

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

**Comments on the proposed Generator Transmission Use of System
Charging – 2011/12 Indicative tariffs (SEM-11-036)**

28/07/2011

1.0 General

Fingleton White & Co. Ltd welcomes the publication of the Consultation Paper, Generator Transmission Use of System Charging – 2011/12 Indicative tariffs, and the opportunity to submit comments.

This consultation paper proposes a reduction in the charging threshold in response to the large amount of embedded wind generation on the distribution system. There is a concern that a number of the combined heat and power (CHP) units operated by Fingleton White & Co. Ltd will be affected by this proposal.

As stated in the consultation paper (SEM-11-018) lowering the threshold “will gather a larger part of the collective impact of smaller generators capturing c.90% of All-island wind generation.” The main rationale for this change is that these nodes are often in remote areas. Fingleton White is concerned that the justification for changing the threshold to generators will be extended to Autoproducers and CHP Producers, leading to unfair change for these groups.

2.0 Autoproducers and CHP Producers

The CER document, Network Charges for Autoproducers and CHP Producers (CER-03-237), defines the terms Autoproducers and CHP Producers as follows:

- “An Autoproducer shall be a person who.....generates electricity in the Single Premises, essentially for the first person’s own consumption in that Single Premises.”
- “A CHP Producer shall be a person who generates electricity through a Combined Heat and Power process under a licence from the Commission.”

In the accompanying guidance note, CER-03-238, generation essentially for one’s own use is where MEC is less than twice the MIC.

3.0 Comments on SEM-11-018 threshold reduction

The following table are points noted in the document (SEM-11-018):

SEM-11-018 Quote	Fingleton White Comment
“The current threshold [of 10MW threshold] was adopted in 2007.” <i>Pg 27</i>	The De Minimis level of 10MW for Autoproducers and CHP Producers has been in place since 2001, as stated in CER-01-179.
“The amount of generation connecting to the distribution network is increasing, the level of demand has not changed in the same proportions thus causing increased effects and increasing levels of export onto the transmission system.” “TUoS charging distortion” <i>Pg 27</i>	Autoproducers, on the contrary, are maintaining the proportion as they have a similarly sized MIC. Autoproducers are not contributing to this TUoS charging distortion.
“The impact will grow year on year with NI and ROI Government policies to reduce CO ₂ emissions	Wind is anticipated to grow year on year with Government policies to reduce CO ₂ emissions.

<p>leading to renewable energy targets of 40% by 2020.” <i>Pg28</i></p>	<p>Autoproducers will not contribute to this increase.</p>
<p>“The nature of the ROI network and the connection process in ROI means the effect in ROI will be even more pronounced. In ROI the majority of renewable generators are connected under the Group Processing Approach.” “Under Group Processing EirGrid has observed clusters of distribution connected generators sharing connections to the transmission system.” <i>Pg28/29</i></p>	<p>Autoproducers and CHP Producers are outside the GPA (Group Processing Approach).</p>

4.0 Proposal for Autoproducers and CHP Producers

Autoproducers and CHP Producers are located at nodes with high demand rather than at nodes in remote areas. Fingleton White therefore feel the 10MW threshold level for Autoproducers and CHP Producers should be maintained.

However, if the reduction in threshold is to apply to Autoproducers and CHP Producers then it should only apply when the MEC minus the MIC is greater than 5MW.

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