Rialtas na hÉireann
Government of Ireland

Micro-generation Support Scheme Public Consultation

Summary Report of Submissions Received

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Prepared by the Department of
the Environment, Climate and Communications
gov.ie/decc

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1 Summary of Micro-generation Support Scheme (MSS) public consultations submissions

There were 875 submissions to the public consultation: 158 industry and 717 general public submissions. Of the general public submissions, 228 were individual submissions and 489 were mass mailing submissions based on a generic format provided by one of several industry bodies.

For the 14 questions that requested confirmation of agreement or not, a summary of the responses is included in the table below.

Response	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14
yes	179	115	63	88	130	52	134	143	154	40	30	34	104	103
no	5	23	45	49	20	86	13	15	9	117	136	122	12	19
n/a	175	190	222	183	204	143	207	191	188	178	150	180	204	210
n/a %	49	58	67	57	58	51	58	55	54	53	47	54	65	63
yes %	97	83	58	64	87	62	91	91	94	25	18	22	90	85

2 Commentary on the response quantities and qualities:

We can see that not all questions were answered by all respondents based on the number and % of ‘n/a’ responses. For the purpose of this summary, the designation ‘n/a’ is used where there was no response given or where the response given did not answer the question asked. On average, 56% of questions were unanswered.

Additionally, the table above records when an answer included ‘yes’ or ‘no’, but it is important to add that many of these responses were qualified responses, in that the respondent may have broadly and/or specifically agreed with the proposal in the particular question but qualified the response with caveats and further requests. The % of ‘yes’ responses are calculated based on the total valid responses to each question.

3 Summary of the most common issues raised in responses to the public consultation:

The average % of Yes responses across all 14 questions asked was 69%, though approval varied significantly from question to question.

There was widespread support for an export payment that reflects the fair market value of the electricity exported, though many respondents felt that grants would also be needed in order to encourage uptake of the scheme. There was particular concern that the payback period of 15 years through export payments alone was too long to incentivise uptake. Where premium supports would be paid, there was general agreement that they should be paid out of the PSO, though this was frequently caveated with the condition that such a measure should not lead to an increased burden on vulnerable consumers or those in energy poverty.

There was widespread opposition to the proposal that access to the scheme would be subject to a property meeting a minimum post-works BER requirement, though this is a necessary measure in line with the energy efficiency first principle. Similarly, many respondents suggested that the proposed caps on installation sizes and export volumes for which the CEP would be paid were overly restrictive, but such proposals are intended to encourage self-consumption and minimise the risk of over-remuneration.

Simplicity and ease of access were widespread issues of concern among respondents across several of the questions asked, with many suggesting that a large administrative or bureaucratic burden would act as a significant disincentive to uptake of the scheme. Many respondents suggested that the scheme should be flexible, both in terms of the definitions it uses and in allowing for technology- and sector-specific supports. A periodic review process was proposed by several respondents to set targets and measure uptake of the scheme.

4 Detailed summary of the responses to the individual questions:

Q1. Do you agree with the approach to introduce the CEG in order to provide an export payment that reflects the fair market value of the electricity in compliance with

the recast Renewable Energy Directive? If not, what alternative model would you propose and why?

51% of respondents answered this question and 97% of those agreed with the introduction of an export payment. There were several qualified suggestions, in particular reference to net metering, or premiums above the retail prices, but no supporting evidence was offered.

Q2. Do you agree that initially the CEG should be a fixed, minimum tariff provided by Suppliers as a pass through cost based on the annual average Day Ahead Market (DAM) wholesale electricity price? If not, what alternative model would you propose and why?

42% of respondents answered this question and 83% of those agreed with a fixed, minimum tariff provided by Suppliers for export payment. Of those that answered No, grants were preferred to export payments, and time-based/seasonal tariffs tied to RESS supports were preferred to fixed tariffs. There were several qualified suggestions, in particular reference to net metering, or premiums above the retail prices, but no supporting evidence was offered. There was strong support for a clear, fair and simple tariff that everyone could understand.

Q3. A common 3.75% discount rate across all sectors assessed was chosen as an input to the viability gap assessment. Do the respondents agree with this approach? If not, what alternative would you propose and why?

33% of respondents answered this question and 58% of those agreed with a 3.75% discount rate. Of those that answered No, grants were preferred or requested to be additional, higher discount rates of up to 15% were suggested in particular for non-domestic sector to encourage uptake, and a payback of 5 to 7 years was preferred to discount rates. There were several qualified suggestions, for example requests for technology specific rates, tax relief for payments, but no supporting evidence was offered.

Q4. The emerging policy includes a measure whereby all Renewables Self-Consumers who install micro-generation technology after 30th June 2020 can access a payment of a fixed, minimum Clean Export Premium tariff for exported electricity determined by the lowest cost technology for each sector. Do the respondents agree with this approach? If not, what alternative model would you propose and why?

43% of respondents answered this question and 64% of those agreed with a Clean Export Premium tariff. Of those that answered No, some disagreed with a lowest technology cost approach, others disagreed with existing micro-generators being excluded, while others wanted a grant or simple payback model instead. There were several qualified suggestions,

for example requests for technology specific rates, requests for higher rates to achieve shorter payback periods, but no supporting evidence was offered.

Q5. The proposed Clean Export Premium tariff for exported electricity will be offered for a maximum duration of 15 years for all technologies. Do the respondents agree with this approach? If not, what alternative model would you propose and why?

42% of respondents answered this question and 87% of those agreed with a Clean Export Premium tariff with 15 years max duration. Of those that answered No, some suggested it should be offered indefinitely, others felt 15 years was too long to achieve payback, while some felt that the combination of the CEG and CEP was too complex and needs to be simplified to a single tariff or grant. There were several qualified suggestions, for example requests for grants to be available for upgrades after the 15 years, grants to be available on top of CEP, requests for higher rates to achieve shorter payback periods, but no supporting evidence was offered. The question of how the process of switching suppliers would be affected was raised.

Q6. The high level design includes a measure whereby a Clean Export Premium tariff for exported electricity will be capped by exported volume related to the installation size in order to prevent over-remuneration. Do the respondents agree with this approach? If not, what alternative model would you propose and why?

49% of respondents answered this question and 52% of those agreed with a cap on export volumes related to the installation size for the Clean Export Premium tariff. Of those that answered No, some suggested it should be capped for the domestic sector only, others felt that the cap of 30% was too low and should be increased. Others felt that limits on installation sizes and a payment cap on exported volume could act as disincentives to uptake of the scheme. There were several qualified suggestions, including that a sliding scale of remuneration be considered for export volumes above the cap, and that a flexible approach be considered for non-domestic buildings during periods of low occupancy e.g. schools during the summer, but no supporting evidence was offered.

Q7. The high level design proposed 4 eligible renewable technologies listed above. Do the respondents agree with this proposal? If not, what alternative would you propose and why?

42% of respondents answered this question and 91% of those agreed with the proposed list of 4 eligible renewable technologies included in the high level design. Of those that answered No, some objected to the inclusion of CHP. Many responses were qualified, in

particular with the suggestion that the scheme should be flexible to allow for new and additional technologies, particularly hydrogen technologies. Some called for battery storage supports to be included in the scheme, while other respondents suggested that supports should be technology specific in order to incentivise the development of micro-wind, micro-hydro and CHP technologies, but no supporting evidence was offered.

Q8. There is a range of renewable technology that can be deployed in domestic and SME premises and can facilitate high levels of renewable electricity self-consumption. The definition of micro-generation is therefore proposed to be "micro-generation technologies including micro-solar PV, micro-hydro, micro-wind and micro-renewable CHP with a maximum electrical output of 50kW". Do the respondents agree with this proposal? If not, what alternative would you propose and why?

45% of respondents answered this question and of those 91% agreed with the proposed definition of micro-generation. Of those that answered No, some suggested that the 50kW limit was too low and should be increased. There were several qualified answers, with many respondents suggesting that the capacity bands were too low, particularly for non-domestic sectors, and that increased consideration should be given to incentivising uptake in these sectors, but no supporting evidence was offered.

Q9. Applicants will be required to have an export connection from the Distribution System Operator. Do the respondents agree with this approach? If not, what alternative model would you propose and why?

46% of respondents answered this question and of those 94% agreed with the proposal that applicants will be required to have an export connection from the Distribution System Operator. Of these responses, many were qualified with the suggestion that the process by which generators secure export connections from ESB Networks should be reformed to reduce costs and wait times. Many respondents also suggested that the process applied should be similar to that which is already in place for export connections for generators up to 50kWh, though no supporting evidence was supplied. The question of how this scheme would interact with the rollout of smart meters was raised repeatedly.

Q10. The CEP will be available to existing buildings only. Do the respondents agree with this approach? If not, what alternative model would you propose and why?

47% of respondents answered this question, of which 25% agreed that the CEP should be available to existing buildings only. Of those who answered No, many suggested that restricting the CEP to existing buildings would negatively impact uptake of the scheme as it

would be viewed as unjust by early adopters of micro-generation or those in new-builds, not all of which will have micro-generation installed, though no supporting evidence was offered. There were several qualified responses suggesting that the proposal must be clearly explained and that planning mandates on minimum self-generation requirements be introduced.

Q11. Occupied buildings will need to achieve a minimum post-works BER C rating. Do the respondents agree with this approach? If not, what alternative model would you propose and why?

53% of respondents answered this question, of which 18% agreed that occupied buildings will need to achieve a post-works BER C rating. Of those who answered No, many suggested that the measure would be overly restrictive, particularly for non-domestic buildings such as farm buildings, schools and other community buildings with low occupancy rates. There was also widespread opposition to the alignment of the MSS with BER ratings, with many respondents suggesting that the installation of micro-generation technology would have a beneficial impact on sustainability goals regardless of a property's BER rating. There were several qualified answers, including suggestions that the measure apply only to the domestic sector and that the MSS should align with existing SEAI grant schemes in relation to post-works BER ratings, though no supporting evidence was offered.

Q12. The minimum BER rating for the MSS will be increased over time to align with other Government energy efficiency retrofit programmes. Do the respondents agree with this approach? If not, what alternative model would you propose and why?

46% of respondents answered this question and of these 22% agreed with the proposal that the minimum BER rating for the MSS will be increased over time to align with other Government energy efficiency retrofit programmes. Of those who answered No, some were concerned that aligning the MSS with energy efficiency ratings would reduce access to the scheme for non-domestic sectors, and that this measure would render access to the scheme prohibitively expensive for many. There were several qualified responses, including the suggestion that clear timelines must be provided for future increases in minimum BER ratings.

Q13. Community groups must conform to the definition of a Renewable Energy Community and be registered with SEAI. Do the respondents agree with this approach? If not, what alternative model would you propose and why?

35% of respondents answered this question and of those 90% agreed that community groups must conform to the definition of a Renewable Energy Community and be registered with SEAI. Of those who answered No, some felt that this measure would present an administrative barrier to uptake of the scheme, while others felt that the existing definition of an REC is too narrow. There were many qualified responses, with many respondents suggesting that clarity was needed, particularly with regards to the role of the SEAI in the scheme, while others suggested a broadening of the definition of an REC to allow access to groups of farmers. Several respondents suggested that the registration process should not present a cost or administrative burden to applicants.

Q14. The emerging policy proposes that Suppliers recover the costs of the Premium support through the PSO. DECC welcome the respondents' views on the funding mechanism supporting micro-generation. Do you think the PSO should support micro-generation or should this be through Suppliers retail rates or other mechanism?

37% of respondents answered this question and 85% agreed with the proposal that Suppliers recover the costs of the Premium support through the PSO. Of those who answered No, some suggested that the Premium supports be funded from other sources, such as a carbon tax or through exchequer grants. There were several qualified responses, with many respondents particularly concerned that this measure should not increase the burden on vulnerable consumers or those in fuel poverty.

Q15. DECC welcomes the respondents' views on how to manage the scheme costs and the frequency of changes in the support arrangements.

Many respondents suggested that targets for the scheme should be set, and a review process be put in place in order to assess uptake of the scheme as well as diversity, both in terms of consumer and technology types. Suggested review periods ranged from annual reviews to reviews every 3 or 5 years, with any changes in support arrangements to be signalled to consumers far in advance. There was particular concern that any costs associated with the MSS should not increase the burden on vulnerable consumers or those in fuel poverty.