

Commission for Regulation of Utilities,
The Grain House,
The Exchange,
Belgard Square North,
Dublin 24,
D24 PXW0

7th May 2021

Submitted by email to: lcradden@cru.ie

Re: Fingleton White's Response to the Secondary Fuel Obligations on licenced generation capacity in the Republic of Ireland Clarifications and Call for Evidence

Fingleton White welcomes the opportunity to comment on this public call for evidence.

Fingleton White provides multidiscipline engineering services for the energy industry throughout Ireland and the UK. It operates across multiple sectors including gas, bioenergy, hydro, solar, CHP, industrial heat and water.

Q.1 The CRU requests comments and innovative proposals on how the SFO would be applied or amended for scenarios where the installed capacity may exceed 10 MW, but where there is no current or future related potential for a negative impact on the security of supply.

Gas fired Autoproducers (as defined by CER/03/237), with an installed capacity greater than 10 MW, should complete a risk assessment as part of the application process. This will allow the risk of security of supply impact on the grid to be assessed. This can be reviewed annually by CRU so that changes can be tracked and ensure continued compliance.

The risk assessment could be standardised. It could cover a variety of parameters including Installed Capacity, MIC, MEC, Firm or Flexible, SEM interactions, DS3 contracts, site load, run hours, location, EGIP.

This will allow a more holistic review of the risks for Autoproducer generation where the condition of each site is unique.

Q2. We welcome comments on the application of the Secondary Fuel Obligation to DSU aggregators that combine multiple small gas units. In particular:

- **the potential for this situation to arise, given the costs/benefits and technologies available**
- **practical approaches for implementing the regulation**
- **other solutions that could provide an equivalent alternative source of Security of Supply in these situations**

The DSU aggregators form an important element of the security of supply response. Through DSU aggregators, the electricity grid accesses large numbers of small scale generators that would otherwise not be available to the electricity grid.

Placing additional requirements on the individual generator, requires a clear understanding of the additional benefits this will bring to the grid. Existing units cannot be retrofitted with dual fuel. New units will incur significant capital and operating costs if required to provide SFO below 10 MW. Questions arise around who would monitor and ensure the service on the secondary fuel is reliable.

It is our view that the risk of non-delivery of the DSU capacity, will not be reduced significantly by requirements to comply with SFO. A requirement to provide SFO at an aggregate level adds an increased level of complexity without a material improvement.

The units participating in the DSU should continue to be assessed as individual units. The cut-off point should continue to be at 10 MW capacity.

Q3. The CRU welcomes comments on the Secondary Fuel Obligation relating to the following:

- **Does the SFO offer sufficient benefit to the system in relation to its associated costs for new gas-fired generators?**
- **Are there suitable alternatives or modifications to the policy that should be considered that offer a similar or better security of supply mitigation at a lower cost?**

Has a risk assessment been completed in recent years that reflects the current gas grid infrastructure and the risk of an interruption? Improving the electricity security of supply requires consideration to be given to the gas grid upstream risks and mitigations options, such as LNG. This will reduce the number of downstream localised solutions like SFO.

Fingleton White are happy to discuss our views in more detail directly with the CRU or at future workshops.

Regards,



Ronan Nevin