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22nd December 2023

Proposal to Introduce Intermediate Length Contracts Consultation Paper (SEM-23-093)

Dear Sir/ Madam,

Hydrogen Ireland welcomes the opportunity to respond to this consultation on Intermediate Length Contracts. Hydrogen Ireland aims to promote the role of hydrogen and fuel cells to enable them to become key components of our future low carbon economy on the island of Ireland. The membership of Hydrogen Ireland includes prospective producers, consumers and transporters of hydrogen on an all-island basis.

Many of Hydrogen Ireland's members are responding to this consultation individually with specific and varying views regarding the proposal for Intermediate Length Contracts, therefore, we make no further comment on the details of the proposal within this response. However, we would like to take this opportunity to make several general points regarding some of the key themes within the consultation.

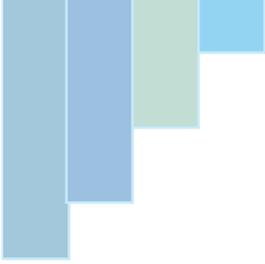
We agree with the need to invest to convert thermal plants capable of handling low and zero-carbon fuels (e.g. hydrogen conversion). The conversion of existing plants will be an efficient, affordable and expedient way to use hydrogen in power generation. The necessary enduring market mechanisms to incentivise refurbished and new build zero emission dispatchable power generation need to be designed imminently. In SEM, hydrogen has the potential to provide decarbonised long-duration energy storage which can be discharged during periods of peak energy demand or prolonged low wind/low solar scenarios to provide electricity via hydrogen-fired turbines, engines, and fuel cells.

Given the decarbonisation and security of supply benefits of renewable hydrogen generation, we welcome the fact that the SEM Committee, through this consultation, has sought to explore options to introduce low carbon dispatchable generation into the Capacity Remuneration Mechanism (CRM).

While accompanying policy measures will be required in parallel to support the production, transportation and storage of hydrogen, the deployment of hydrogen-fuelled generation through

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The Association for Energy, Mobility, Industry & Community

the refurbishment of existing generation assets will be an important step in providing a pathway for hydrogen in power generation, alongside the development of new dispatchable, low carbon assets.

As hydrogen-to-power generation consists of several technologies that can be scaled to fill a variety of roles within the wider energy system, consideration must be given to various CRM-based solutions that may be needed to support the refurbishment or introduction of new units to enable investment in hydrogen to power technologies whilst also providing important signals for the production of hydrogen.

Hydrogen Ireland encourages the SEM Committee to further explore in 2024 ways to bring more low and zero carbon dispatchable generation online, including, considering the enduring design of CRM to facilitate investment in refurbished and new low carbon dispatchable generation units.

Sincerely

James Carton

Chairperson

Hydrogen Ireland

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