Anaerobic Digestion Biogas Briefing

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An Coimisiún um Rialáil Fóntas
Commission for Regulation of Utilities

www.cru.ie

CER & CRU

- Under legislation, (Energy Act 2016) the Commission for Energy Regulation was to change its name to the Commission for Regulation of Utilities (CRU) to reflect the expanded remit of the organisation across energy, water and safety.

- Official Changeover was yesterday October 2nd 2017.

What is the CRU

- The Commission for Regulation of Utilities (CRU) is Ireland's independent energy and water regulator. The CRU was originally established as the Commission for Energy Regulation (CER) in 1999. The CER changed its name to the CRU in 2017 to better reflect the expanded powers and functions of the organisation.
- The CRU has a wide range of economic, customer protection and safety responsibilities in energy and water.
- The CRU's mission is to regulate water, energy and energy safety in the public interest.
- The work of the CRU impacts every Irish home and business, by ensuring safe, secure and sustainable energy and water supplies at a reasonable cost. The sectors we regulate underpin Irish economic competitiveness, investment and growth, while also contributing to our international obligations to address climate change.

What is the CRU

- The CRU is guided by six key strategic goals which are that the short and long run interests of the public are protected by ensuring:
  - energy and gas are supplied safely;
  - the lights stay on;
  - the gas continues to flow;
  - a reliable supply of clean water and efficient treatment of wastewater;
  - consumer prices for energy and water are fair and reasonable;
  - regulation is best international practice.

Biogas CRU papers

- In 2013, the Commission for Regulation of Utilities (then CER) published a consultation paper (CER/13/209) regarding the injection of Renewable Natural Gas (RNG) to the natural gas grid.
- In October 2016 CRU published CER/16/307, the Renewable Natural Gas (RNG) Bridging Paper.
- The purpose of this paper was to outline the responses that the CRU received to CER/13/209, identify any potential barriers to the connection of RNG to the natural gas grid and take the appropriate steps to ensure that RNG producers have the ability to connect to the natural gas grid.

Biogas connections Policy

- In CER/16/307 CRU decided that an appropriate next step is for GNI to prepare a "Proposed Renewable Natural Gas Connections Policy". The CRU said that it would consult on this proposed Connections Policy prior to making a final decision with regard to the connection of RNG production facilities to the natural gas grid.

- This consultation due in October 2017:
  - Appraisal period;
  - Assessment of costs and benefits;
  - Upfront payment Vs over the appraisal period;
  - Financial security policy and period.

Biogas injection into the GNI Grid

- Any RNG injected into the natural gas network system must meet the gas quality specifications as defined in the natural gas Code of Operations (Oxygen level?)
- It is expected that producers would need to sign up to a Connected Systems Agreement.
- GNI maintain control of gas entering onto the system.

- Sale of gas to Gas Shipper.
- Entry tariff and code of operations (Distribution entry).

Anaerobic Digestion and HE CHP

- The CRU so far has issued HE CHP certificates for 20 plus biogas plants.

- Useful heat as specified by Article 3 of the Directive 2004/8/EC:

  "Useful heat shall mean heat produced in a cogeneration process to satisfy an economically justifiable demand for heat or cooling".

  "Economically justifiable demand shall mean the demand that does not exceed the needs for heat or cooling and which would otherwise be satisfied at market conditions by energy generation processes other than cogeneration".

- In simple terms would it make economic sense to build and operate a dedicated boiler/ chilling plant to supply this load.

Anaerobic Digestion and Electricity

- Supply options
  - Power Purchase Agreement with Electricity Supplier (REFIT?)
  - Be own Supplier (Supplier light)
- ISEM markets
  - Day Ahead
  - Intra Day
  - Balancing
- Grid Connection
  - Paper to issue shortly

Anaerobic Digestion

Thank You