



10 November 2017

Submission to the
Department of
Communications, Climate
Action and Environment on
the RESS Consultation
Document
by the Micro-Renewable Energy
Federation



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INTRODUCTION

The Micro-Renewable Energy Federation (or 'MREF') firstly wishes to thank the SEAI and the Department of Communications, Climate Action and Environment for facilitating a very informative day on the 17th October 2017 for businesses interested and involved in the micro-renewable energy sector.

The MREF is representative of the majority of companies and stakeholders engaged in developing, installing and/or supplying roof top solar generation and battery storage in Ireland. The membership of MREF is included at Appendix 4 to this submission.

As outlined below, the policies of the Federation are also receiving wide support from community representative organisations and environmental groups.

The MREF responses to the specific questions asked in the Renewable Energy Support Scheme Consultation Paper are provided at Appendix 3 to this submission.

TIME LINES FOR ACTION - URGENT

All members of MREF are extremely disappointed and very concerned for the viability of their sector in Ireland at the ongoing delays in coming up with a realistic support structure for the micro renewable energy sector.

Ireland is one of the only countries in Europe today that does not support and encourage a vibrant micro renewable energy sector.

The lack of decision making is destroying the viability and enthusiasm of our member organisations. Households and businesses that should be progressing to improving their energy sustainability are holding off on key decisions in the expectation of Government intervention to support projects to attain viability. Already major companies hoping to enter and become involved in the sector have closed operations in Ireland, with the consequent loss of jobs and investment to the Irish economy.

The micro generation sector is very clear in the belief that there is significant interest among households and business owners in becoming involved in helping the country meet its challenging climate change obligations.

These delays by Government, having indicated as far back as 2013 that a support structure would be put in place, are creating almost total paralysis in the decision making of customers and consequently for the sector as a whole. This uncertainty is very unfair to a significant community of businesses striving to make a difference in growing a sector and contributing to a sustainable future for Ireland.

The MREF requests that the Government urgently decides how it plans to support the development and installation of micro renewable generation and requests that a scheme to support these objectives be put in place for 2018.

The MREF also needs practical actions to urgently address obstacles arising from planning requirements for micro-generation projects.

AN INCLUSIVE POLICY WITH COMMUNITY AT ITS CENTRE

The MREF is very aware of the commitment to community involvement in creating a low carbon future as set out in 'Ireland's Transition to a low Carbon Energy Future 2015-2030' and restated in the RESS consultation document.

Communities are made up of homes and businesses and our proposals make it possible and easy for people individually and collectively within communities to support and adopt renewable generation technologies.

The role that a vibrant micro renewable energy sector can play in achieving this seems to be totally forgotten to date and the MREF wants this addressed as a matter of urgency.

Our proposals for a Micro Generation Support Scheme meets the Government's ambitions for community involvement quickly, simply and cost effectively. They are also by far the least discriminatory of any proposal on the table at this point.

What is unfair and totally discriminatory is what has transpired to date where a few big developers with deep pockets receive all the PSO supports and the homes and businesses who are paying this levy are getting no support to do their bit directly in reducing carbon emissions. It is also clear that major developer-vested interest groups seem to be the priority for future RESS support as the consultation documents and recommendations are totally biased towards larger projects. While big wind developments had the economic advantage in the past this is no longer the case. **See appendix 1**

A vibrant micro renewable energy sector also has distinct advantages in relation to its inclusiveness when compared to existing proposals for community equity involvement in future large scale renewable projects. Community involvement in large scale projects is going to be a massively complex policy to deliver fairly and is going to add very significant administrative, financial and governance costs to any project.

It also has the prospect of being obviously discriminatory as it divides communities and people within communities on the basis of access to projects available to invest in, in the first instance, and the ability of the households and businesses within these communities to access the resources to invest, or their willingness to risk their own capital by investing in a third party project.

Any argument that a support structure for the micro renewable energy sector is discriminatory does not stack up. A vibrant micro generation sector is the best, most practical and economically sustainable way of socialising the involvement of communities and the general public in renewable energy projects with the potential to directly and positively involve thousands of home owners and businesses/farms over the next 5 years.

RESS FINANCIAL ANALYSIS FLAWED

The MREF strongly contends that the financial analysis completed by consultants to the RESS consultation is seriously misleading the debate on the affordability and viability of micro-generation and especially roof top solar generation. The figures presented are at least 3 years out of date.

At today's roof top solar installation prices in Ireland MREF members can install and commission roof top domestic and commercial systems for approximately 60% of the cost documented in the RESS analysis as undertaken by Cambridge Economic Policy Associates Ltd ('CEPA').

This MREF submission confirms, with the correct pricing, that supporting renewable micro generation can be achieved almost as cost effectively as other larger renewable projects today with added social, regional, community and employment benefits for the country as outlined by Ricardo Energy and Environment Consultants.

The facts show that the viability GAP, based on actual figures, for roof top solar is within the parameters of larger scale projects. When community, employment and social benefits are factored in, the cost benefit is clearly in favour of roof top solar and other micro-generation technologies.

See Appendix 1 for cost comparison based on actual micro generation installation costs.

FUNDING A MICRO RENEWABLE ENERGY SCHEME

Having a meaningful micro renewable energy generation support scheme is long overdue. MREF believes that any scheme aimed at homes and businesses for self-consumption of on-site generated power should be taken out of the RESS scheme all together and the required resources should be prioritized from within the existing PSO levy and other government resources. The PSO levy increase for 2018 is *circa* €100m and, in total, will amount to a tax of €500m on energy consumers in Ireland.

It is the households and businesses of the country that are levied with the PSO charge and it is time that they were given the opportunity to invest in and support the country's efforts to reduce carbon emissions.

The MREF believes that up to 20% of the existing PSO levy or €100m per annum should be set aside to support the micro renewable energy sector going forward.

The immediate introduction of a scheme with a budget of €50m should be made available for 2018, increasing to €100m thereafter to meet the expected demand from households and businesses.

The MREF also requests that due to the ongoing delays in getting this scheme up and running that, at a minimum, 'grandfathering' of the grant amount for any project installed from January 1st 2017 must apply.

TWO SUPPORT SCHEMES PROPOSED

The MREF proposes that a micro generation support structure is divided into micro renewable energy for self-consumption and micro renewable energy generation for export to the grid. Micro renewable energy generation should be defined as renewable energy projects up to 1MW in size.

A ONCE-OFF GRANT FOR SELF-CONSUMPTION

MREF proposes that a once-off grant per KW peak of energy installed is paid to households and businesses where roof or ground mounted solar systems are installed for the sole purposes of self-consumption on site up to 100 kw installation. We are proposing a generation tariff on all energy produced for commercial installations for self-consumption above 100 kW.

This proposal has the added benefits that self-consumption does not require grid connection or create capacity issues and helps balance and stabilise the network as the amount of energy generated for self-consumption grows and is distributed across the country. In addition, self-consumption is straight forward to administer and audit.

We estimate that €100m/yr. invested by way of grant would support the installation of up to 300MW of micro-generation for self-consumption per year, or up to 1.5GW over a 5 yr. period up to 2022.

This support scheme would facilitate rooftop PV solar installations in over 150,000 homes and 30,000 businesses and farms. In the future, if the installation prices fall further, the grant level can be amended to reflect this. However, best estimates suggest that prices have stabilized at this point as any further reductions in panel prices are likely to be offset by wage and other install cost increases.

See Appendix 2 for detailed MREF grant structure proposals for self-consumption

Administering the Grant

The structures are already in place within the SEAI to administer our proposed grant support scheme for PV solar. The administration is significantly simplified by paying a fixed amount per KW installed and by using only Triple E registered equipment. No new or additional structures should need to be put in place to administer or audit the proposed scheme and SEAI has already successful processes to administer this scheme.

GENERATION TARIFF FOR EXPORT TO THE GRID

MREF is proposing that a specific MW quota is set aside under the RESS for roof top solar for export to the grid (90% + exported) with its own budget allocation.

Small scale rooftop/ground-mounted solar (i.e. less than 1MW) installations for export to the grid should have a specific quota allocation of up to 100MW per year. A REFIT tariff should apply of between 15c/kWh and 12c/kWh depending on project scale. This support needs to apply for 15 years to make such projects financially viable and bankable at current installation prices. This will facilitate a lot of farm and SME buildings where access to and permissions are obtained to export directly to the grid. It will also facilitate a more even distribution of generation to the grid across the country.

VALUE FOR MONEY COMPARISON

These proposals compare very favourably with the expected cost of large scale renewable developments especially when account is taken of the added value for money delivered. The difference is that they can be delivered very quickly using mainly roof top assets.

In addition, the monies that would be made available under these proposals would be invested locally across the country adding to balanced regional development and creating at least 5,000 jobs within the micro-renewable energy generation sector.

INSTALLER CERTIFICATION

The existing regulatory framework comprising RECI, FETAC and QQI Level 6 certifications is robust and adequate. Any further certification or project auditing requirements must be practical, cost effective and demonstrate clear tangible benefits in meeting quality standards and project installation needs.

PRACTICAL PLANNING EXEMPTIONS AND RULES

In relation to planning requirements, the MREF strongly believes that there is no justification for the time delays and additional cost for having to seek planning permissions for most roof top solar systems. In the UK and Northern Ireland, micro-renewable energy installations are exempt up to 1000Kw.

MREF seeks an immediate exemption from planning for all roof top solar installations up to at least 250 kw and preferably 500kw

GRID CONNECTIONS

All micro-generation should be installed under parallel grid licenses and must not be subject to any fees. The licence criteria should allow for de minimus generation. This would allow reasonable sizing of systems to meet a higher percentage of daytime loads for business customers in particular and export a small amount in late evenings or weekends where 100% self-usage is not possible.

In addition, if micro generation is to realise its potential in Ireland the application forms needs to be simplified and approval process speeded up. In particular the connection form NC6 needs to be simplified and the KW it applies to increased significantly as most modern inverters have islanding protection as standard.

The use of zero export meters will reduce any grid issues which the DSO may have, promote correct system sizing for installations and facilitate battery storage adoption.

THE CASE FOR ROOF TOP SOLAR AS THE MICRO GENERATION TECHNOLOGY OF THE FUTURE

Rooftop solar can facilitate the installation of up to 5GW of energy generation in Ireland and achieve this in a practical, speedy and cost effective way. By putting an effective support structure in place for rooftop solar and other micro-generation technologies, the Government would be empowering households and businesses across the country to help the national effort in meeting our challenging carbon emission targets.

Solar PV has dropped in cost per watt by approximately 80% in the last 10 years. At this point the technology is well proven, output very predictable, and performance reliable with no moving parts or expensive maintenance and repair costs. Indeed, this year PV solar panel prices have trended slightly upwards in cost for the first time leading to the expectation that there will be no significant further price reductions in the near term.

Battery storage has dropped significantly in cost in the past 12 months and the reliability, performance and safety standards are well tested and certified across the globe. Battery storage provides multiple benefits from an electricity network perspective. Not only can it offer peak shifting and maximisation of self-consumption, it can also provide grid stability, resilience and, when aggregated, a wide range of system support services that will be required to facilitate high levels of SNSP (System Non-Synchronous Penetration). It is anticipated that affordable storage solutions coupled with PV Solar will be common place in the future and it is now timely for Ireland to support these technologies as being a cost effective solution.

MREF proposals set out in this document support the Government's well-documented policy of reducing fossil fuels in the transport and heating sectors and facilitate planned changes to building regulations.

Micro-Renewable Energy Federation

Suite 109, The Capel Building, Mary's Abbey, Dublin 7, D07 EC93

9 November 2017

APPENDIX 1: Cost comparison based on actual micro generation installation costs 2017

The Cambridge Economic Policy Associates (CEPA) cost comparison of roof top domestic and commercial roof top solar bear no resemblance to the current market reality and are totally misleading the debate on the LCOE.

	<i>CEPA costs €/MWH 2017</i>	<i>MREF costs €/MWH 2017</i>	<i>CEPA viability gap €/MWH 2017</i>	<i>MREF viability gap €/MWH 2017</i>
Domestic RTS	221	132	125	40
Commercial RTS	182	112	130	30
Large scale solar	121		42	
Medium scale solar	123		50	
On shore wind	89		27	

In summary, the actual costs of domestic and commercial rooftop solar for self-consumption is at least 40% lower than that estimated by the CEPA report and the viability gap for commercial roof top is not significantly different to larger scale solar projects. What is clear is the viability gap is less than a third of that outlined in the CEPA report.

Individual MREF members are happy to confidentially provide worked commercially-priced quotes already made to validate this case and all of the information above. Average installation costs of €1,500/kWp for domestic and €1100/kWp for small/medium commercial and €950/kWp for larger commercial is where 2017 prices are at.

APPENDIX 2: Detailed MREF grant structure proposals for self-consumption and comparisons with the cost of large scale renewable project costs.

MREF estimates that there are at least 500,000 homes with suitable roof/ground space capable of installing solar PV, 50,000 businesses with adequate roof space and a seven day electricity demand plus 80,000 farms. The estimated roof space available is capable of installing up to 5GW of renewable energy utilizing a currently unused resource to help the country meet its renewable energy targets.

Support for Domestic roof top solar Installations

MREF are proposing a minimum grant of €500/kw peak installed up to a maximum of 10kw for a domestic dwelling. This is equivalent to circa 30% of the installation cost at 2017/18 prices

MREF are proposing a higher 50% grant for energy deprived homes or for homes for whatever reason genuinely cannot afford the installation to deal with any inequity that might be perceived. A 50% grant should also apply to voluntary and community bodies such as churches, sports clubs etc.

MREF estimate that the average domestic installation will be 4kw of PV solar which will generate between 3250 and 4000kw of electricity depending on location, and whether a roof is south facing or east west. MREF do not recommend putting PV solar on north facing roofs.

Each Installation will specifically generate electricity with surplus energy diverted to heat water, storage heating, charge the car or to battery storage. Based on being able to use all the energy generated and based on experience from installed systems to date a domestic home will be able to generate between 30% and 60% of electricity requirements.

The installation of PV Solar especially to meet the needs of electric car charging going forward will be vital as many of the loads available in domestic homes today in Ireland are not capable of taking the additional demand requirements created by an electrical vehicle charging.

The average cost of domestic electric is in excess of 17.5c per kWh in 2017.

The 2017 cost of installing a domestic PV solar system, including water heating, averages €1,500/kWp plus vat. Payback on a cash up front basis is c. 9 to 10 years.

With a €500 grant per kWp installed the payback period on a comparative basis is reduced to circa 6 years. From MREF research this is the minimum payback necessary for broad adoption by home owners and preferably a higher grant to give a 5 year payback should be provided.

For each MW of domestic roof top solar installed a once of grant equivalent to €500,000 will be required which will support circa 250 homes. The benefits to the exchequer firstly is that they are encouraging home owners within communities to support renewable technologies and are generating jobs and economic activity across the country. Key additional benefits are that up to 1,000,000 kW of fossil fuel generated electricity is displaced per MW installed with community

generated renewable energy with only positive implications for the grid and the country. This equates to approximately 500tonnes of carbon displaced per MW of roof top solar installed.

In financial terms the Government will get an almost immediate payback in economic terms. Each MW of roof top solar installed will employ a team of 5 people for 250 working days to deploy plus an addition 1.5 jobs in the supply chain generating an estimated €40,000 in income-related taxes for the State plus the VAT returns on the net installed cost.

Support for battery storage and electric car chargers

MREF also believe that there should be grant support for domestic homes who install either battery storage or an electric car charger with PV solar. Our proposals are for a once off grant of €250/ kw for battery storage up to a maximum of €1,000 and €250 for an electric car charger once it displays the capacity to use generated renewable energy.

Support for Commercial installations of roof top solar for self-consumption on site (no Export)

For business and farming installations up to 100kw, MREF is proposing a grant equivalent to €400/kWp installed for the purposes of self-consumption on site. For commercial installations above 100kW, MREF is proposing a tiered generation tariff on all electricity generated based on the size of the installation of between 5 and 7c/kWh /kWh for 15 years. We are proposing 7c/kWh for installation of 100kW to 500 kW and 5c/kWh for installations above 500 kW installed. We are further proposing that this generation tariff reduces or increases annually in line with actual electricity prices. In other words if the actual price of electricity rises by 1 cent then the generation tariff drops by an equivalent amount, or visa-versa.

The administration of this generation tariff is being done practically and cost effectively in other jurisdictions and there is no reason why it cannot be quickly replicated in Ireland. The generation measurements can be done remotely if necessary and fed into a central database through the utility providers of energy to each site.

Alternatively, if a generation tariff is not an option, then a minimum grant of €400/kWp installed should be provided for projects between 100kW and 1 MW scale.

We also believe that a battery storage grant of €250/kW should be provided up to a maximum of 100kW for any one commercial installation. This will also give businesses and farms the opportunity to have a reasonable and dependable back up at all times in case of black out.

For farming credits for carbon reductions achieved by the installation of renewable energy should be set against overall Agricultural emissions target.

MREF estimates that the average commercial roof top solar installation will be 60kW (average 20kW for farms) which will generate per kw installed between 850kW and 1050kW of electricity depending on location, and whether the roof is south facing or east west. MREF recommends that systems are sized in as far as is possible so that all of the energy generated is consumed on site.

Based on being able to use all the energy generated and on experience from installed systems to date commercial installations will generate between 20% and 50% of electricity requirements.

The average cost of commercial day time electricity is 14c/kW hour for SME and farming and 9c/kW or less for larger businesses in 2017.

The 2017 cost of installing a commercial PV solar system averages €1,100 plus vat up to 200kW and €950 plus vat for larger systems at 2017 prices. Payback on a cash up front basis is 8 to 9 years.

With a grant per kW installed as above the payback period on a comparative basis for up to 100 kw is reduced to circa 5 to 6 years assuming all of the energy generated is used on site.

This is the minimum payback necessary for broad adoption by businesses as a survey of SME and farmers by MREF members shows conclusively that the payback needs to be under 5 years.

The benefits to the exchequer is that they are encouraging business owners within communities to support renewable technologies and are generating jobs and economic activity across the country. Key additional benefits are that up to 1,000,000 kW of fossil fuel generated electricity is displaced with each MW of community generated renewable energy installed with only positive implication for the grid and the country.

In financial terms the Government will get an almost immediate payback in economic terms. Each MW of commercial roof top solar installed will employ a team of 5 people for 250 working days to deploy plus an addition 1.5 jobs in the supply chain.

VAT Reduction

In Northern Ireland the VAT rate for installation of micro generation projects was reduced 5%. MREF is proposing that a similar reduction to a 9% rate should be introduced.

FINANCING PROJECTS

As part of the Government's commitment to renewables they should provide a proportion of the EIB funds available to the country to ensure that all the banks have low cost loans available specifically to assist homes and businesses invest in renewable energy generation for self-consumption. These loans should be readily accessible and all banks should be mandated to ensure that they support the countries move to a low carbon environment.

APPENDIX 3: Responses to the specific questions asked in the RESS Consultation Document

Q1a. The emerging policy includes a measure whereby all capacity available under the new RESS (with the exception of small scale developments) should be allocated through a competitive bidding process via auctions.

Do the respondents agree with the competitive auction based approach?

If not, what alternative model would you propose and why?

Response: *The MREF believes that a priority should be given to microgeneration and that a support scheme can and should be put in place before the main auction system is finalised. This should be a simple grant and Feed-in-Tariff system which is described elsewhere in this response. We agree that, for large scale energy producers (above 1MW installed capacity) that a competitive auction based approach is the best method of incentivising the delivery of generation to meet renewable targets. A technology-specific auction system for projects over 1MW would increase diversity in line with government aspirations and would reduce the risks of over-subsidising some technologies.*

Q1b. Do respondents agree with the use of Uniform-Price cost of support for RES-E projects in the main RESS capacity auctions, as a mechanism to keep costs to the consumer to a minimum?

Response: *The MREF does not agree that a Uniform-Price approach used in conjunction with a technology-neutral auction format will lead to the least cost solution to the consumer. There are other costs to developing a single technology (such as the need to develop and upgrade grid) which will be reduced by supporting micro generation technologies aimed at self-consumption.*

Q2. Evidence indicates that the Floating FIP should be used as the form of support. However, the modelling carried out for DCCAE shows that some RES-E investments will become viable (without support) by 2030 and thus eligibility rules will have to be monitored continuously, and revised, if necessary. DCCAE are minded to assess technology viability ex-post, using a backward-looking analysis of a three to five year period preceding each RES-E support auction and if a RES-E technology was viable in each of those years, new RES-E within that technology category should not be eligible for future support.

The analysis suggest that a Floating Feed in Premium (FIP) is the primary financial support mechanism for the main RESS, as evidence indicates this is the most cost effective approach.

Do you agree with this proposal versus the other mechanisms identified?

Response: *The MREF agrees with the proposal that a Floating Feed in Premium (FIP) should be used as the primary support mechanism but this should be used in technology specific auctions to increase diversity and reduce the risk of over support in some technologies.*

Q3. Price or budget caps should be added as cost control measures into each auction. Price caps should be based on estimated viability gaps for the RES-E technology allowed to participate within each auction.

What are respondents views on a proposed price cap (maximum €/MWh) within the uniform price proposal? What alternative approach would you propose and why?

Response: *The MREF agrees with the proposed price cap measures.*

Q4. The emerging approach is to hold Principal Category technology neutral auctions, in which technologies with similar viability gaps participate. This will lead to the most cost effective projects being successful. DCCAE would anticipate that the outcome of each auction from a technology perspective would broaden and increase renewable diversity during the lifetime of the scheme. Where there is a strong policy objective not being met by the Principal Category, separate categories may be provided for.

In order to keep costs to the consumer to a minimum, a Principal Category, encompassing all viable technology options leading to the most cost effective projects, is provided for. The outcome of this initial auction will inform the design of future auctions.

Q4a. Do you agree with this approach? What alternatives would you propose to this approach and why?

Response: *MREF believes that microgeneration should be supported outside of any auction system as detailed elsewhere in our response and this support should be immediately enabled. We believe that the auction system being defined is complex and will take time to develop and be approved and that supporting microgeneration can be implemented quickly and easily. In the auction scenario, microgeneration may never be supported due to its LCOE and would absolutely not be supported in the first auction where a technology neutral approach is proposed or any subsequent technology neutral auctions.*

The MREF detailed proposals attached for micro generation will lead to a much better acceptance of renewable energy projects by the general public.

Q4b. Would you support separate technology specific auctions for emerging technologies, at a greater cost to the PSO, and if so what percentage of the overall scheme capacity (MWh) would you allocate to this category?

Response: *Yes, the MREF is in favour of separate technology-specific auctions for emerging / less established technologies. This may not have as large an effect on PSO costs if suitable controls are put in place such as ceiling prices and capacity limits.*

We believe that peat fired generation plants should not be supported by the PSO and that this support money should be immediately transferred to a scheme to support microgeneration. This

would mean that the PSO is being used to support carbon reduction through renewable technologies rather than supporting the highest emission factor fuels in the Irish thermal generation fuel mix.

The percentage of support for emerging technologies should be specified by the DCCAE in line with the government's plans for diversification in the energy mix.

Q5. Separate to the Principal Category RESS, a dedicated Community Category volume of renewable capacity (MWh) allocated for community-led renewable projects is envisaged in the preferred approach. The initial proposal is that between 10-20% of the total capacity (of new MWhs) of each auction is ring-fenced for community-led projects.

Do you agree with this proposal? What changes would you propose to this proposal including reference to the viable level of ambition for community-led projects?

Response: *We do not agree with the proposal for community led projects to be part of the proposed auction system. In our opinion, this will simply complicate the scheme further. Instead we propose a government managed fund that could be used by developers to build renewable projects. This fund would have fixed rates of returns for the communities and citizens and therefore removes the risk of development, construction and operation from them. This fund would meet the criteria of having community involvement in projects but in a low risk environment. In addition, this would allow the country to achieve true lowest cost energy figures without artificially supporting projects.*

It is important that community and citizens are involved in the Small and Microgeneration programmes that can truly effect the community. These schemes should be easy to administer and therefore could easily accommodate an increased tariff or grant for community led projects. It is suggested that this increased subsidy is only applied to a maximum of 20% of the target MW.

Q 6. To further develop pathways for micro-generation outside of but in conjunction with the main RESS. Due to the higher costs associated with supporting micro-generation, and the market and network reform required, it is proposed that micro-generation would not be supported via the main RESS.

Do you agree with the proposal to further develop opportunities for micro-generation, outside of the main RESS?

Respondents are asked for their views on how best to support micro-generation.

Response: *Yes, the attached response document included with this response to the RESS outlines in detail our proposals for supporting micro generation.*

In summary up to 20% of the existing PSO levy income should be directed toward a specific grant and generation tariff lead support system encouraging homes and businesses to adopt PV solar and battery storage systems. See document for full response.

Q7. Do you agree with capping the amount of support received by each RES-E project that clears in a RES-E auction? What changes would you make to the proposal to set this cap by the level of support (€/MWh) determined in the auction and the cleared volume of the project (MWh).

Response: *The MREF agrees with capping the amount of support received by each RES-E project.*

Q8. Multiple Principal Category auctions to be held over the lifetime of the scheme.

Do respondents agree with the proposal to hold periodic auctions e.g. every two years, over the course of the lifetime of the scheme, to take advantage to falling costs and reduce the impact on the electricity consumer?

What changes if any would you make to this proposal?

Response: *The MREF supports the proposal to hold periodic auctions for the RESS scheme. However we believe that this should only be the case for large generators (in excess of 1MW installed) and that Microgeneration support should be immediately be supported under a grant or FIT generation tariff scheme.*

Q9. Do you agree that planning approval, grid connection, bid bonds/penalties and community participation criteria should be met before projects can apply for support under the new RESS?

What other pre-qualification criteria would you like to see introduced?

Response: *The MREF is concerned that current planning and Grid laws limit the potential of microgeneration in the country. The MREF proposes that solar rooftop installations should be exempt from planning up to 250kWp installed. Where no visual impact on other sites can be proven no glare reports should be required for any microgeneration projects (<1MWp) as part of their planning application and should not be a valid reason for any appeals.*

All Micro generation should be installed under parallel grid license and must not be subject to any fees. The licence criteria should allow for de minimus generation. This would allow reasonable sizing of systems to meet a higher percentage of daytime loads for business customers in particular and export a small amount in late evenings or weekends where 100% self-usage is not possible.

Q10. DCCAE welcome the respondents' views on the PSO levy supporting a baseline 40% RES-E.**Do you think the PSO should support higher levels of ambition?**

Response: *The MREF believes that significantly higher levels of ambition than baseline 40% RES-E should be considered.*

Our ambition should be to be the exemplar country in the EU in terms of renewables rather than just meeting targets.

While it is likely we will meet the RES-E 2020 targets it is highly unlikely that we will meet our RES-H and RES-T targets we should correct this by increasing our RES-E figures.

The public perception of the PSO levy is that it is a support for renewables however almost a quarter of supports funded by the PSO given are for fossil fuelled generation.

Supports for peat-fired generation are due to cease within the next 5 years and this funding should be provided for renewable generation.

Q11. Do respondents agree with this approach?

What are respondents' views on an alternative approach whereby renewable energy CHP plants receive support from the RESS or the proposed RHI but not both, and that the project promoter should decide which support scheme best suits the proposed development.

Response: *The MREF has no strong opinion on this matter. However, we feel that if a system generates energy from a renewable source (no matter what form heat or electricity) and that this energy can be used to replace a fossil fuel source then it should receive the appropriate support for that for the generated or used renewable energy.*

Q12a. What should the minimum size of project be, below which a community investment offer does not need to be made (e.g. 100kW, 500kW, 1MW)?

Response: *Community Investment offers should not be required below 1MW. However grant aiding or FIT should be available to community projects could be made available at a higher level to promote local community involvement in renewable projects.*

Support for individual homes and businesses is the quickest and most practical way of getting community buy in for renewable generation.

Q12b. What minimum share should be offered to the community for investment (e.g. 20%) and should there be a maximum amount any one individual can purchase?

Response: *Our opinion is that the community should be involved directly in their own projects individually within communities and collectively rather than being involved in larger development projects.*

Q12c. What is the appropriate distance from the project for the initial offer (e.g. 5km)? Views are welcome on subsequent offers to DED then neighbouring DEDs etc.

Response: *As above.*

Q12d. What are respondents' views on whether additional financial supports are necessary in order to enable mandatory investment opportunities for citizens and communities?

Response: *As above we believe up to 20% of the existing PSO levy should be allocated for micro generation by homes and businesses.*

Q12e. Other comments on the mandatory investment offer requirement are welcome.

Response: *As above.*

Q13a. Do you agree with the emerging proposal that a Floating FIP is made available for smaller community projects?

Response: *Yes.*

Q13b.

What should the minimum size project be below which the FIP will not be available?

Response: *1MW*

Q14a. Do you agree with the emerging proposal to support community-led projects with grants and soft loans through various stages of a projects development?

Response: *The MREF supports this proposal.*

Q14b. What size of loans for development and construction would you consider to be appropriate to support?

Any other comments on the proposed use of grants and soft loans?

Response: *The MREF supports a scheme similar to the CARES scheme in Scotland which offers start up grants of £20,000 and pre-planning loans of £150,000 for community organisations. For microgeneration projects this would be sufficient to assist in getting the project shovel ready. Nationwide credit unions and/or post offices should be employed to administer the scheme.*

Q15. In respect of Grid Access, DCCAE and SEAI are keen to receive feedback on the policy proposal to facilitate grid access for community-led renewable electricity projects.

Response: *All Micro generation should be installed under parallel grid license and must not be subject to any fees. The licence criteria should allow for de minimus generation. This would allow reasonable sizing of systems to meet a higher percentage of daytime loads for business customers*

in particular and export a small amount in late evenings or weekends where 100% self-usage is not possible.

Q16. DCCAE and SEAI welcome feedback on the role of the proposed Trusted Intermediary.

Response: *A trusted advisor role would be more important to allow communities to avail of expert advice on community projects. The TO approach may add complication to development of projects.*

Q17. DCCAE and SEAI welcome feedback on the proposed Framework for Trusted Advisors.

Response: *As above.*

Q18a. Do you agree with the proposal that community benefit payment be based on best practice principles?

Response: *Yes but this should not be applicable to projects under 1MW.*

Q18b. Do you agree with the proposed €2/MWh level of community benefit?

Do you have any other comments on the proposed community benefit good practice principles?

Response: *The MREF believes that community benefit payments should not apply to any project supported under the microgeneration scheme (<1MW) rather a larger grant or FIT should be available to any project with community involvement.*

Q19. What are your views on the definition of ‘community renewable electricity projects’, ‘community-led community projects’ and ‘developer-led community projects’?

Response: *We feel that the definitions are too complex and that community involvement in renewable schemes should be restricted to microgeneration projects where they can receive a larger grant or tariff. Microgeneration could actually give direct benefit to communities rather than being involved in potentially risky development projects subject to planning and grid risks.*

Communities are made up of individual homes and businesses and by supporting them we believe that it is the quickest, fairest and most practical way of supporting community involvement.

Q20. What are your views on proposing additional financial measures to enable citizens to invest in projects (e.g. tax incentives, green bonds etc.).

Response: *The MREF believes that communities should be granted access to investment in large wind and solar projects developed by semi state bodies like ESB, Coillte and BNM. Most of these projects are developed on state land using public funds and therefore would be an ideal fit for community investment by way of a green bond. This could be marketed in a similar way to SSIA scheme or Prize Bonds. The semi state bodies also have the scale and manpower to ensure the success of such a scheme.*

The VAT rate for homes investing in PV solar and battery storage should be reduced to 9 %.

APPENDIX 4 Membership of the Micro Renewable Energy Federation

BHC Distributors	GMCV
PV Solar IWS Allaton	Dolan Energy
PV Solar Power Ltd.	Comet Renew
Eco Horizon	Solmatix
GMC	Local Power
Activ8 Group	Wind Water Solar Ltd.
Future Generation Solar	Premier Renewables NI
EHP Renewable	Solar Panel Team
Efficient Renewables	Solarfix NI
Central Project Ltd.	Waterpower
Action Renewables	Qcell
Solmatix Renewables Ltd.	Sunfixings Ltd.
Heat Merchants	Schweizer
PC Renewable Energy	Warik Energy
Solartricity	Green Management Consultants
Energy Freedom.ie	Solar Panel Company
Cooper Insulation	GL Alternative Solutions Ltd.
Renewable Energy Systems Ltd	Hybrid Energy Ltd.
DSC Group	Daire Friel
MCA Storage Ltd.	PV Generation Ltd.
Elite Energy Ltd.	