



An Coimisiún
um Rialáil Fóntas
**Commission for
Regulation of Utilities**

Opening Statement by CRU to the Joint Committee on Communications, Climate Action and Environment - 2 October 2019

Introduction

Paul McGowan

Good afternoon - I am Paul Mc Gowan, Chairperson of the Commission for Regulation of Utilities (CRU). The CRU is the economic regulator for the energy and public water sectors in Ireland and safety regulator in the energy sector.

Our mission is to protect the public interest in water, energy and energy safety. Within this, one of the key parts of our vision is that consumers are both empowered and protected through our policy development and decisions.

I am joined by my colleague John Melvin, Director, and we welcome the opportunity to meet with the Committee to discuss our role with respect to 'Citizen Measures' and specifically the Smart Metering Programme, a project of strategic national importance for Ireland's low-carbon energy future.

Background

The CRU's role as the economic regulator of ESB Networks and other Network Companies is to ensure that customers and network users receive value for money while the network companies earn a fair return on their activities to make the necessary network investments. Smart meters are the next generation of electricity and gas meter and are being rolled out across Europe and internationally. This new technology will replace older, mechanical meters and will make available new products and services to energy consumers. Smart meters will make the switching process easier and empower consumers to make the right choice for their energy needs. Smart metering will also enable the development of the smart grid and facilitate more flexible, reliable and better network planning in the future.

In 2017, the CRU decided to adopt the ESB Network phased delivery plan for the Smart Meter Upgrade. This plan will see the roll out of smart meters and smart services in three phases commencing in 2019 and concluding in 2024.

ESB Networks commenced the roll out of Smart Meters in September with the first meters deployed in Bandon and Portlaoise. ESB Networks has now commenced Phase 2 planning which will identify the areas for the next meter deployment.

As the stock of smart meters increases, the facilitation of microgeneration and the development of the 'prosumer' becomes a realistic prospect for households. The ability for consumers to meet their own energy needs will increase energy consciousness and should underpin a broader shift in citizens energy consumption and choices.

In line with the Climate Action Plan and the rise in climate engagement, the CRU will work with the Department, relevant companies and agencies to ensure that Microgeneration is facilitated so that consumers can realise the benefits of more active engagement in the energy market. Microgeneration has been accelerated for delivery in 2021 under the Climate Action Plan

CRU recognises the importance of community led renewable energy projects. and this has also been detailed in the DCCAE's High Level Design for the Renewable Electricity Support Scheme and in the Government's Climate Action Plan.

In support of this, the CRU is developing proposals for the next round of connection policy (ECP-2) to facilitate the practical processing of connection offers for community-led renewable energy projects, as defined by DCCAE, by making up to 50% of non-batch connection offers available for such projects.

In order to further assist community-led renewable energy projects in the connection process, the CRU proposes that such projects do not require planning permission to have their application accepted by the system operators. The process for this will be consulted upon shortly with a clear focus on both facilitating local projects and ensuring that there are the appropriate levels of protection for such projects, as well as the wider energy consumer.

The SEAI leads on the area of smart finance for home retrofits under the Climate Action Plan. CRU will assess the potential for introducing pay-as-you-save via energy supplier bills in support of this work.

Thank you. We'd be happy to take any questions.