



**Electric Ireland Response to  
Remuneration of Renewables Self-consumers'  
exported electricity:  
Interim Clean Export Guarantee**

**29<sup>th</sup> October 2021**

## Introduction

Electric Ireland welcomes the opportunity to respond to this consultation. We agree with the CRU that for this interim solution a straightforward and practical framework is put in place to allow for remuneration for renewable self-consumer's exported electricity. Electric Ireland has experience in this area having operated our Microgeneration Pilot Scheme with over 500 customers since 2008. We look forward to working with CRU, ESBN and other stakeholders at the Interim Retail Market Microgeneration Solution Working Group (IRMMS WG) to drive out the details of the solution. Our key points on the consultation are outlined below followed by responses to the consultation questions.

## Key Points

### Eligibility of MCC02 Customers

Electric Ireland welcomes comments from CRU at the IRMMS WG (14/10) that customers with MCC02 meters will only be eligible for smart meter replacement when there is an industry process for these meter exchanges in place. Relying on manual workaround processes will lead to unmanageable workload for suppliers and ultimately a bad experience for microgeneration customers.

Currently there is a lot of discussion around the industry solution for MCC02 exchanges and different options being discussed at the IGG. It is our expectation that an agreed approach will be decided without delay. Until this solution is implemented, MCC02 customers should be eligible for CEG remuneration via the deemed calculation. Electric Ireland requests that this is expressly clarified as the position in the CRU decision paper.

### Scheme Launch and Reputation

Launch of the interim Clean Export Guarantee (CEG) will be the first step on the rollout of the enduring solution for the entire microgeneration support scheme. It is important that customers have a good experience, and their realistic expectations are met else the scheme may fall into disrepute and ultimately customer's engagement with the transition to a low carbon future will be damaged. There was already an expectation with microgeneration customers that the scheme would be up and running in July 2021 and Electric Ireland received many queries from customers on this. When the legislation is enacted, it is probable that there will be coverage in the media which will impact customer expectations.

Realistically there will be a lag between when the legislation is enacted and when customers receive first payment. This will be necessary to ensure there is sufficient time for all stakeholders to put in place robust systems and processes to manage the scheme. There may also be an expectation from some customers that the export tariff will be of the same order as retail tariffs. While we recognise that it will be up to suppliers to set their tariffs it is expected that they will generally reflect the market value, i.e., the wholesale and not the retail price.

Electric Ireland believes that both the Department of the Environment, Climate and Communications (DECC) and CRU have key roles to play in terms of the public messaging around the launch of the scheme. Timely, consistent, realistic, and centralised messaging is key to ensuring that customer expectations are met. While the DECC communications we know are outside the control of CRU, we propose that CRU have a dedicated landing page on microgeneration support scheme, including FAQs about the interim CEG, ready for when DECC make any announcements.

## Response to Consultation Questions

### 2. Remuneration

#### *Centrality of metered export data*

Electric Ireland agrees with the principle that where customers are eligible for a smart meter, that export data from the smart meter is used in remuneration calculations, and where customers are not eligible a deemed calculation is used.

As proposed customers may have to wait up to four months for a meter installation and are eligible for payments. Whilst we don't disagree with this in principle, as setting up a customer based on deemed calculation for a limited period seems inefficient, it is important that customer expectations are managed in relation to this. As noted earlier we think that DECC and CRU both have a key role in customer communications.

#### *Provision of metered export data and deemed export quantities by ESN*

Electric Ireland agrees that ESN provide all the data, whether metered export or deemed, to suppliers. This will ensure consistency across the market and ensure that all the data is available centrally for wholesale settlement.

Electric Ireland also agrees with the principle that where appropriate the interim systems should be designed to be as consistent with the enduring solution as possible. We support the provision of granular half hourly export data. We note from discussions at the IRMMS WG (14/10) that a legal basis for the provision of this data needs to be established for ESN to be able to collect and share this data. This is important as without this legal basis suppliers will need to gather customer consent and processes around this will need to be developed.

#### *Determination of Deemed Export Quantity*

Electric Ireland agrees with the proposal in relation to the deemed export calculation as proposed. We have carried out some analysis comparing the calculation to actual exported data and based on this the export and capacity factors seem reasonable.

We note that the 35% export factor is higher than the 30% figure used in the DECC consultation earlier this year. As suggested later in this consultation, this figure can be reviewed later as part of an overall review.

As per previous comments, it is important that customer expectations are managed on this. Where customers moved from a deemed to an actual metered calculation (or vice versa) there could be a step change in the volumes that they are being remunerated for. Electric Ireland believes that DECC and CRU have important roles to play in customer communications on the scheme.

### 3. Settlement Solution

#### *Wholesale market settlement process*

Electric Ireland agrees that the most pragmatic approach for the interim solution is for wholesale market settlement to occur at M+13. However, there are risks for suppliers in doing this which should be acknowledged. For example:



- Suppliers will be developing propositions and contracting with customers in the absence of the knowing the detail of how suppliers will be made whole in the market
- Since M+13 is the last settlement cycle it is not clear how any errors in data will be corrected after this

Where these risks materialise, there should be a mechanism for suppliers to be compensated.

#### *Transitional arrangements*

For transitional arrangements to work smoothly there are a couple of items which need to happen:

- A legal basis for the provision of the data from 'Day 1' needs to be established. 'Day 1' will predate when the customer enters any contract with the supplier.
- Customer expectations in terms of when they will begin to receive remuneration needs to be managed as is likely to be well after 'Day 1'. Electric Ireland considers that DECC and CRU have key roles to play in customer communications.

#### *Switching to a new supplier*

Electric Ireland agrees with the proposal that for the interim solution customers can only switch demand and export together.

#### *Supplier's statement of remuneration*

Given the tight timelines to deliver a solution supplier will need flexibility on the delivery of the statement of remuneration.

### 4. Eligibility for remuneration via CEG

In addition to the eligibility criteria included in the consultation for the avoidance of doubt, Electric Ireland propose a further criterion:

- Where there is no industry process in place for the exchange of renewables self-consumers meter type to a smart meter, those customers will remain 'ineligible' for a smart meter installation, and therefore they will be eligible for remuneration based on a deemed export calculation

There is a key role for ESNB in terms of determining and administering customer eligibility for CEG remuneration. The processes around this and interactions with suppliers on eligibility should be driven out via the IRMMS WG.

Electric Ireland has over 500 customers on a pilot microgeneration scheme. We look forward to working with ESNB on their smooth transition to the new scheme.

### 5. CEG tariff and review of CEG operation

#### *Setting CEG tariff and provision of a floor tariff*

Electric Ireland agrees with the proposal to allow suppliers to set their own CEG export tariff.

#### *Review of arrangements of CEG*

Electric Ireland agrees with the proposal to review the CEG arrangements after one year of operation.