include these comments in your review of the approach to be adopted in relation to the certification of high efficiency combined heat and power (HE CHP-CER 11/189).

Greenstar feels that the following points are relevant to the consultation.

- 1) The proposal that recertification take place on a yearly basis is overly onerous on potential operators and this process should be extended to a two or three yearly cycle. More significantly, the proposal that failure to meet the required standard would lead to automatic removal from any register of HE CHP operators without grounds for rectification or appeal is certain to stifle any possibility of development of this technology due to the risks involved. Greenstar proposes that some form of appeal, notice period or opportunity to rectify any deficiency within an agreed period be proposed as an alternative.
- 2) Greenstar strongly feels that approach 1 whereby '**All Economically Justified Heat is Considered Useful Heat**' is the only reasonable approach which can be adopted in relation to certification of HE CHP units. This approach is absolutely necessary to support the ancillary activities associated with any modern Anaerobic Digestion technology. These activities include the drying of input fuels, drying of output materials, fuel drying for the production of SRF as well as conversion technologies for biomass materials. This use of heat output from HE CHP units is economically

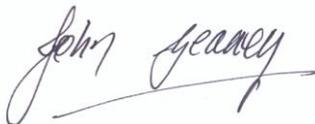
justifiable and will enhance the development and use of alternative fuel technologies. It is our belief that the recycling of heat back into the CHP process (or indeed associated local processes) is an efficient and productive use of heat and should be encouraged.

- 3) Greenstar further suggests that a non-prescriptive and reasonable approach be adopted from the outset in order to encourage alternative uses for heat and develop the market for alternative fuels and uses of energy. The existing market is in its infancy and should be encouraged to develop and grow.
- 4) It should further be recognized that CHP plants may be located in remote areas such as landfills, industrial sites or may be local to fuel sources where a 'traditional' user of heat may not exist. Adopting a reasonable and practical approach to the use of heat from remote CHP units will lead to the development of new and appropriate end use for such heat.
- 5) It should further be noted that due to our climate, Ireland does not have a well established district heating network serving houses, apartments or industrial users. It is unlikely that a demand for such a network will be required in the foreseeable future and it should be accepted that alternative uses for heat from CHP units should be allowed to develop both at a micro as well as on a large scale.
- 6) Greenstar strongly suggests that the CER actively engage in ongoing constructive consultation with potential developers of HE CHP units. The availability of funding for the development of such infrastructure is highly risk adverse and any potential loss of certification must be understood and minimized from an investor viewpoint. Engagement in the form of pre-development meetings, clarification requests and suggestions should be encouraged in an effort to develop this market.

Greenstar welcomes the opportunity to provide input to this process and we are available for further discussions in relation to this matter.

Please contact me at anytime at + 353 86 8172362 for any clarification in relation to this submission.

Yours sincerely,

A handwritten signature in black ink that reads "John Geaney". The signature is written in a cursive style with a long horizontal flourish extending to the right.

John Geaney,
Business Development Manager,
Greenstar Ltd.

