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Submission: *By email to karen.shiels@uregni.gov.uk & kevin.lenaghan@uregni.gov.uk by 26/6/18]
With reference to consultation document issued by SEM Committee SEM-18-028 published 14/5/18
and available at <https://www.semcommittee.com/news-centre/i-sem-crm-t-4-cy-202223-auctionparameters-consultation>*

Subject: Consultation: CRM Parameters for T-4 2022/23 Capacity Auction (SEM-18-028)

To Whom It May Concern,

This letter is prepared with support from Paddy Phelan, Manager of 3CEA & Lecturer at WIT in Sustainable Energy Recovery and Utilisation with reference to consultation document issued by SEM Committee SEM-18-028 published 14/5/18 which relates to the first T-4 Capacity Auction for the Capacity Year 2022/23 for which the auction is due to take place in March 2019.



The 3 Counties Energy Agency (formally the Carlow Kilkenny Energy Agency CLG) represents the region of Carlow, Kilkenny and Wexford. A non-profit social enterprise working to promote Energy Efficiency and Renewables across the region under the EU Covenant of Mayors developed County Sustainable Energy Action Plans 2016.

The 3CEA has not answered the full structure of the briefing paper but would like to highlight the following key aspects to the any future auction system in 2022/2023 to reflect the requirement for inclusion of capacity from low carbon technologies and ensuring under the EU Renewables Directive that those low carbon technologies be granted the significant portion of appointment in such auctions.

Key Aspects required of T4 Auction:

- **Life Cycle Assessment** – Ensure that plant life cycle cost is included to the Method of Evaluation of price, therefore no high emissions paid for plants can undercut the cost of production at auction. (i.e. factor in fuel cost in oil plant vs zero fuel cost in wind over a 25-year production life cycle.)
- **CHP and Waste Heat/Cooling** utilisation is key to increasing efficiency of plant under EU directive. Thus, raising the requirements in such auctions to incentivise the Waste Heat Recovery and Utilisation from Electricity plants.
- **Local/Regional Security Supply:** Deliver security of supply, not only for overall supply-



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demand balance but also for grid constrained regions to meet new projected electrical demand (incorporating efficiency of LV and MV distributed supply capacity)

- **Low Emissions** – Low carbon technology prioritised for access. **Factor CO₂ emissions into the Method of Evaluation with full marks for zero emissions and no marks for high % emissions plant above the EU threshold.**
- **No Stranded Assets:** Minimise the risk of stranded assets;
- **Prioritise Speed of Delivery:** Select projects which can deliver most quickly;
- **Promote Competition:** Be fully competitive to ensure – for what is effectively a remedial action resolving the issue of the delay in delivering grid infrastructure – the best possible price for consumers given the circumstances.

Please do not hesitate to contact me if you have any further queries.

Yours sincerely,

Paddy Phelan

Paddy Phelan
Manager of 3 Counties Energy Agency