

MICRO-GENERATION SETTLEMENT CONSULTATION PAPER 19TH MARCH 2021

NIE Networks' Response to Micro-Generation Settlement Consultation Paper – 19th March 2021

12th May 2021

INTRODUCTION

Northern Ireland Electricity Networks Limited ("**NIE Networks**") welcomes the opportunity to respond to the Utility Regulator's ("**UR**") Micro-Generation Settlement Consultation Paper – 19th March 2021.

NIE Networks is able to facilitate required changes for the Discussion Requests ("**DR**") DR1202 and DR1203 from a system/market design perspective. However, NIE Networks' view/experience is that actual export reads are more accurate in terms of market settlement.

NIE Networks is of the overall view that Suppliers in Northern Ireland ("**NI**") should use actual export meter reads as outlined in DR1202 (in association with the previously discussed and agreed process arising through the Central Design Authority ("**CDA**") forum) as:

- (1) the data being created for use in settlement through the current process is not a metered value but a nominal installed generation capacity value and the use of actual export meter reads would be more accurate than using a percentage figure;
- (2) the current deemed solution is based on an overall agreed percentage which may not be truly reflective of individual micro generator export. This nominal percentage would need to be periodically reviewed, accepted by Suppliers and approved by the UR. A full review of the deemed value has not been completed since implementation of the current solution; and
- (3) in the current market design there are no Half-hourly Distribution Use of System ("**DUoS**") tariffs for domestic sites and these would need to be developed to accommodate micro generators with half-hourly metering.

In addition, NIE Networks would note that the current process is an interim workaround pending the consideration of Smart Metering being implemented in NI.

NIE Networks would perceive the actual meter reading solution as a starting point for the longer-term Smart Metering solution and that it should not be considered as an alternative permanent solution. Implementation of Smart Metering will provide a more permanent visible mechanism for understanding actual demand and generation from micro generators and will therefore form an integral part of the Energy Strategy support mechanisms.

NIE Networks recommends that a permanent solution to this micro generation issue be included as part of any Smart Metering implementation in NI.

QUESTIONS FROM THE MICRO-GENERATION SETTLEMENT CONSULTATION PAPER – 19TH MARCH 2021

General

- **What is the nature of your company's business?**

NIE Networks is the owner of the electricity transmission and distribution networks and the operator of the distribution network in NI.

NIE Networks facilitates and supports the operation of the NI retail and wholesale electricity markets through its market operation activities which relate to meter installation, certification services, meter reading and the provision of metering data and registration services.

DR1202

- **Do you agree with proposed changes to move to an actual export meter read arrangement as set out in DR1202? Please provide rationale.**

NIE Networks' overall view is that using actual export meter reads would be more accurate rather than using a percentage figure. In addition, it is presumed that this percentage figure would need to be periodically reviewed (by NI Suppliers and the UR) and any proposed changes ultimately approved by the UR.

- **Are there any other elements of an export meter read arrangement that you feel should be made? Please provide rationale. What timescales might be applicable in each case?**

NIE Networks will be able to facilitate DR1202 from a system/market design perspective.

An alternative solution would entail the installation of half-hourly metering at all generation sites. However, it is assumed that the cost of replacement of thousands of meters would be prohibitive and probably unacceptable as Smart Meters could be introduced in the future.

NIE Networks would recommend that a permanent solution to this micro generation issue should be considered as a requirement for Smart Metering in NI as part of the overall Strategic Energy Framework.

- **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?**

A solution which provides NIE Networks with more network information, including generation export, should be welcomed and encouraged.

- **What potential problems could arise from not implementing the proposed changes to an export meter read arrangement?**

As previously mentioned, from a system/market design perspective NIE Networks is able to facilitate required changes for DR1202.

- **Do you have any other comments in relation to the proposal?**

If a decision is made as a result of this consultation to implement DR1202 it should be noted that NIE Networks will not validate against the export meter readings. NIE Networks cannot take ownership or responsibility for the validity of the export meter readings as this contract exists between the generator and the export Supplier and will continue to do so in relation to exports payments.

NIE Networks will reinstate the agreed process that was developed at CDA associated with using export meter reads. However, consideration would need to be given as to the date this change would be implemented, in order to allow the capture of start and end metering readings for the M+13 settlement period the Micro Generation solution would be applied.

DR1203

- **Do you agree with proposed changes to the Deemed Solution as set out in DR1203? Please provide rationale.**

NIE Networks is impartial to the proposed changes and is able to facilitate the proposed changes under this Discussion Request.

- **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?**

NIE Networks has no further comments to add in this section.

- **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?**

NIE Networks' view as a facilitator of the current Deemed Solution process is that the process itself is well embedded and has run smoothly since its inception with only a small number of queries arising from NI Suppliers.

- **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?**

NIE Networks has no further comments to add in this section.

- **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?**

NIE Networks facilitates this Deemed Solution and the deemed profile value and its review is a consideration for Suppliers and ultimately the UR.

- **What potential problems could arise from not implementing the proposed changes to the Deemed Solution?**

NIE Networks would highlight that actual export values may differ greatly from the deemed solution and would note that even if the Energy Strategy does support the implementation of Smart Metering this will take a number of years to complete. As a result, the deemed solution could be in place for a significant period of time and there is a risk that if the deemed solution is not periodically reviewed, it may not accurately reflect the actual export capacity for individual micro generators and generation export on the overall Network.

- **Do you have any other comments in relation to the proposal?**

From a NIE Networks system perspective the change in timeline for submission is achievable, however NIE Networks would have a concern over the validity of the submissions for the 13 month period following implementation i.e. if moved to the revised timescale there would be an overlap in the settlement data. Consideration would need to be given as to how this could be managed. It is possible that a gap between October and April would be required to allow the data to be accurately used.