







# Fuel Mix Disclosure & CO2 Emissions 2019

September 2020









# **About the Utility Regulator**

The Utility Regulator is the independent non-ministerial government department responsible for regulating Northern Ireland's electricity, gas, water and sewerage industries, to promote the short and long-term interests of consumers.

We are not a policy-making department of government, but we make sure that the energy and water utility industries in Northern Ireland are regulated and developed within ministerial policy as set out in our statutory duties.

We are governed by a Board of Directors and are accountable to the Northern Ireland Assembly through financial and annual reporting obligations.

We are based at Queens House in the centre of Belfast. The Chief Executive leads a management team of directors representing each of the key functional areas in the organisation: Corporate Affairs, Markets and Networks. The staff team includes economists, engineers, accountants, utility specialists, legal advisors and administration professionals.



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# Our mission

To protect the short- and long-term interests of consumers of electricity, gas and water.

# Our vision

To ensure value and sustainability in energy and water.



### Our values

- Be a best practice regulator: transparent, consistent, proportionate, accountable and targeted.
- Be professional listening, explaining and acting with integrity.
- · Be a collaborative, co-operative and learning team.
- Be motivated and empowered to make a difference.









#### **Abstract**

The purpose of this paper is to set out the 2019 calendar year fuel-mix and CO<sub>2</sub> emissions figures for Northern Ireland suppliers operating in the SEM. The disclosures are based on 2019 calendar year data and must be published on bills no later than two months from the publication of this paper.

## **Audience**

Electricity Suppliers, Generators & Consumers

# **Consumer impact**

The Utility Regulator is required under legislation to ensure that all suppliers provide (on bills and promotional materials) reliable information regarding the contribution of each energy source to their overall fuel mix and related environmental impact information over the preceding year. The information in this report is used by suppliers to provide information on their websites and on customer bills regarding this fuel mix and environmental impact.

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# **Executive Summary**

Under Article 3(9) of the Electricity Directive (2009/72/EC), the Utility Regulator is required to ensure that all suppliers provide reliable information on bills and promotional materials sent to customers regarding the contribution of each energy source to the overall fuel mix of the supplier concerned and the associated environmental impacts in the preceding year.

This document sets out the 2019 fuel mixes and CO<sub>2</sub> emissions factors for suppliers licensed in Northern Ireland and operating in the Single Electricity Market (SEM). The figures are calculated in accordance with SEM-11-095 Fuel Mix Disclosure in the Single Electricity Market: Calculation Methodology Decision Paper. The disclosures are based on the 2019 calendar year data and must be published on bills no later than two months from publication of this paper. Suppliers must make a submission to SEMO; any supplier who chooses not to make a declaration will be allocated the residual mix.

#### **FMD** Decision Paper

#### **Related Documents:**

- The SEM All-Island Fuel Mix Disclosure for previous periods can be found here.
- <u>SEM-09-081</u> Interim Arrangements: Fuel Mix Disclosure in the SEM. Decision paper on the methodology and principals for the calculation of fuel mix disclosure in the SEM.
- <u>SEM-11-095</u> Fuel Mix Disclosure in the Single Electricity Market: Calculation
  Methodology Decision Paper

For further information on this paper, please contact Frankie Dodds (<a href="mailto:frankie.dodds@uregni.gov.uk">frankie.dodds@uregni.gov.uk</a>) at the Utility Regulator.

#### 1. INTRODUCTION

The purpose of this paper is to set out the 2019 fuel mix and CO<sub>2</sub> emissions figures for electricity suppliers operating in Northern Ireland. The fuel mix and CO<sub>2</sub> emissions disclosures are taken from data provided to the Regulatory Authorities by the Single Electricity Market Operator (<u>SEMO</u>). The disclosures must be published on bills from suppliers to electricity customers in Northern Ireland no later than two months from the publication of this paper.

The fuel mix and CO<sub>2</sub> emissions disclosures for 2019 allow consumers to understand the recent environmental impact of the electricity that they buy compared to the all-island average.

The publication of the fuel mix of suppliers and the provision of information regarding the environmental impact of electricity produced from that fuel mix is required by Article 3(9) of <a href="Directive 2009/72/EC">Directive 2009/72/EC</a>. It is the role of SEMO to administer and calculate the fuel mix figures from the information provided by suppliers. The supplier fuel mix and associated environmental impact information (emissions) is calculated by SEMO in accordance with the SEM Committee's methodology. This methodology can be found in the SEM Committee Decision Paper Fuel Mix Disclosure in the Single Electricity Market: Calculation Methodology Decision Paper (SEM-11-095).

At a high level, and in accordance with <u>SEM-11-095</u>, the fuel mix figure for a supplier consists of non-renewable generation attributes, GOs and renewable generation attributes assigned to a supplier that are not included in the GO scheme and the Residual Mix<sup>1</sup> or EU Residual Mix. GOs are electronic certificates issued for energy generated from renewable sources in EEA Member States and are issued to renewable generators. These are tradeable instruments at European level and do not need to follow the physical flow of energy.

Attention is drawn to the following when considering the fuel mixes and emission intensities set out in this document:

Firstly, the all-island and Northern Ireland fuel mixes - resulting from the application of trading in GOs - have the potential to vary significantly from the actual renewable generation produced. This depends on the quantity of GOs imported or exported to or from Northern Ireland and Ireland in respect of the 12 month period for which the calculated fuel mix applies. The sole function of the GO is to prove that a given share of quantity of energy was produced from a renewable source in the EEA. A single GO is issued per MWh of electricity generated and this one GO can only be used once for the purposes of the fuel

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<sup>&</sup>lt;sup>1</sup> The Residual Mix is the mix of all unclaimed electricity in the system. It is calculated as the sum of: Any generation attributes (including exported certificates) not assigned to, and submitted by, a supplier; Surplus GOs declared by suppliers; and Unused certificates which were expired in the relevant Disclosure Period.

- mix disclosure. Hence there is no double-counting of the same unit of European renewable electricity generation in the fuel mix disclosure.
- Secondly, in the event that there is a deficit of generation attributes to meet overall All-Island demand, the European Residual Mix will be used to meet the deficit. This also – but to a lesser extent - has the ability to lead to a fuel mix that differs from actual metered generation.

Therefore, for these reasons the fuel mix disclosure figures for a given disclosure period may not necessarily be representative of the actual all-island Production Fuel Mix for a given calendar year.

The fuel mix information should be presented on electricity bills in accordance with SEM-11-095. A template for this purpose is reproduced in the Appendix of this paper. In particular the Utility Regulator would like to remind suppliers of the following:

- Where fuel mix information is on the back of a bill, reference must be made to it on the front of the bill;
- While radioactive waste information is required by Directive 2009/72/EC, this figure is zero for all suppliers in 2019 and therefore need not be included with the 2019 fuel mix disclosure information on bills;
- To ensure consistency across suppliers, percentages should be rounded to one decimal place;
- CO2 information should be given in the unit grammes of CO2 per kWh (gCO2/kWh);
- Where separate products associated with a particular fuel mix are offered to certain customers, all the supplier's customers should receive information on request regarding the fuel mix associated with their electricity (not simply the supplier's average fuel mix) in accordance with <u>SEM-11-095</u>; and
- The 2019 fuel mix information must be on all bills within two months of the publication of this paper.

#### 2. AVERAGE ALL-ISLAND FUEL MIX

This section sets out the 2019 and year-on-year fuel mix for the all-island SEM, i.e. on average across the island. The SEM Committee decision paper <u>SEM-11-095</u> outlines the calculation methodology and assumptions that have been used to calculate the fuel mix and CO<sub>2</sub> emissions for 2019. Figure 1 below shows the average all-island 2019 fuel mix and also the 2018 fuel mix for comparison purposes.

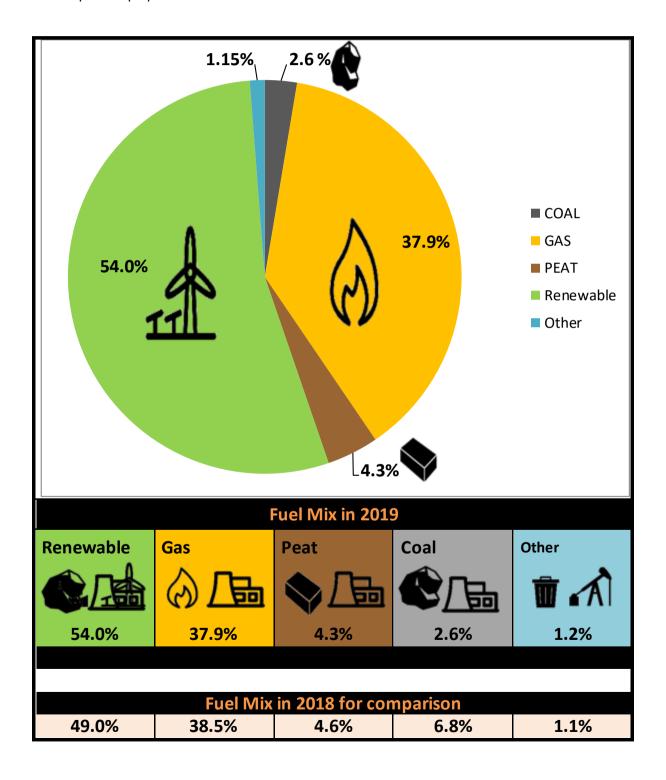
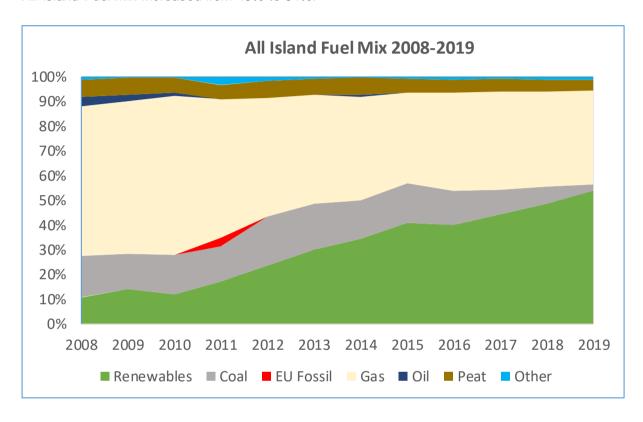


Figure 1: All-Island Fuel Mix 2019<sup>2</sup>

A longer-term trend is shown in the following graph, indicating that the overall use of fossil fuels as a fuel source for electricity suppliers in SEM has decreased on average from circa 89% in 2008 to 46% in 2019. Correspondingly, the overall share of renewable fuel sources has increased fivefold from circa 11% in 2008 to 54% in 2019. From 2018 to 2019, the share of renewables in the average All-Island Fuel Mix increased from 49% to 54%.



The increase in the renewable share to 54% in 2019 is on account of the increased importation of GOs related to renewable sources and the increase in indigenous production of renewable electricity. For the year 2018, the importation of GO certificates amounted to 9,524,924. This increased by 10% to 10,470,692 for 2019.

In accordance with SEM-11-095, the "Other" category consists of the aggregate of all fuels in a given year that individually represent less than 1% of the final overall generation. Oil (0.66%) contributes to the "other" figure, with Non-Biodegradable Waste (0.56%). EU Fossil is the residual portion of demand drawn from the EU Residual Mix which is from undetermined fossil fuels. It is now obsolete, being referred to only in 2011.

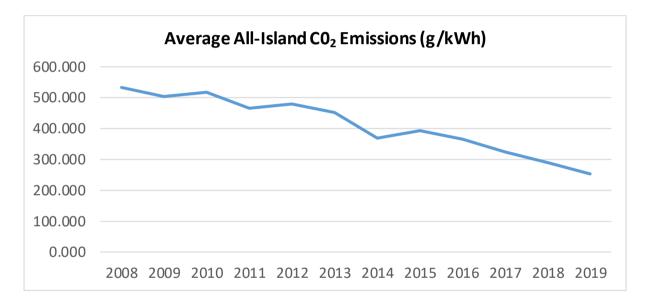
<sup>&</sup>lt;sup>2</sup> The data corresponding to the graph is in Appendix 2.

#### 3. AVERAGE ALL-ISLAND CO<sub>2</sub> EMISSIONS

Emissions data for each generator in the SEM is supplied annually to SEMO by the DAERA (Department of Agriculture, Environment and Rural Affairs) for Northern Ireland and the EPA (Environmental Protection Agency) for Ireland.

The emission figures are grouped according to fuel type and divided by metered generation to give specific emission factors for each fuel. These values can then be used to calculate the average all-island CO<sub>2</sub> Emissions Factor and each individual supplier's CO<sub>2</sub> Emissions Factor.

The average all-island CO<sub>2</sub> Emissions per kWh of electricity decreased by 13% between 2018 and 2019, from 291 g/kWh in 2018 to 254 g/kWh in 2019. This is in line with a longer-term downward trend in average CO<sub>2</sub> emissions, having fallen by 52% from 533 g/kWh in 2008, related to the increase in the share of renewable fuel sources, as shown in the graph below.



#### 4. SUPPLIERS' FUEL MIX AND CO2 EMISSIONS 2019

Following the presentation in section 2 and 3 of average fuel mix and CO<sub>2</sub> emissions across the island, this section sets out the fuel mix and CO<sub>2</sub> emissions for each electricity supplier.

The fuel mix calculation is carried out on an individual licence basis. Up to and including the 2019 year, where a supplier operates as a single company but holds separate licences (such as a supplier that operates in both jurisdictions) those licences that have excess generation attributes are distributed among the licences with excess demand; the generation attributes can be distributed to the excess demand within the single company prior to using the Residual Mix, if the company holds multiple licences.

Table 1 below show the individual fuel mixes and carbon dioxide emissions in grammes per kWh of electricity for each supplier. The average all-island fuel mix (as per section 2) is also provided for reference.

Table 1: Suppliers' Fuel Mix by Fuel Type in 2019

Supplier	Jurisdiction	Coal	Gas	Peat	Renewable	Oil	Other	Emissions (gCO <sub>2</sub> /kWh)
	All-Island	2.6%	37.9%	4.3%	54.0%	0%	1.2%	254
3T Power	NI	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0
Budget Energy	NI	4.4%	30.9%	7.1%	55.5%	1.1%	1.0%	276
Click Energy	NI	1.2%	8.5%	2.0%	87.7%	0.3%	0.3%	76
Electric Ireland	All-Island	2.4%	49.6%	3.9%	42.9%	0.6%	0.5%	300
ii olaria	NI	0.0%	90.8%	0.0%	9.2%	0.0%	0.0%	417
GO Power	NI	4.5%	31.7%	7.3%	54.4%	1.1%	1.0%	283
Naturgy	All-Island	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0
	NI	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0
Power NI	NI	0.4%	63.1%	0.7%	35.5%	0.1%	0.2%	302
SSE Airtricity	NI	0.0%	56.9%	0.0%	43.1%	0.0%	0.0%	261

#### APPENDIX 1 PRESENTATION OF INFORMATION ON BILLS

#### Default Presentation of Information<sup>3</sup>

#### Supplier Z Disclosure Label

Applicable Period: January 2019 to December 2019

Electricity supplied has been	% of total						
sourced from the following fuels:	Electricity Supplied by Supplier Z	Average for All Island Market (for comparison)					
Coal	X %	X %					
Natural Gas	X %	X %					
Nuclear	X %	X %					
Renewable	X %	X %					
Peat	X %	X %					
Oil	X %	X %					
EU Fossil	X %	X %					
Other	X %	X %					
Total	100 %	100 %					
Environmental Impact							
CO <sub>2</sub> Emissions	X g/kWh	X g/kWh					

Your specific fuel mix may differ from the fuel mix shown because SUPPLIER Z offers green source products. For information on your fuel mix and on the environmental impact of your electricity supply visit <a href="https://www.SUPPLIER Z.co.uk">www.SUPPLIER Z.co.uk</a> or, for further details call 00XXX X XXX XXXXX

 $<sup>^3</sup>$  Please refer to SEM-11-095 for further detail on presentation requirements. Note that the fuel categories used each year can vary.

#### APPENDIX 2 ALL-ISLAND FUEL MIX 2005-2019

#### Fuel Mix 2005-2019

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Coal	17.00%	14.24%	15.98%	14.44%	19.89%	18.42%	15.71%	16.02%	13.76%	9.83%	6.77%	2.63%
EU Fossil	0.00%	0.00%	0.00%	3.12%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Gas	61.00%	61.85%	64.06%	56.16%	47.74%	44.09%	41.66%	36.36%	39.66%	39.96%	38.51%	37.86%
Oil	4.00%	2.53%	1.59%	0.00%	0.00%	0.00%	1.06%	0.00%	0.00%	0.00%	0.00%	0.00%
Renewables	11.00%	14.23%	12.11%	17.21%	23.74%	30.24%	34.46%	41.06%	40.09%	44.47%	48.95%	54.04%
Peat	7.00%	6.70%	5.78%	5.88%	6.86%	6.49%	6.95%	5.90%	5.35%	4.86%	4.63%	4.25%
Other	1.00%	0.45%	0.48%	3.18%	1.77%	0.75%	0.17%	0.65%	1.14%	0.88%	1.15%	1.22%

#### Note:

- Figures for 2008, 2009 and 2010 relate to Northern Ireland and Ireland and are based on the Interim Arrangements Methodology (SEM-09-081).
- Figures for 2011 onwards relate to Northern Ireland and Ireland and are based on the SEM Committee Decision Paper Fuel Mix Disclosure in the Single Electricity Market: Calculation Methodology Decision Paper (SEM-11-095), referenced in the Related Documents section of this paper.
- The "Other" category consists of: Oil (for those years which it is below the 1% threshold); the Non-Biodegradable Fraction of Waste (NBDFW) and EU Fossil (only for 2011).