

Wholesale Electricity and Gas Policy Division
Department of the Environment, Climate and Communications
29-31 Adelaide Road
Dublin D02 X285

Submitted by email to: energyconsultation@decc.gov.ie
Submitted on: 28th October 2022

Re: Fingleton White's Response to the consultation on the review of the security of energy supply of Ireland's electricity and natural gas systems

Fingleton White welcomes the opportunity to comment on this public consultation. Fingleton White provides multidiscipline engineering services for the energy industry throughout Ireland and the UK. It operates across multiple sectors including gas, bioenergy, hydro, solar, CHP, industrial heat, and water.

Secondary Fuel Obligations (SFO)

The intent of the Commission for Regulation of Utilities (CRU) Secondary Fuel Obligations (SFO), as stated in the 2009 decision CER/09/001, is to protect Irish electricity customers against security of supply events. The perceived risk at the time was that a gas supply interruption from Great Britain would impact the reliable supply of electricity.

Unfortunately, an unintended consequence of the SFO is that it has made it more difficult to develop the new flexible generation capacity that is required to meet the current electricity demand. This is due to increased planning risk and the overall cost of dual fuel projects. This has helped to create the current situation in Ireland where there is a shortfall in generation capacity and a risk to the reliable supply of electricity.

Increasing the SFO storage requirement will only make the situation worse.

The cost of the impact of the SFO to the electricity consumer needs to be fully understood. This will include for example increased CRM auction clearing prices, increased network charges from emergency generation, increased local air emissions and higher CO2 emissions from lower efficiency flexible plant.

The entire purpose of the SFO needs to be completely reconsidered. If the root cause of the risk to the electricity supply that the SFO is intended to mitigate is a gas interruption, then this should be the focus for the solution. Making it more difficult to develop flexible generation capacity has only helped create the current capacity risk to electricity consumers.

Fingleton White are happy to discuss our views in more detail directly with the department or in future workshops.

Kind Regards,

A black rectangular redaction box covering the signature of the representative.