

# MCS consultation response to the Utility Regulator in Northern Ireland on Micro-generation settlement

In line with the Market Registration Code (MRC) Change Control Procedure the Utility Regulator has been asked by the Central Design Authority (CDA) to consider two mutually exclusive options for the methodology for ascribing the generated units to micro-generators for the electricity they generate and export to the Northern Ireland electricity distribution system. Changes to market systems may affect how Suppliers have their export units taken into account in their wholesale settlement values.

All micro-generators are free to choose not to accept the regulated offering based on their own commercial considerations. Where a generator chooses not to enter into the regulated contract, the amount that they are offered for electricity and associated benefits will depend on the contract that that generator has entered into. If the deeming value is incorrect then suppliers could potentially be overpaying for these exported units in the wholesale market and in turn these costs could be passed on to the consumer

Northern Ireland Microgeneration settlement consultation:

<https://www.uregni.gov.uk/consultations/micro-generation-settlement-consultation>

This consultation closes on **Friday 14 May 2021**

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## **MCS Charitable Foundation**

Our vision is a world where everyone has access to affordable and reliable renewable energy and zero carbon technologies – for the benefit of our environment, our communities and the general public. As a Foundation we work to increase public confidence, awareness and access to renewable energy and zero carbon solutions across the UK. We support education and engagement programmes, fund research and facilitate innovative solutions to drive widespread adoption.

In addition, the Foundation oversees the [Microgeneration Certification Scheme \(MCS\)](#) which defines, maintains and improves quality standards for renewable energy at buildings scale.

## **MCS (MCS Service Company Ltd)**

Since 2008, MCS has been the only recognised Standard for UK products and their installation in the small-scale renewables sector. It is a mark of quality. We create and maintain standards that allows for the certification of low-carbon products and installers used to produce electricity and heat from renewable sources. We are impartial: technology neutral, manufacturer neutral, and supportive of Installers committed to quality installations and consumer protection. Membership of MCS demonstrates adherence to recognised industry standards, highlighting quality, competency and compliance. Our mission is to give

people confidence in low-carbon energy technology by defining, maintaining and improving quality.

## **Consultation response**

MCS supports the proposal in principal by moving away from the Deemed Solution to a system where actual export meter readings are provided by the micro-generator. DR1203 proposes to retain the Deemed Solution, review the deemed profile value of 45% and align the export settlement calendar with the annual NIRO8 Compliance Periods. Where there is energy that is exported above the 45% threshold that there should be a mechanism to review payments, so consumers are not worse off and that changes to the microgeneration settlement do not penalise or dissuade people from adopting microgeneration solutions or a situation that looks at diminishing benefits to consumers. Any settlement needs to be fair and equitable.

Having a 45% limit will mean that some consumers who export more than the 45% limit would be under paid for the electricity being exported. We recognise that this is more than the Republic of Ireland's 30% maximum limit, but it should always be a fair and equitable payment based on the terms and conditions that people invested in the technology and planned for the offsetting of cost or repayment on the loans to cover their investment in clean domestic renewables. Though we feel this would impact very few domestic households and understand that all micro-generators are free to choose not to accept the regulated offering based on their own commercial considerations, we would also recommend a system where those people who have invested in domestic renewables are fairly compensated if they accept the new terms and are not worse off under the new settlement, based on meter readings.

MCS accept the fact that a meter reading would be more accurate and fair and would provide protection to companies from over paying and that consumers would be protected and reimbursed fairly for actual meter readings submitted to NIE Networks on an annual basis. We understand that suppliers would be asked to submit these meter readings to the NIE Networks once a year.

The process of meter readings requires an MPRN or ROC Accredited ID to be submitted to NIE Networks for each site. This allows a validation process to take place to show that the micro-generator was properly connected and commissioned as per NIE Networks' requirements. Again this provides protection for NIE Networks and the consumer. There also needs to be provision for any equipment that is under repair or has not been connected or commissioned to the appropriate standard to allow for any connection to take place, so payments or compensation are not terminated or prevented under the new system without a time period for technical faults to be fixed and connections to be approved.

NIE Networks has said that for micro-generators with inaccessible or difficult to read export meters an export meter reading will still have to be provided. We understand that this may prove difficult for some owners of micro-generation due to the location of the meter. NIE Networks have stated in the consultation that they can relocate a meter to a more accessible location if requested to do so by consumers and this should be done at no extra charge.

MCS supports the exemption clause that all micro-generators are free to choose not to accept the regulated offering based on their own commercial considerations. Where a generator chooses not to enter into the regulated contract, the amount that they are offered for electricity and associated benefits will depend on the contract that that generator has entered into with them, which should be honoured.

-ends-

**General**

1. What is the nature of your company's business?

**DR1202**

2. Do you agree with proposed changes to move to an actual export meter read arrangement as set out in DR1202? Please provide rationale.
3. Are there any other elements of an export meter read arrangement that you feel should be made? Please provide rationale.
4. What timescales might be applicable in each case?
5. What do you see as the main benefits of the proposed changes to an export meter read arrangement:
  - a. to the micro-generator?
  - b. to your company?
6. What potential problems could arise from not implementing the proposed changes to an export meter read arrangement?
7. Do you have any other comments in relation to the proposal?

**DR1203**

8. Do you agree with proposed changes to the Deemed Solution as set out in DR1203? Please provide rationale.
9. Are there any other elements of the Deemed Solution that you feel should be made? Please provide rationale. What timescales might be applicable in each case?
10. What is your view on how successful the Deemed Solution has been since it was introduced in NI in 2015? Is there anything that could have been improved?
11. What do you see as the main benefits of the proposed changes to the Deemed Solution:

- a. to the micro-generator?
- b. to your company?

12. Do you consider that the deemed profile value of 45% needs reviewed. Can you provide any evidence to support this figure or assist in its review?

13. What potential problems could arise from not implementing the proposed changes to the Deemed Solution?

14. Do you have any other comments in relation to the proposal?