

A CHP Operators Perspective - Fingleton White & Co. Ltd.

**Comments on the proposed Certification Process for High Efficiency CHP
(CER/11/189)**

14/12/2011

1.0 General

Fingleton White & Co. Ltd. welcomes the opportunity to comment on the Certification Process for High Efficiency (HE) CHP Consultation Paper.

Please find below our comments relating to the assessment of heat demand, the calculation process for certifying a plant as HE CHP, confidentiality and the relationship with Guarantees of Origin.

2.0 Benefit/purpose of HE Certification

The majority of the CHP electricity generated in the country is derived from natural gas. Natural Gas CHP capacity is approximately 300MW. The other alternative is Biomass CHP which has an approximate capacity of 6MW.

The only benefit of HE certification identified by Fingleton White & Co. Ltd for natural gas CHP is priority dispatch. This is only relevant for one CHP site in the country, Aughnish Alumina. All other CHP facilities are out of market generators.

3.0 Useful Heat determination

The classification of useful heat needs to be clear and consistent with governing legislation and associated EU decisions. Two approaches have been proposed for the determination of useful heat, each approach has merit. Approach 2 has the advantage of clarity.

4.0 Calculation methodology

The definition of useful heat is key to the calculation of PES.

Fingleton White & Co. Ltd. is concerned with the overall efficiency calculation proposed. The “defined reporting period” is open to interpretation. Many CHP sites operate to a seasonal load, dictated by agricultural restraints, such as dairy plants. Such plants may only operate in CHP mode for six months of the year. The reporting period should be set to a maximum of six months.

The methodology for the calculation of the power to heat ratio is supported by Fingleton White. The basis of when the measurements of actual heat and electrical output are determined, when the plant is operating in “full CHP mode”, is agreed.

Where a site has an overall efficiency of less than the threshold, the methodology as outlined in Directive 2004/8/EC Annex II, determining the amount of electricity from cogeneration is applied. It would be prudent to apply HE CHP certification to the E_{chp} component only.

5.0 Confidentiality

This certification process proposes to require applicants to disclose sensitive and confidential production data. All information declared in the application must be treated in a confidential manner.

6.0 HE CHP & Guarantees of Origin

The absence of a process for the certification of HE CHP has proven a barrier for the inclusion of HE CHP in the Guarantees of Origin (GOs) scheme. This certification process provides a framework for the classification of HE CHP and is welcomed. In EU directive 2004/8/EC, Article 5, it is stated that GOs for HE CHP are to be established.

Biomass CHP facilities currently are eligible to participate in the Renewable GO scheme regardless of a HE certificate. With the development of a HE certification process it will need to be clarified if all biomass CHP facilities will still be automatically eligible for the GO scheme.

7.0 Conclusion

Fingleton White & Co welcomes the proposal of a HE certification process.

With regards the determination of useful heat Approach 2 is clear. As a result Fingleton White & Co would recommend the adoption of Approach 2.

Fingleton White & Co considers the calculation methodology for HE CHP equitable and fair. The "reporting time period" for the calculation of overall efficiency should be set to a maximum of six months to accommodate seasonal plants.

For the foreseeable future, the establishment of HE CHP Certification process has zero benefit for the various CHP sites Fingleton White & Co. Ltd. operate. We believe there will be a small adoption of this certification.