



Secondary fuel obligations on licenced
generation capacity in the Republic of
Ireland Clarifications and Call for
Evidence - EirGrid Response

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1 Overview

EirGrid welcomes the opportunity to respond to the Commission for Regulation of Utilities (CRU) call for evidence on secondary fuel obligations on licenced generation capacity in the Republic of Ireland published on the 29th March 2021. EirGrid is supportive of additional clarity being brought to customers on such matters and welcomes discussion on the appropriateness and future potential for modification as the power system evolves. We are of course mindful of how future changes could impact on security of supply for Ireland's power system and have reflected how secondary fuel obligations are critical in this regard in our response below. Please note we have assumed that the reference to large energy users in the CRU paper is meant in a general descriptive sense and not per the definition of a Large Energy User (LEU) used for tariffing purposes which is generally a user that is connected at a voltage of 10 kV or greater.

2 Secondary Fuel Overview

As can be seen from recent capacity market auctions, the synchronous transmission systems of Ireland and Northern Ireland are becoming even more dependent on gas-fired generation to meet generation adequacy. Figure 3 of the Capacity Market Overview & 2024/2025 T-4 Auction Results Summary¹ illustrates that gas fuelled generation comprises almost 80% of total de-rated capacity that was successful in the T-4 2024/2025 Capacity Auction. While this just reflects the auction outcome and does not indicate the final energy or installed capacity mix; it does show a trend of increasing reliance on gas for dispatchable generation.

As the transition to a more sustainable power system continues, with increasing generation fuelled from renewable sources, the requirement for gas-fired generation to be capable of operating on secondary fuel has not diminished. There have been a number of generation plant closures over recent years, with further closures planned over the coming years. Some of the generation plant closed, or closing, are fuelled by peat or oil and we are therefore losing some alternative sources of generation. In the event of a gas emergency it is therefore essential that a power system with mainly gas fuelled dispatchable generation can operate on secondary fuel.

¹ <https://www.sem-o.com/documents/general-publications/T-4-2024-2025-Capacity-Market-Auction-Overview.pdf>

The less generation units that can operate on secondary fuel (or fuels other than gas) the more dependent we become on the lower number of remaining units to successfully operate on secondary fuel, in the event of a gas shortage. We could even need to increase the stocks of secondary fuel held at these remaining sites. We are aware from monitoring secondary fuel availability since 2012 that ongoing issues arise regarding the secondary fuel switchover capability of generation units. These issues require time, financial investment and outages to resolve. Hence at any given time not all units required to operate on secondary fuel will be available.

3 Applicability to Smaller Scale Units

For reasons set out above secondary fuel requirements for gas generation is essential. If new smaller/modular gas-fired generation units are to form part of Ireland's generation capability, they should likewise also be capable of operating on secondary fuel. We believe that this is appropriate for a cumulative size greater than the 10 MW de-minimis, as set out in the CRU Decision Paper on "Secondary Fuel Obligations on Licensed Generation Capacity in the Republic of Ireland"². Indeed a greater number of smaller units, capable of operating on secondary fuel, would provide increased security through their diversity (less impact for any individual unit that fails to switchover) in the event of a gas shortage event.

² 2009 Decision Paper: Secondary Fuel Obligations on Licensed Generation Capacity in the Republic of Ireland – CER09001