

CRU Presentation

Joint Oireachtas Committee
2nd April 2019

HE CHP Certification

- The certification process is designed to ensure that the plant meets the high efficiency criteria set out in legislation. HE CHP is defined on the basis of primary energy savings (PES).
- Applicants are required to submit all relevant information to substantiate and support their application and to demonstrate qualification as HE CHP.
- Applicants will be certified based on available data (actual or projected data).



HE CHP Certification

- HE CHP is used to replace heat generation from conventional fuels in a number of different processes – e.g. heating of swimming pools or the drying of products such as woodchips/Biomass.
- An **economic justification** must exist for the process in the absence of the CHP.
- A Primary Energy Saving must also exist to achieve HE CHP certification : **what conventional fuel generation process is being replaced?**
- In the case of a Planned Plant, the above must be demonstrated via the demonstration of an Alternative Case.



HE CHP Assessment Process

- There a number of key criteria set out in the EU / National legislation and these must be assessed when determining an application for HE CHP, these are set out below.
- **1. Useful Heat:** The Applicant must demonstrate that the heat demand is Useful Heat. As outlined in CRU 12/125, this is done by demonstrating that the heat produced in the relevant cogeneration process would satisfy an **economically justifiable demand** for heat (or cooling, as the case may be). In the case of a new plant this is demonstrated by providing an Alternative Case. **It must show that the business would be commercially viable in absence of the CHP unit.**
- **2. Primary Energy Savings:** If the Applicant has demonstrated that the demand is a Useful Heat and there is an economically justifiable Alternative Case, then the Primary Energy Savings (PES) of the CHP plant is reviewed to determine whether the CHP plant can be awarded HE CHP certification for a defined amount. The CHP plant must have a PES of at least 10 % to be certified as HE CHP.



HE CHP Assessment Process

- **3. Examination of technical data:** The CRU spreadsheet (CRU/12/125a) is used to calculate the technical parameters in line with existing EU legislation. These are used to determine the level of subsidy that can be awarded.

- **Overall Efficiency**

Different thresholds are required to demonstrate overall efficiency this is set out in the legislation. These thresholds are dependent on the process under assessment. In the case of MRL, their process requires an overall efficiency exceeding 80%. If this threshold is met then all of the electricity from the plant is taken into account in the PES calculation. If the overall efficiency is below 80%, then the amount of electrical output eligible for HE CHP certification is determined on the basis of the power to heat ratio.

HE CHP Certification Overview 2012 - 2019

- All applications for HE-CHP are assessed on their own merits
- It is a matter for the applicant to demonstrate, through the data they provide to the CRU, that the plant qualifies for HE-CHP
- All certificates issued are valid for 5 years
- If the plant does not become operational in that period the certificate expires and a new application must be completed – unlike a planning application the CRU cannot extend the certificate.
- Once the plant becomes operational 14 months from the operational date an audit is carried out and the actual outputs from the plant are assessed.
- For a small number of Existing Plants the CRU has changed the level of certification, or issued no certification, based on changes in actual performance data.

HE CHP Certification Overview 2012 - 2019

- **113** HE CHP certificates,
 - **79** Existing Plant HE CHP certificates;
 - **34** Planned Plant HE CHP certificates .
- 20% of All Planned HE CHP Certificates are Partial Certificates.
- No Planned Plant has Become Operational or Provided Actual Output Data.

Mayo Renewable Limited (MRL) 2018 Application Timeline

- **24 May 2018** - Application Received from MRL
- **June/July/August 2018** -Additional Information Submitted by MRL
- **September 2018** -CRU Consultant Recommends Partial Certification
- **September 2018** -Draft Decision Submitted for Commission Approval. CRU Informed MRL of Proposed Decision. MRL Requested CRU Postpone Decision.
- **October 2018** -New CRU Consultant Appointed. Previous Tender Contract Expired.
- **October/November 2018** -Additional information submitted by MRL.
- **March 2019** -CRU decision issued. HE CHP Certificate issued 18%.



Application Differences 2012 / 2018

- The 2018 was a completely new application from a different legal entity (MRL). The CRU is required to examine each application on its own merits.
- Alternative Case 1 presented by MRL in 2018 does not demonstrate that all of the proposed heat export is “useful heat”.
- Alternative Case 1 presented by MRL in 2018 demonstrates that if the cogeneration plant were not built, it would still be economically justifiable **but only if a higher efficiency dryer was to be used.**
- Alternative Case 2 presented by MRL in 2018 was withdrawn as it was a different business model and could not be compared on a like for like basis.
- Alternative Case 3 presented by MRL in 2018 did not demonstrate ‘primary energy savings’ (PES) because the Data Centre is not considered an ‘energy generation process’ for the purposes of the assessment.

Thank You