



**Roinn Cumarsáide, Gníomhaithe
ar son na hAeráide & Comhshaoil**
Department of Communications,
Climate Action & Environment

Teagasc Signpost Series Webinar: Micro-generation Support Scheme

Retail Energy Policy & Regulation Division, DECC

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Agenda



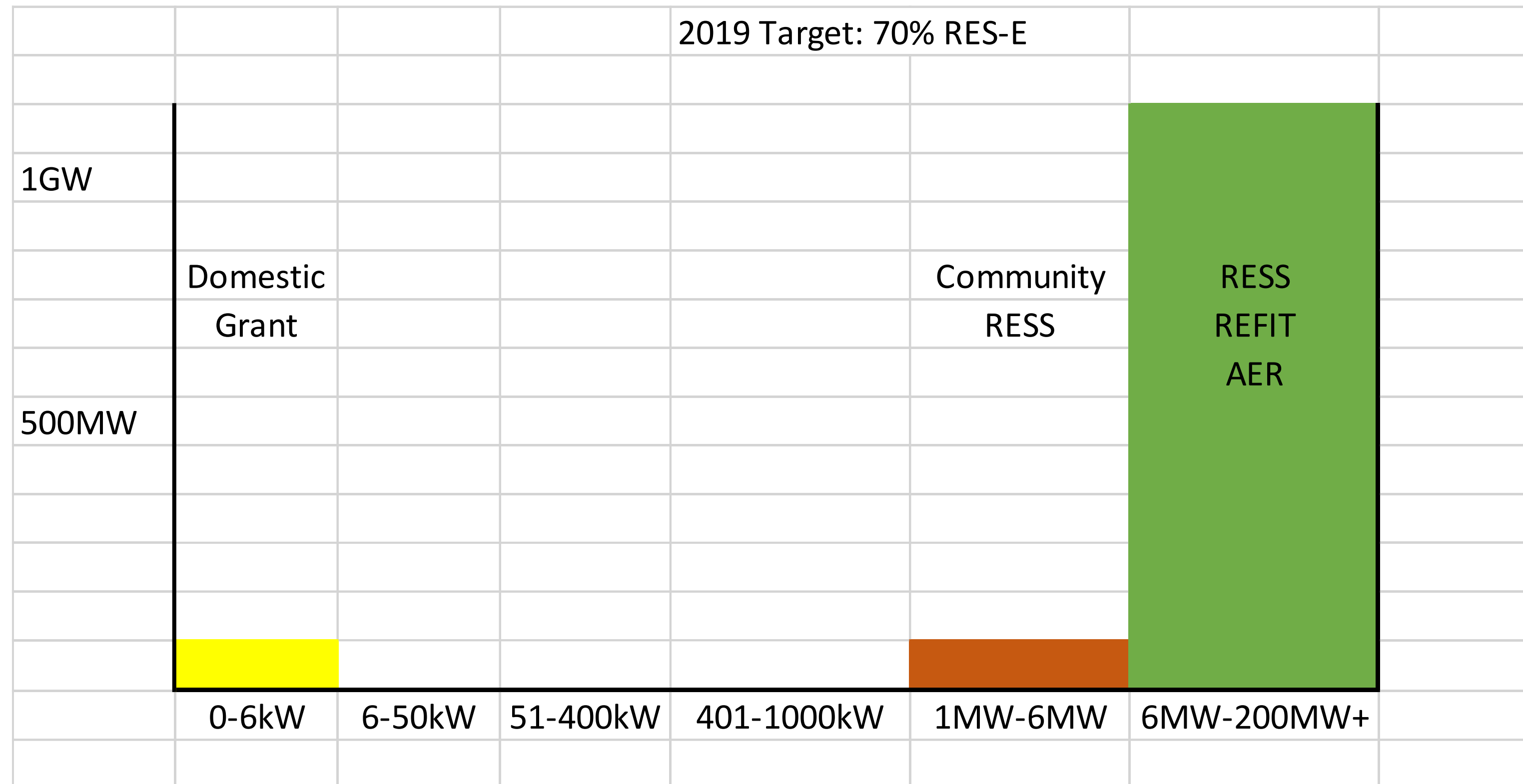
1. Policy Landscape
2. Policy Objectives
3. Summary of MSS
4. MSS ROI
5. MSS and Communities
6. Interaction between MSS and TAMS
7. MSS Timelines

Microgen Policy Landscape



- 1. Government Domestic Solar PV Grant**
 - Started 2018. Over 9,000 applications and 33MW installed capacity to date
- 2. Smart Metering rollout**
 - Began November 2019; Due for completion end 2024.
 - Important enabler of renewable self-consumers
- 3. Renewable Electricity Support Scheme ([RESS](#))**
 - Auction Summer 2020. 64 Projects, 1,054MW progressing. First connected project: November 2021.
 - Targeting large-scale renewable generation projects:
 - >1MW solar & >6MW wind
- 4. Solar PV costs**
 - Reduced 70% in the last 10 years.
- 5. Clean Energy Package**
 - New entitlements and obligations, including remuneration for exported electricity.
- 6. Government Climate Action Plan**
 - Commitment to Micro-generation policy and Solar Strategy

Microgen Policy Landscape



Microgen Policy Objectives



1. Encourage deployment of micro (up to 50kW) renewable electricity generation;
2. Empower people and give them a direct stake in the transition to a zero-carbon economy;
3. Assist the public take-up of carbon reduction measures;
4. Foster behavioural change in energy use;
5. Help develop local supply chains and drive down energy costs.

Summary of MSS:



Guaranteed Export Tariff – CEG

Capital Grants

Premium Export Tariff - CEP

MSS – capacity and quantity



Category of installations	Target for Installed capacity (MW)	Estimated quantity in 2030
Small Micro-generators	180	60,000
Non-domestic >6kW	200	9,000
Total	380	69,000

Summary of MSS:



Guaranteed Export Tariff – CEG

- The Clean Export Guarantee (CEG) is a guaranteed export tariff for all exported electricity
- Pinergy are first supplier to advertise a rate at Eur 13.5c/kWh
- **Existing** Microgens exporting 40% of generation @ 13.5c/kWh:
 - Average House (3kW, 12sq.m) - €130/annum
 - Small SME (6kW, 24sq.m) - €260/annum
 - Medium SME (11kW, 42sq.m) - €475/annum
 - Large SME (50kW, 206sq.m) - €2,160/annum

Summary of MSS:



Capital Grants

- Capital grant for **new** domestic installations, and new non-domestic installations less than or equal to 6.0kWe
 - *Maximum grant €2,400.*
 - *No minimum BER requirement*
 - *Homes built before 2021 eligible*
 - *No direct support for batteries*
 - *Eligible for CEG for exported electricity*
 - Tax exemption up to €200 per annum for domestic customers

Summary of MSS:



Premium Export Tariff - CEP

- Feed-in Tariff for **new** non-domestic installations from 6.1kW to 50kWe:
Clean Export Premium (CEP)
 - *Tariff is Eur 13.5c/kWh for export, capped at 80% of total generation capacity*
 - *15 year contract*
 - *Funded by PSO levy (gap over market value)*
 - *Residual export above 80% cap eligible for CEG only*

Clean Export Guarantee (CEG)



First phase of comprehensive enabling framework for micro- and small-scale generators.

Compliance with Article 21(2)(d) of recast Renewable Energy Directive (RED II).
Paid by suppliers at market rate for all renewable electricity exported to the grid.

The energy regulator (CRU) [Decision](#) published 1/12/2021:

- Suppliers set their own CEG on competitive market basis
- Eligibility criteria, e.g. export grid connection, smart meter where available
- Customers can expect initial payment/credit within a reasonable timeframe after June 2022
- Smart meter measures export or Deemed export at 35%

Available to both new and existing renewables self-consumers.

Tax exemption up to €200 per annum for domestic customers

CEG – how do I get it?



1. Renewable generation on home or business
2. Register for an export connection with ESB Networks:
 1. <https://www.esbnetworks.ie/new-connections/generator-connections-group/micro-generators> Application is free
 2. <https://www.esbnetworks.ie/new-connections/generator-connections-group/mini-generation> Application costs approx. €1,000
3. Have a smart meter fitted (where available) – no cost.
 1. Apply to your supplier or via ESB Networks
4. Shop around for the best CEG rate and enter into a contract with a supplier
5. Customers can expect initial payment/credit within a reasonable timeframe after June 2022

MSS – Capital grant



- Grant available to domestic Solar PV applicants now ([Solar Electricity PV Grants | Home Energy Grants | SEAI](#)) and will be available to non-domestic applicants in July
- Maximum grant of €2,400
- SEAI to assess extending scheme to other technologies in Q2
- Intention is to reduce the grant by up to €300 per annum from 2024 onwards until viability gap is filled, after which it is removed.
- Exchequer funding is assigned to micro-gen/solar PV as part of overall envelope provided to SEAI in NDP 2021 - 2030

MSS – Clean Export Premium (CEP)



- Due after Q3 2022
- Non-domestic applicants only.
- Apply to electricity supplier for access to the CEP installations > 6.0kW up to 50kW
- CEP will be Eur 13.5c/kWh in 2022 and 2023; fixed rate for 15 years.
- CEP rate will be reduced by up to €0.01/kWh for new applicants in 2024, and each year thereafter until viability gap is filled.
- The volume of exported electricity to be supported at the CEP rate is limited to 80% of total approved generation capacity. Residual export will be eligible for the Clean Export Guarantee (CEG).
- Funded by the Public Service Obligation (PSO) levy (gap between the market value and the CEP)

MSS Return on Investment



- DECC assessed almost 80 different archetypes across multiple sectors including agriculture.
- Solar PV is the lowest cost technology, with rooftop slightly better than ground-mounted.
 - *Costs range: 2kW - €2,200/kW; 50kW – €1,200/kW*
- Retail electricity costs are higher than CEP or CEG, therefore consuming self-generated electricity gives the best return
- Optimum return on investment includes:
 - Competitive cost of installation
 - Maximise self-consumption
 - 8-9 year payback
- ROI can be very site specific
- Solar PV has a 25 to 30 year lifetime
- Accelerated Capital Allowances are available

Communities in MSS



- Renewable Energy Communities (REC) are eligible to take part in the MSS, e.g. individual farms and farm co-ops.
- DECC envisage that the RECs have at least one premises which is an existing electricity consumer.
- A REC will be required to meet the eligibility requirements.
- Supports for RECs are the same as for other renewables self-consumers.
- It is envisaged that any residual electricity for export can be used by the REC via energy sharing, aggregation, Peer to Peer (P2P) or other appropriate trading arrangements that are outside the scope of the MSS.
- CRU has publicly consulted on arrangements for Communities including RECs [Energy Communities and Active Consumers - Commission for Regulation of Utilities \(cru.ie\)](https://www.cru.ie/en/consultations/energy-communities-and-active-consumers/).

Renewable Energy Communities

Definition – RED II



“Renewable Energy Community” means a legal entity:

(a) which, in accordance with applicable law, is based on open and voluntary participation, is autonomous, and is effectively controlled by shareholders or members that are located (in the case of SMEs or local authorities) or resident (in the case of natural persons) in the proximity of the project that is owned and developed (or proposed to be owned and developed) by that legal entity;

(b) the shareholders or members of which are natural persons, SMEs, local authorities (including municipalities), not-for-profit organisations or local community organisations;

c) for any shareholder or member (with the exception of “Sustainable Energy Communities” as registered with SEAI), **that shareholder or member’s participation does not constitute their primary commercial or professional activity;**

(d) **the primary purpose of which is to provide environmental, economic, societal or social community benefits for its shareholders or members or for the local areas where it operates, rather than financial profits;**

(e) in respect of which, each shareholder or member is entitled to one vote, regardless of shareholding or membership interest.

Interaction between MSS and TAMS



- TAMS supports Solar PV up to a maximum of 11kW, with no export of electricity.
- Notwithstanding administrative differences and available capital envelopes, on a comparative basis the grant support from TAMS is more attractive than the MSS grant.
- It is possible for farmers to avail of the CEP for additional installation capacity above the 11kW. However, there are administrative challenges that need to be worked out.
- It is not possible for farmers to receive a TAMS grant and MSS capital support for the same investment.

Small-Scale Generation



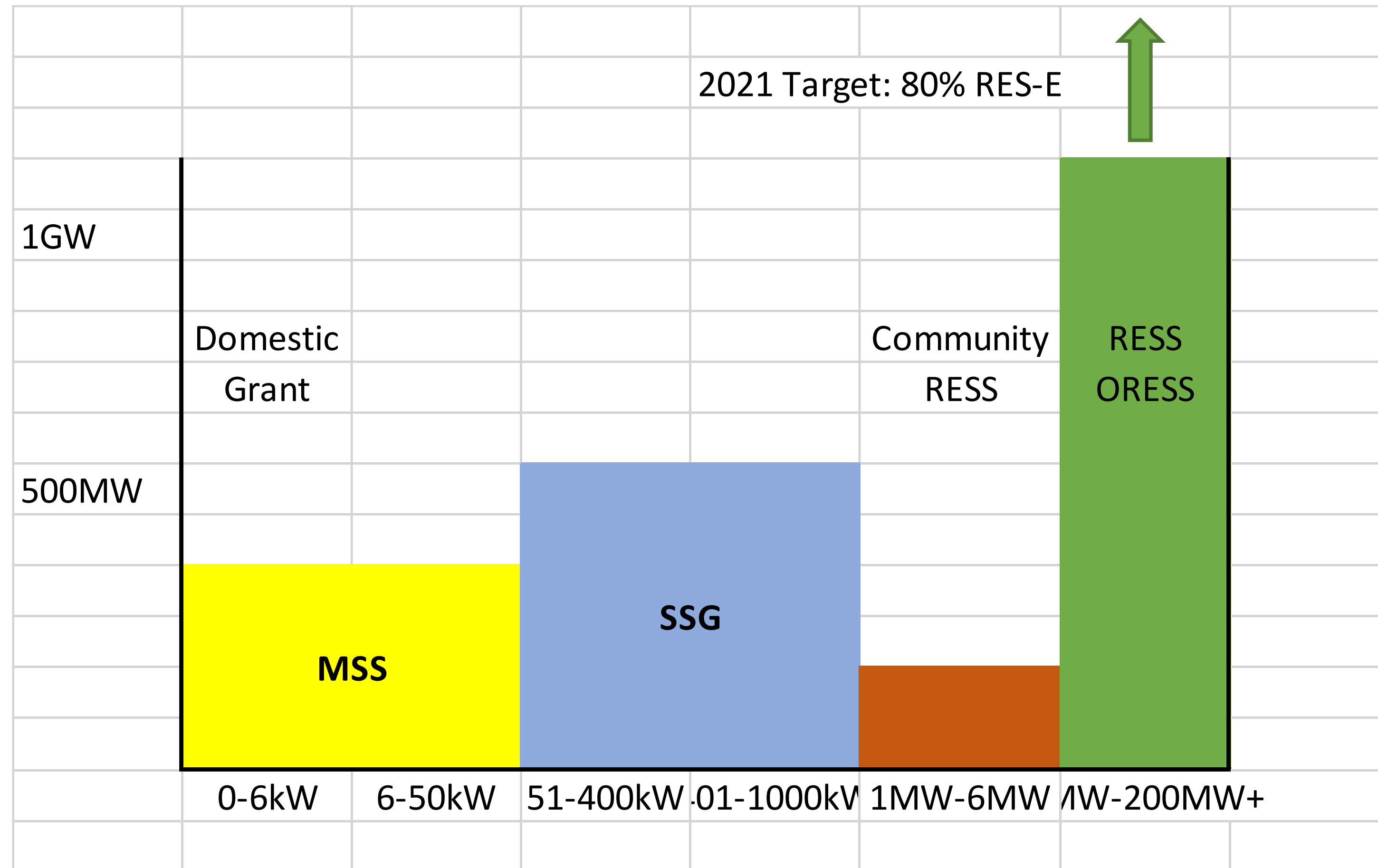
- The Climate Action Plan 2021 includes a commitment to develop a Small-Scale Generation Support Scheme for generators above 50kW, to support the deployment of rooftop and ground-mounted solar PV in cohorts that are not as suited to other support measures, such as the Micro-generation Support Scheme and the Renewable Electricity Support Scheme (RESS).
- DECC is working with the Sustainable Energy Authority of Ireland (SEAI) on the policy design for a small-scale generation support scheme. This will be progressed in 2022 and is expected to become available in 2023. This scheme will enable larger businesses, farms and community projects to maximise their participation in the energy transition.

Policy enablers



- ESBN published their mini-generation connection process on 17 December 2021 for export grid connections between 6kW and 17kW single phase, 11kW and 50kW three phase.
- Smart meters are available to almost 700,000 customers.
- DHLGH are working on the revisions to the solar exemptions in the Planning Regulations. An SEA and Appropriate Assessment are underway, with revisions now expected later this year.
 - *Current exemptions are here:*
 - [S.I. No. 83/2007 - Planning and Development Regulations 2007. \(irishstatutebook.ie\)](#)
 - [S.I. No. 235/2008 - Planning and Development Regulations 2008. \(irishstatutebook.ie\)](#)

Future Policy Landscape



MSS Timelines



- Clean Export Guarantee effective date – 15th Feb.
- Commence domestic grant scheme – 16th Feb.
- MSS Final Scheme design to be published – Q1 '22
- SEAI to assess extending grants to other technologies on a phased basis – June '22
- SEAI to extend grants to non-domestic – July '22
- CRU to determine an Implementation Plan for the Clean Export Premium (CEP) – Q3 '22



Thanks you for your attention!

Questions?



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More information available at:

[gov.ie - Micro-generation \(www.gov.ie\)](http://www.gov.ie)