

CONSULTATION RESPONSE TEMPLATE

<i>NAME OF RESPONDENT</i>	Fingleton White & Co. Ltd.
<i>CONTACT DETAILS</i>	Michael Peters CHP Operations Manager Fingleton White & Co Ltd Bridge Street Centre Portlaoise Co Laois T: +353 57 8621010 M: +353 87 8032898 E: michael.peters@fingleton.ie
<i>TYPE OF COMPANY</i>	Engineering & Project Management in the Energy Sector, with particular interest in CHP.
<i>INTEREST IN DSM</i>	Demand Side Bidding & Aggregation of Distributed Generation

SECTION 2

QUESTION 1: Do you agree with our characterisation of the four types of benefits that demand side management can provide?

ANSWER: Yes

QUESTION 2: Are there other cost savings which you believe demand side management can deliver?

ANSWER: No comment

QUESTION 3: Are there additional studies and reports (to those listed in **Error! Reference source not found.**) which you are aware of and believe we should review?

ANSWER: "Combined Heat and Power (CHP) Potential in Ireland report". SEAI, 2009. This report identifies the potential for an increase in approximately 400MWe installed CHP capacity by 2020. This will reduce system demand and also presents an opportunity for increased demand side management through a DSU or AGU.

QUESTION 4: What other insights do you have from your experience of demand side management adopted internationally?

ANSWER: No comment

QUESTION 5: Are you aware of other quantitative findings from international experience which you believe are important for us to capture and consider?

ANSWER: No comment

QUESTION 6: Do you agree with our identified drivers of future value for demand side response/management? Are there any additional drivers we should consider?

ANSWER: We agree with the identified drivers.

SECTION 3

QUESTION 7: Are there any other aspects of current demand side activity in Ireland which should be captured?

ANSWER: With reference to Table 2, page 48 – “Industrial / Commercial DSR – Interruption direct control” and “Aggregation of DG” also deliver the benefit of peak reduction.

QUESTION 8: Do you agree with our high level assessment of the potential for demand side management in Ireland by 2020?

ANSWER: Yes. The distributed generation potential is difficult to assess, however there is further potential for CHP sites with seasonal or varying heat load. In particular dairy processors typically have no heat load in the winter season and therefore have spare generation capacity available for dispatch. There is in excess of 30MW of unused CHP capacity in ROI during Winter months.

SECTION 4

QUESTION 9: Do you agree with our definition of each individual demand side measure?

ANSWER: These definitions are very comprehensive. However it should be noted that Aggregation of Distributed Generation also includes CHP installations. CHP installations which have a site heat load less than the installed capacity of the CHP will typically run in a throttled mode and therefore have extra generation capacity available.

QUESTION 10: Is our description of the current policy baseline for each demand side measure accurate and complete. If there are omissions please point them out.

ANSWER:

When there is a heat load for a CHP the marginal cost will be very low. At times when there is no heat load on site the cost of running will be similar to Open Cycle Gas Turbine (OCGT). Typically a CHP plant located on a dairy processing site will have a heat load during summer months and will have spare generation capacity during winter months when dairy processing is minimal.

QUESTION 11: Do you agree with our categorisation of different types of “market issue” and typical remedies for each?

ANSWER: Yes.

QUESTION 12: Do you agree with our identified barriers and enablers for each of the specific demand side measures we have identified?

ANSWER: Yes

The requirements relating to the System Operator EIDL system are quite onerous for a relatively small DSU or AGU and can be perceived as a barrier to gaining market access. A less rigid web based way of receiving instructions from the TSO for an energy reduction / increased generation signal . e.g. for small businesses to reduce load - or for a small generator on standby (getting paid capacity) to go on line (“EIDL Lite”) would be an enabler for both the DSU & AGU section. It is not clear if Section 4.2.7.3 Recommendation 4 already covers this or not. The recommendation should be expanded to include the requirements for the System Operator interface in both the Demand Side Participation section (4.2.6) and AGU (4.2.7).

A CHP site with no heat load for the Winter months can be made available for running similar to conventional embedded generation. For summer months when the site is operating in CHP mode it would be preferable to operate as an Autonomous Price Taker. Making it easier to change unit type for the Winter season would facilitate greater participation in the market.

QUESTION 13: Do you agree with our identified market issues for each specific demand side measure and our proposed remedies to address these?

ANSWER: Yes. Section 4.2.6 Recommendation 2 and Section 4.2.7 Recommendation 2 to review the 4MW threshold and allow a site with an MEC to be a DSU are noteworthy and are welcomed.

The recommendation to bring in firm day ahead pricing is welcomed. The discrepancy between D-1 & D+4 exposes risk when responding autonomously to price signals.

Smart metering should be implemented at Medium Voltage Distribution level to relax export restrictions and increase the export level when the grid can accommodate it. This will help distribution network issues and encourage greater participation in the market for large industrial sites. This is especially important where the MEC of a CHP (despatchable generation) is restricted due to the connection of a wind farm (autonomous).

QUESTION 14: What are your views on the likelihood and effectiveness of the identified policy options addressing the specified market issue and delivering the desired change?

ANSWER: The recommendations with regard to 4.2.6 and 4.2.7 are welcomed and will encourage greater participation.

QUESTION 15: Are there any unintended undesirable consequences that any of the options might create elsewhere?

ANSWER: None identified.

SECTION 5

QUESTION 16: Do you agree with our identified specific demand side measures and our assessment of the different types of benefits each demand side measure provides?

ANSWER: Yes

QUESTION 17: Are there any additional demand side measures that we should individually identify and assess? If so, what type of benefit(s) is it felt they provide?

ANSWER: No comment

QUESTION 18: Have we identified all of the relevant criteria for assessing the individual and comparative merits of the demand side measures?

ANSWER: Yes

QUESTION 19: What are your views about our approach to high level assessment of different demand side options?

ANSWER: Appropriate

QUESTION 20: Do you agree with our assessment of each demand side measure against each of the identified factors?

ANSWER: Yes

QUESTION 21: Do you agree with our overall assessment of the relative merits of the different demand side options?

ANSWER: Yes

QUESTION 22: Do you have any comments on our high level assessment of the benefits of different demand side measures?

ANSWER: No comment

SECTION 6

QUESTION 23: Do you agree with our assessment of the relative priorities of different demand side options in developing a 2020 Demand Side Vision?

ANSWER:

AGU will contribute high value to Security of Supply (both Generation capacity margin & Transmission capacity) through the declared availabilities. Overall Embedded Generation will deliver the same benefits as Demand Side Bidding (with the exception of generation cost / Co2 emissions) and should have an overall ranking of High Value.

QUESTION 24: What alternative views do you have on relative (merits and) priorities?

ANSWER: Cost of delivery for AGU is low and therefore the Overall Ranking should be high.

QUESTION 25: Do you agree with our proposed high level 2020 Demand Side Vision as described above?

ANSWER: Yes

QUESTION 26: What alternative vision would you put forward?

ANSWER: No comment

QUESTION 27: Do you agree with our proposed policy pathways for implementation of the identified different policy options for realising our proposed 2020 Demand Side Vision?

ANSWER: Yes.

QUESTION 28: What alternative policy pathways would you propose based on your previous comments and responses?

ANSWER: No comment

SECTION 7

QUESTION 29: Do you have any additional view or comments you feel are important/useful for us in (a) establishing a Demand Side Vision for 2020; (b) identifying associated policy development and (c) determining policy pathways?

ANSWER: No comment.

QUESTION 30: Are there any final comments industry stakeholders wish to make about this consultation and the proposed next steps in the consultation process?

ANSWER: We welcome this consultation and look forward to publication of the Decision Paper.