



NETWORKS



# **Clean export guarantee - enduring arrangements for remuneration of microgeneration exports**

ESB Networks response to CRU consultation CRU2023112

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## 1. Role of ESB Networks

As Distribution System Operator (DSO), Distribution Asset Owner (DAO) and Transmission Asset Owner (TAO), ESB Networks works to meet the needs of all Irish electricity customers – generation and demand - providing universal access to the electricity system. We deliver and manage the performance of a system of almost 157,000 km of overhead networks, 27,000 km of underground cables and 640 high voltage substations. To date we have connected approximately 5.4GW of renewable generation connected to the distribution and transmission systems, from microgeneration, mini-generation and small scale generation through to large amounts of distribution and transmission-connected renewable generation. We have 2.5 million demand customers, of which currently more than 70,000 are now becoming active customers – including, but not limited to, domestic and commercial premises with microgeneration/mini-generation (a rapidly increasing number), participants in flexible demand and premises with battery storage.

ESB Networks also delivers a range of services to the Irish retail electricity market servicing over 2.5 million customers. It manages relationships with market participants and provides data in a timely and accurate fashion on a daily basis. It supports the wider Irish market through the ring-fenced Meter Registration System Operator (MRSO) and Retail Market Design Service (RMDS) and supports the wholesale Single Electricity Market through the provision of aggregated meter data.

In late 2020 ESB Networks established the National Network, Local Connections (NN,LC) Programme, responsible for implementing articles of the Clean Energy Package relating to active energy citizens, community energy, and products and services for flexible electricity and other transactive energy developments. In December 2022, the Department of Environment, Climate and Communications (DECC) published the Climate Action Plan 2023 (CAP 23), introducing a legally binding accelerated target of 15-20% flexible system demand by 2025 and an associated carbon abatement target. At this time, the CRU issued a direction to ESB Network to accelerate the rollout of the NN,LC programme, and to extend the scope of DSO flexibility products to target carbon abatement amongst other system needs. The CRU's in-development Energy Demand Strategy (EDS) mandates ESB Networks with a lead responsibility for measures to implement this strategy and associated targets.

ESB Networks is also a key stakeholder in the delivery of CRU's National Smart Metering Programme (NSMP) which will be a key enabler for active customers. To date, ESB Networks has installed over 1.5 million smart meters in homes and small businesses throughout Ireland. Of these, approximately 60,000 have been installed at sites with export capacity. This represents an important achievement for the NSMP and will enable these customers to be remunerated by their supplier, based on export measured through their smart meter.

In 2023, the National Network, Local Connections programme, National Smart Metering Programme, retail market and metering services provided by ESB Networks have been structured into a single new unit, Distribution Markets and System Operation (DMSO). This function is responsible for driving and enabling smart energy services and flexible demand across all markets, enabling climate action and greater customer participation in a secure and sustainable energy system. This response reflects that responsibility and purpose, recognising the central role of renewable microgeneration adoption in underpinning and supporting customers' future participation in smart, flexible energy services.

## 1.1 Background and Context

Enabling customers' accelerating adoption of renewable microgeneration is an important target of the Climate Action Plan. In addition to playing a key role in helping to meet Ireland's climate targets, it also has numerous benefits for customers such as driving an increased awareness of renewable energy and how we can interact with it, as well as helping them reduce their retail electricity costs and allowing for remuneration of their excess generation exported onto the electricity network.

The Interim Retail Market Microgeneration (IRMM) solution is operating successfully in the retail market since 28<sup>th</sup> June 2022. The IRMM solution as operated by ESB Networks, has facilitated customers who have registered microgeneration/mini-generation export capacity to be remunerated by their registered electricity supplier for their exported electricity. There are over 70,000 customers currently registered for microgeneration/mini-generation and a further 750 applications are received by ESB Networks each week.

From 15<sup>th</sup> February 2022 to the end of August 2023, 81 million kWh of electricity exports were recorded, which is enough electricity to power over 19,000 typical Irish homes<sup>1</sup> for a year. This does not include the additional benefit of the electricity that was self-consumed on site. Aggregate Maximum Export Capacity (MEC) recorded by the IRMM solution up to end of August 2023 was 257 MVA – this is roughly the equivalent of a reasonably populous county.

ESB Networks plays an active and central role in supporting the significant growth of microgeneration, mini-generation and small scale generation in Ireland. In January 2023, ESB Networks published its "Networks for Net Zero"<sup>2</sup> strategy which supports the targets in the Climate Action Plan 2023 to deliver 80% renewables by 2030. Supporting customers to connect generation and facilitating market solutions is central to the three strategic objectives of this strategy: Decarbonised Electricity, Empowered Customers and Resilient Infrastructure.

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<sup>1</sup> [CER17042-Review-of-Typical-Consumption-Figures-Decision-Paper-1.pdf \(divio-media.com\)](#)

<sup>2</sup> [networks-for-net-zero-strategy-document.pdf \(esbnetworks.ie\)](#)

ESB Networks is facilitating and enabling the growth of renewable micro, mini and small scale generation as follows:

**Microgeneration (Single phase with an MEC  $\leq$ 6kVA, three phase with an MEC  $\leq$ 11kVA)**

- ESB Networks supports our customers microgeneration installation by providing a concise, simplified technical assessment of the impacts of microgeneration on the distribution network<sup>3</sup>.
- As microgeneration is connected to the low voltage distribution network, ESB Networks has an important role in assisting our customers in connecting this renewable energy. Customers installing microgeneration are required to notify ESB Networks in advance.
- For microgeneration installation sizes up to 6kW (single phase) and up to 11kW (three phase) there is a free of charge, simple and quick ‘inform and fit’ grid connection process, whereby the customer notifies ESB Networks of the installation by means of a valid NC6 application form and the appropriate Type Test Certification. Under the ‘Inform and fit’ process, ESB Networks accepts the information submitted to us, which is utilised to update the Maximum Export Capacity (MEC) at the site, in good faith. In addition, in most cases ESB Networks will not identify any technical or location-specific issues, and so unless the customer hears from ESB Networks within 20 working days then the installation can proceed without any further correspondence with ESB Networks.
- ESB Networks facilitated a microgeneration pilot scheme in 2010 for approximately 1,000 customers outside of the market systems. This pilot scheme ran for 12 years and was eventually replaced by the IRMM solution.
- ESB Networks supported customers understanding by creating a microgeneration framework consultation<sup>4</sup> and a subsequent response document<sup>5</sup>.
- ESB Networks continue to roll out smart meters, which are fundamental for microgeneration customers to receive remuneration based on actual exported electricity.
- ESB Networks implemented the IRMM solution in June 2022 which facilitated customer remuneration from 15<sup>th</sup> February 2022. This solution was delivered to a high quality against very aggressive timelines with multiple competing priorities.
- ESB Networks facilitates the registration of approximately 750 new microgeneration customers each week.
- ESB Networks website has a dedicated [microgeneration](#) section <sup>6</sup> where customers can access relevant information such as application forms, step-by-step process guides,

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<sup>3</sup> [https://www.esbnetworks.ie/docs/default-source/publications/assessment-of-the-scope-for-higher-penetrations-ofdistributed-generation-on-the-low-voltage-distribution-network.pdf?sfvrsn=d2d501f0\\_0](https://www.esbnetworks.ie/docs/default-source/publications/assessment-of-the-scope-for-higher-penetrations-ofdistributed-generation-on-the-low-voltage-distribution-network.pdf?sfvrsn=d2d501f0_0)

<sup>4</sup> [microgeneration-framework-consultation-.pdf \(esbnetworks.ie\)](#)

<sup>5</sup> [0156-mg-summary---dec-2020.pdf \(esbnetworks.ie\)](#)

<sup>6</sup> [Micro-Generators \(esbnetworks.ie\)](#)

supporting technical information, FAQs and clear points of contact information via our dedicated team email address for customers and installers.

### **Mini-Generation (Single phase with an MEC $\leq$ 17kVA, three phase with an MEC $\leq$ 50kVA)**

- ESB Networks facilitates mini-generation applications by means of a streamlined NC7 application processes for customers.
- ESB Networks introduced a pilot scheme in December 2021, which was further extended due to the high customer interest and positive feedback. Currently we are receiving and processing over 100 applications per month and with the process well established, we are now working to transition this into an enduring process.
- By the end of October 2023, ESB Networks have received over 1,650 applications representing over 46MVA of renewable generation. So far, over 400 of these have completed the process and their export is registered with their supplier. The remainder are actively working through the process with a high proportion at the final installation stage.
- ESB Networks website has a dedicated [mini-generation section](#)<sup>7</sup> where customers can access relevant information such as application forms, step-by-step process guides, supporting technical information, FAQs, and clear points of contact information via our dedicated team email address for customers and installers.

### **Small Scale Generation (Customers with an MEC $\leq$ 200kVA)**

- ESB Networks facilitates small scale generation applications by means of a newly introduced streamlined NC8 application process for customers.
- ESB Networks introduced a pilot scheme in September 2022 which has been further extended due to the high customer interest and positive feedback.
- By the end of October 2023, ESB Networks had received over 220 applications, representing over 25MVA of renewable generation. So far 45 of these have completed the process and their export is registered with their supplier. The remainder are actively working through the process with a further 70 at the final customer installation stage.
- ESB Networks website has a dedicated [small scale generation section](#)<sup>8</sup> where customers can access relevant information such as application forms, step-by-step process guides, supporting technical information, FAQs, and clear points of contact information via our dedicated team email address for customers and installers.

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<sup>7</sup> [Mini-Generation | ESB Networks](#)

<sup>8</sup> [Small Scale Generation \(esbnetworks.ie\)](#)

## 2. Additional Considerations to Consultation Questions

In this section, we set out some key considerations to the successful delivery of the enduring solution. These considerations underpin our responses provided to the consultation questions, and we consider them the most important points to be considered by CRU in any decisions being made as a result of this consultation.

### Changing and Growing Customers Needs

An enduring microgeneration solution should be designed in a manner that is scalable and accounts for customers' growing and changing needs. As such, we believe it is important that the enduring microgeneration solution is neither designed nor planned in isolation from other smart energy services and solutions over the coming years.

ESB Networks anticipates that the demand for customers exporting their electricity will continue to grow, and with this their desire to participate in a range of new smarter energy services. There are a number of recent developments which have already led to an increase in customer applications for microgeneration applications. Under the amended EU directive 2018/844/EC for Energy performance of building and directive 2012/27/EU on energy efficiency<sup>9</sup> - "As of 2021, all new buildings must be nearly zero-energy buildings (NZEB) and since 2019, all new public buildings should be NZEB. When a building is sold or rented, energy performance certificates must be issued and inspection schemes for heating and air conditioning systems must be established"<sup>10</sup>. [Nearly zero-emission building \(NZEB\)](#) means a building that has a very high energy performance, while the nearly zero or very low amount of energy required should be covered to a very significant extent by energy from renewable sources, including from those produced on-site or nearby. Furthermore, advances in EU energy legislation are driving the need for smarter energy technologies in building standards.

In 2021, the Irish Government set out in its "Housing for All"<sup>11</sup> plan that it will enable a sustainable housing system and that "the future environmental sustainability of our housing stock, including low-carbon housing, is imperative".

In October 2022, the exemption of solar panels from planning permission requirements, subject to certain criteria, reduces the barriers for customers wishing to install microgeneration. Other campaigns such as Greener Homes and Better Energy Homes which can be supported by SEAI grants, are likely to increase the awareness of microgeneration and its continued growth.

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<sup>9</sup> [EUR-Lex - 32018L0844 - EN - EUR-Lex \(europa.eu\)](#)

<sup>10</sup> [Energy performance of buildings directive \(europa.eu\)](#)

<sup>11</sup> [197235\\_75a8648f-9033-4fec-bd1e-c4c68fe44725 \(1\).pdf](#)

Some other incentives likely to affect uptake are the announcements from government of a zero rate of VAT for the supply and installation of solar panels for domestic dwellings from 1<sup>st</sup> May 2023, as well as affiliate schemes with an electricity supplier that assists with initial costs and installations.

Given the current volume of customers with export capacity and the expected long term growth, it is the opinion of ESB Networks that an enduring solution should be digitised, well designed and integrated into all relevant market systems with, in so far as possible, systemised exception handling processes. It is important that this is designed to account for the role of microgeneration in retail, wholesale and flexibility markets, and the potential for the enduring microgeneration solution to support the development of smart energy services driving customer value across all relevant markets. The development and delivery of an enduring microgeneration solution in the retail market, in isolation from a Blueprint for the broader suite of products and services in the retail, wholesale and flexibility markets which will leverage the same technologies, might inadvertently delay or create barriers to the accelerated development of those broader smart energy services. The objective of the Blueprint process noted above is to create a holistic strategy and plan that delivers value for customers and industry early and often, while reducing delivery risk and maximising the likely value of longer term solutions delivered in the central retail market, flexibility market and wholesale market systems.

### Implementing the right Enduring Solution will require significant time and resources – the opportunity should be leveraged to deliver holistic smart energy outcomes

The consultation paper acknowledges that significant effort and time will be required to design and introduce an enduring solution, and may involve disruption of existing market operations, and ongoing changes to market systems to enable the introduction of new services and solutions year on year. As such, it is important that an enduring solution is designed in a manner that reflects customer needs and expectations, market intent to provide new services, and which facilitates other new services which might drive similar levels of change and investment in central market systems.

Ensuring that enduring solutions for exporting customers are ultimately fully integrated into market systems will support efficient and secure market operations, maintenance and change control into the future. In doing this, it is important to ensure that the solution is likely to be used and useful (as set out above, meeting customer and supplier needs and expectations), and that other new services leveraging the same market systems are facilitated through the associated works.

While in this consultation response we identify areas that will require significant effort, it should be noted that we expect more design and implementation challenges will emerge as we begin to design and plan for an enduring microgeneration solution. As such, we consider it critical that the design



process is entered into in a holistic manner that accounts for priorities and the broader suite of smart energy services which should be facilitated through the associated works. It is also important that the necessary resources and timelines are afforded to this piece of work to ensure a high quality solution is delivered.

As such, a prudent approach would be for ESB Networks to engage with CRU and stakeholders, and account for market and customer preference and research, via the new DMSO (Distribution Markets & System Operation) Blueprint<sup>12</sup> process, in compliment to the existing DSO license condition 35 and well established Retail Market Change Control process, which should help to drive out workable approaches, designs and roadmaps.

## Smart Meter Installed - No Interval Data Available

The IRMM solution was delivered in line with the design principles as set forth by CRU - CRU21131 [“Remuneration of Renewables Self-consumers exported electricity: Interim Clean Export Guarantee”](#).

Although the IRMM solution has generally been very positive, there are some design elements which although necessary for an interim solution (which was delivered in a very short implementation window) are not necessarily appropriate for an enduring solution.

Within the agreed market design for the IRMM solution, in the event that there is not a complete day’s worth of actual interval data, ESB Networks will utilise the deemed algorithm to calculate the deemed export interval values instead. The current design does not allow for replacement data to be captured and provided to suppliers. This approach, although reasonable for the IRMM solution, could be improved for the enduring solution. Although there will be significant effort and impact to the retail market and ESB Networks’ processes/systems, ESB Networks recommends that there are mechanisms put in place to cater for the capture of actual export readings in the event that export interval data is not available for a period of time. Typically, in the IRMM solution approximately 3% of MPRNs are provided with deemed data each day.

There are many factors to consider in this space to develop the right solution; industry and CRU engagement to understand the range of options arising, expectations and discuss possible approaches will be important.

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<sup>12</sup> ESB Networks has commenced the development of a Blueprint that accounts for the breadth of the power system, retail market, flexibility market, smart metering, behind the meter infrastructure and consumer/behavioural developments needed over the coming decade. The process is designed in an efficient and integrated/strategic manner that supports progress but emphasises the role of discovery and adaptation over the course of its delivery. ESB Networks expects to share more information on this process with industry in early 2024.

The non-availability of interval data is something that CRU should consider with regards to the proposed time-of-export tariff in Section 8 of the CRU's consultation and how this may affect the offering to impacted customers.

## Recording the Generation Source

It has been noted within the CRU's consultation that reference has been made to the term "renewable self-consumer who export electricity". At present, ESB Networks does not record the source of generation within the market systems to determine if an energy source is renewable or non-renewable. ESB Networks does not capture the source of generation at individual connection level for our system analysis needs. While we believe that over time it will be increasingly important that we can identify, profile and forecast the output of different renewable generation sources by technology, care is needed to design an efficient and effective solution to do this, leveraging digital solutions and innovative approaches.

Should ESB Networks be required to capture a source with a status of renewable or non-renewable, it would be a significant task requiring consideration as to how this would be managed within the market systems, the retail market, changes to business processes and designs, methods to validate and maintain the source, as well as capturing the vast number of retrospective registrations already in the market system that would need to be categorised.

ESB Networks seeks to understand from CRU if this is likely to be a future requirement and as such, the planning of this work due to the efforts required, would need to be considered alongside the overall work pack required as a result of this consultation decision.

## Application of DUoS for Exporting Sites

ESB Networks is mindful that the CRU published "CRU's Electricity Network Tariff Structure Review, Objectives, Principles and Call for Evidence" (CRU/21/123)<sup>13</sup> which examines drivers for change such as decarbonisation, decentralisation, digitalisation and demand when considering network tariff reform. Behind-the-meter generation, such as rooftop solar microgeneration, has the potential to play a key role in the decarbonisation of the electricity sector, and will impact the overall level of demand and the shape of the daily demand curve. Under the current tariffing structure, which is highly dependent on volumetric charging, behind-the-meter generation has the potential to transfer additional cost recovery onto customers that do not or cannot afford to install this type of technology.

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<sup>13</sup> [CRU21123-Electricity-Network-Tariff-Structure-Review-Objectives-Principles-Call-for-Ev.pdf \(divio-media.com\)](#)

For this reason, ESB Networks believes that the impact of behind-the-meter generation on different types of customers should be considered over the course of the tariff review and not outside of the tariff review project. This will enable a comprehensive tariff reform process to occur which allows for adequate market consultation and design timelines.

Although, the tariff review is the best placed forum to consider all future tariff structure reforms, the tariff review should be conscious that the design of an enduring microgeneration solution will need to account for the future DUoS treatment of MPRNs with export capacity and the rules for same. This will require careful design consideration, for example if CRU plan to introduce a relevant form of DUoS charging for a separate entity (be it a second supplier or other type of entity that is yet to be fully defined) that is registered for the export at the MPRN. Understanding these kinds of requirements will be necessary for a holistic design to be implemented in the market systems from the outset.

## Ongoing Improvement Works

In light of current and future volumes, ESB Networks would like to highlight that there are likely to be other improvements that ESB Networks will need to make in parallel with (or in advance of) the implementation of any changes that are mandated in the CRU consultation decision. An example of an improvement may be to explore the possibilities around digitalisation of the microgeneration registration process, which would create a more streamlined approach for processing applications for microgeneration. Pending the outcome of the Blueprint process noted above, which will reflect CRU, industry and customer priorities and needs, it may be prudent to progress some of these improvements in the shorter term.

## 3. Response to Consultation Questions

This section should be read in conjunction with Section 2 – “Additional Considerations to Consultation Questions”.

### 3.1 Response to Question 3.1

**The CRU proposes no change to the current competitive export tariff setting arrangements and that the floor price of zero shall continue to apply.**

**Question: 3.1 Do you agree with the CRU’s proposal to continue with a floor price of zero?**

ESB Networks has no response on this question.

### 3.2 Response to Question 4.1

**For application as soon as it can be implemented, the CRU proposes that all renewables self-consumers who export electricity and do not yet have a smart meter, and who have not refused one, shall be eligible for payment for their export on the basis of the deemed quantity.**

**Question 4.1(a): Do you agree with this simplified proposal for eligibility for deemed?**

**Question 4.1(b): Are there any other aspects of this matter which need to be considered?**

On the distribution network customers do not typically get their assets recognised on the market systems until all of the necessary network infrastructure is in place. For example, a customer will not be energised or allowed to export until all network reinforcements and necessary metering is in place.

In order to minimise any barriers to export connection, ESB Networks’ streamlined the microgeneration connection process so that it is an ‘inform and fit’ notification process. Although this has benefits for the customer, ESB Networks is also conscious that our systems are updated based on the customer information received at face value. If CRU determines that all customers are entitled to a deemed payment in the smart meter installation wait period, ESB Networks is concerned that it may encourage customers to send NC6 forms to ESB Networks prematurely. If customers who are eligible for a smart meter currently send ESB Networks an NC6 form prematurely and the MEC is updated on the central market system, it does not result in erroneous data being sent to the registered supplier because the smart meter is the control. Without a smart meter in place to record the export there is a risk of a customer being paid when they have yet to export. This is evidenced by some of the smart meter data visible to ESB Networks i.e. MEC updated but export values not

evidenced through smart data until weeks later. ESB Networks can share anonymised data to illustrate this for CRU if required.

It should be noted that, applications for exporting generator connections above covered under the NC6 form incur an application fee and evidence of certification must be provided post installation. Therefore, registration of the MEC is only completed once the generation equipment installation is confirmed to be already in place. ESB Networks understands the rationale for CRU's proposal to change the deemed eligibility criteria and have also observed the complaints CRU refer to within the consultation.

ESB Networks has now progressed to a stage where we have over 1.5 million smart meters installed and this figure is increasing by approximately 10,000 every week. It is more likely that any customer who is eligible for a smart meter and who registers an MEC with ESB Networks will already have a smart meter installed, therefore the issue of a customer having to wait for an extended period of time for a smart meter to be installed should be an exception.

Consideration should be given to the following impacts a change to the deemed eligibility rules might introduce, including, but not limited to; changes to systems, deviation of resources from other work plans, changes to published customer information, customer and supplier confusion, new training material, customer sentiment due to the rule changes not applying retrospectively. Given the points above, ESB Networks considers that it may be more effective to retain the existing deemed eligibility criteria with the following suggested enhancements:

- ESB Networks, Suppliers and CRU make customer communications (website, notification/application forms, letters etc.) more clear regarding importance of smart meter installation and implications of not having one installed.
  - ESB Networks continue monitoring to ensure that the four month timeline for smart meter installation is stringently adhered to.
- ESB Networks could also put the following exception management process in place subject to CRU approval and industry engagement, for customers who did not get a smart meter installed within the four month window;
- If MEC valid from date is greater than four months ago and no smart meter is currently installed then check the following:
    - No smart meter installation difficulties flags associated with customer then arrange for deemed data to flow and pursue installation of smart meter.
    - Smart Meter opt out flag – do not arrange for deemed.
    - Multi Visit by ESB Networks but no access flag – do not arrange for deemed.

- Smart meter exchange deferral flag – assess on a case by case, if delay lies with ESB Networks, then arrange for deemed data.

Please note where applicable above, ESB Networks propose to only provide deemed data for dates after the lapse of the four month window.  
(hereinafter the “Exception Criteria”)

ESB Networks would like to discuss with CRU if the above Exception Criteria should apply retrospectively.

For the avoidance of doubt, the following is how ESB Networks foresee the implementation of the updated rules in relation to eligibility for deemed export quantities:

- a) A customer who has registered their export capacity, and who is eligible for a smart meter installation as set out by the criteria under the NSMP, will be eligible to have deemed export quantities sent to their registered supplier, after four months post MEC valid-from date where that customer has not had a smart meter installed within four months of their MEC valid-from date, subject to the above Exception Criteria.
- b) A customer who has already registered their export capacity (MEC), and who is ineligible for a smart meter installation as set out by the criteria under the NSMP, will be entitled to have deemed export quantities sent to their supplier until such time as they become eligible for smart metering under the NSMP. Should the customer become eligible for a smart meter under the NSMP, then deemed data provision will continue subject to the above Exception Criteria.
- c) Where there has been a change to the NSMP deployment criteria and a customer who meets that criteria, newly registers their export capacity then that customer is subject to the same deemed eligibility rules as in point a) above.

**For Clarity:** The deemed export quantity rules currently implemented in the retail market do not include a four month cut off for the provision of deemed export quantities. ESB Networks would also highlight that deemed data is provided in the scenario where a smart meter is installed but a full day’s smart meter data is unavailable. [MCR1213 / Retail Market Working Practice 31<sup>14</sup>](#) provides further detail regarding current deemed rules.

ESB Networks is happy to clarify any of the above points and would be keen to engage with CRU on any potential implementation timelines.

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<sup>14</sup> [Working Practices \(rmdservice.com\)](#)

### 3.3 Response to Question 5.1

**The CRU proposes that the market settlement timeline and process for export, as currently applies at M+13 under the Interim CEG arrangements, should mirror the settlement processes and timeline which apply for import.**

**Question 5.1(a): Do you agree with this proposal?**

**Question 5.1(b): Are there any other aspects of this matter which need to be considered?**

ESB Networks recognises that CRU's proposal for export data timelines to mirror existing settlement processes and timelines which apply for import, will lead to more timely reimbursement to suppliers for the remuneration paid to their customers.

ESB Networks in principle supports the proposal from CRU to facilitate this change and as recognised by CRU, this will require fundamental changes and time to deliver due to the significant impacts to market systems.

The enduring settlement solution for export will be shaped by the decisions that are made in this consultation and in the subsequent market design. We also consider it critical that these solutions are shaped by a wider strategy and plan for smart energy services, to be developed through the Blueprint process noted above.

At the time of forming our response, ESB Networks is not in a position to provide a timeline specifically for a settlement solution that aligns to the existing settlement for import timelines in isolation. The settlement solution will require clarity on a wide range of dependencies, broader interdependencies with future smart energy services, and new expectations from a wholesale market and settlement reporting perspective amongst other things. It is extremely challenging to suggest a timeline for the alignment of a settlement solution to the import settlement timelines at this juncture and as such to work through this, ESB Networks suggest a prudent approach would be for ESB Networks to engage with CRU and key stakeholders via the mechanisms outlined earlier in this response document. However based on the already committed to regulatory workplan to 2025 and the anticipated scale of change, ESB Networks expect the implementation of an enduring export solution to mirror existing import settlement processes and timelines cannot be delivered until at least sometime in the period 2028-2030. In this context, we consider it important that the opportunity to design the enduring solution in a manner that accounts for other new smart energy services which could be introduced. We also believe that it will be important over the intervening period to leverage new processes being proposed through the Blueprint process, for agile development and introduction of new services for active customers to meet shorter term objectives and customer benefits which might be secured.

In line with this intent, and as mentioned above, ESB Networks understand that changes in the settlement timeline and process will support an improved cashflow position for electricity suppliers who have microgeneration/mini-generation customers and thus remove any necessity for some suppliers to delay customer payments. On that basis and given the anticipated enduring solution timelines, ESB Networks would like to engage with CRU about the possibility of improving settlement frequency by moving towards inclusion of microgeneration/mini-generation in M+4 settlement via the IRMM solution, some time in 2024.

### 3.4 Response to Question 6.1

**The CRU proposes that the Suppliers' Handbook be amended to incorporate particular export-related requirements in order to strengthen minimum levels of service that licensed energy suppliers will be required to comply with in their interactions with exporting customers.**

**Question 6.1(a): Do you agree with this proposal?**

**Question 6.1(b): Do you agree with the timelines proposed?**

**Question 6.1(c) : Are there other level-of-service aspects which need to be strengthened?**

ESB Networks assumes that the proposed implementation timeline of four months post CRU decision will be independent to any change to the frequency of export settlement. ESB Networks would like to engage with CRU about the possibility of improving settlement frequency sooner by moving towards inclusion of microgeneration/mini-generation in M+4 settlement via the IRMM solution, some time in 2024. ESB Networks would support mechanisms that CRU may introduce that result in clarity for the customer.

### 3.5 Response to Question 7.1

**The CRU proposes that customers will be able to choose suppliers separately for the purchase of imported electricity and the sale of exported electricity.**

**Question 7.1(a): Do you have views about the introduction of this reform for customers?**

**Question 7.1(b): Do you have a view as regards when this capability should be introduced?**

**Question 7.1(c): Are there any other aspects of this matter which need to be considered?**

This CRU consultation refers to the Clean Energy Package envisaging that customers are able to have multiple suppliers, as per Article 4 of IMED, transposed through S.I. No. 20 of 2022.



Article 4 requires that all customers shall be free to “have more than one electricity supply contract at the same time, provided that the required connection and metering points are established”. Article 13 of IMED, transposed via S.I. No. 366 of 2022, states that customers shall be free to “purchase and sell aggregation, other than supply, independently from their electricity supply contract and from an electricity undertaking of their choice”.

ESB Networks understand from this consultation that the proposal for the customer to have the ability to select a separate supplier for export to their import supplier would yield benefits for the end customer. ESB Networks supports this proposal being implemented in line with an approach that allows ESB Networks the opportunity to fully understand the impacts and changes required and the appropriate timelines to implement it. Accommodating this proposal would mean fundamental changes across several areas including, but not limited to; central market systems, retail market design, business design/processes and data models.

As such, a prudent approach would be for ESB Networks to engage with CRU and key stakeholders via the new DMSO Blueprint process in compliment to the existing DSO license condition 35 and well established Retail Market Change Control process, which will help to drive out workable approaches, designs and roadmaps.

Within the CRU’s consultation, with reference to 7.1.2 CRU’s Proposal re: separation of import and export, in particular to this last benefit listed:

*“Having separate suppliers for import and export would bring many benefits to customers, including:*

*“Could potentially support the customer to engage with other entities/activities such as renewable energy communities, energy sharing, etc”.*

ESB Networks understands that at the time of forming this response, other entities/activities such as renewable energy communities/energy sharing have yet to be consulted upon and defined. In order to assess and understand the impacts and/or changes required to accommodate these new market entities in the market, ESB Networks suggests that a separate consultation is undertaken by CRU setting out the proposed definitions of these entities/activities and what role they are expected to perform in the market. We consider that this is important in the context of the development and uptake of new smart energy services as a whole, not limited to enduring microgeneration solutions.

## 3.6 Response to Question 8.1

**For the enduring solution, the CRU does not propose to mandate time-of-export tariffs.**

**Question 8.1(a): Do you agree with the proposal?**

**Question 8.1(b): Do you see the value in time-of-export tariffs?**

**Question 8.1(c): Do you see any obstacles to suppliers offering time-of-export tariffs?**

**Question 8.1(d): Will the ability for customers to sign up with a separate supplier for export facilitate the introduction of time-of-export tariffs?**

**Question 8.1(e): Should the CRU mandate that time-of-export tariffs be offered by all suppliers?**

**Question 8.1(f): Are there any other aspects of this matter which need to be considered?**

Much like Time of Use (ToU) tariffs can have a role in sending a signal to customers to use less electricity at times of high system demand, time of export tariffs could play a role in encouraging customers to export electricity during times of high system demand. However we consider it important that time of export tariffs be considered in the context of flexible demand solutions, in that it is likely that consumer participation in these tariffs will be by means of flexible demand rather than any ability to directly control microgeneration output. It may be that the objectives of time of export tariffs could be met more quickly and efficiently through flexibility market arrangements.

Any consideration of time of export DUoS tariffs for ESB Networks should be carried out via CRU's Electricity Network Tariff Structure Review. Please see Section 2 above "Additional Considerations to Consultation Questions - Application of DUoS for Exporting Sites".

ESB Networks understands that granular metering data would be a key enabler for the introduction of time of export tariffs. However, at this time ESB Networks cannot guarantee that granular smart meter export reading data (such as export intervals) are always readily available. Please see Section 2 above "Additional Considerations to Consultation Questions – Smart Meter Installed - No interval data".

## 4. Conclusion

ESB Networks recognises its key role in helping the energy sector reduce its carbon footprint and in enabling the wider society take action against climate change. Recent geo-political events which impacted on the security of electricity supply and high electricity prices further strengthen ESB Networks' resolve to enable the transition to a sustainable economy. Customers are making informed decisions around their role in energy consumption and generation and are availing of government grants to aid with initial costs. Facilitating customers by means of microgeneration, mini-generation and small scale generation is firmly aligned to the ESB Networks strategic objectives of Decarbonised Electricity, Empowered Customers and Resilient Infrastructure.

The IRMM solution has been operating successfully, enabling remuneration of customer export from February 2022 and it has played an important part in encouraging customer take up of microgeneration/mini-generation.

ESB Networks welcome the opportunity to respond to this consultation and is supportive of introducing an enduring solution that is fully integrated with the existing market systems, which given the growing importance of this area will be foundational for the future success of the overall retail market and other future markets such as flexibility.

Given the significant level of change required to introduce an enduring solution, it is important that there is extensive engagement between ESB Networks, CRU and other stakeholders early on to ensure that the enduring solution is incorporated into a wider Blueprint for smart energy services' introduction over the coming years. Other complementary and/or competing requirements that are expected to be necessary in and around a similar timeline to the enduring microgeneration solution should be considered upfront to ensure that robust plans can be agreed and delivered to. ESB Networks propose that the newly developed DMSO Blueprint process is the appropriate framework to compliment existing established governance processes in the retail market to help deliver a high quality solution.

ESB Networks would like to thank CRU for the opportunity to provide our feedback on this consultation and welcome any engagement CRU may wish to have with regards to any elements of this response.