

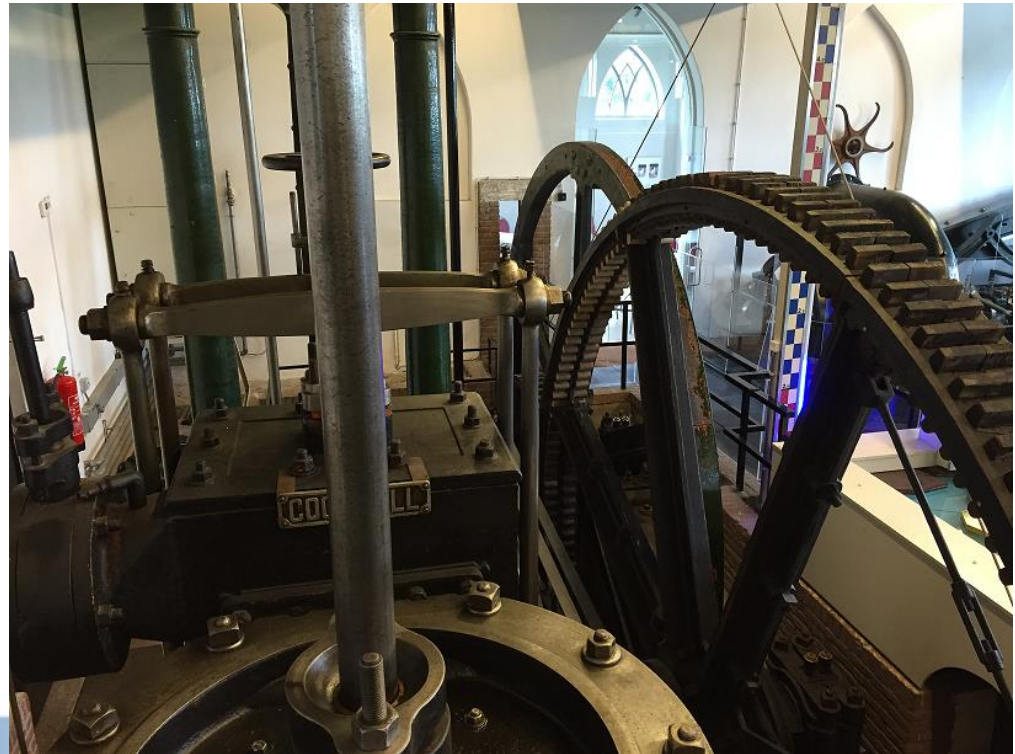


## Storage – Policy and Regulation

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# Outline

- Transition and the potential for storage
- Regulatory principles
- Role of TSOs/DSOs
- Fair contribution



# Transition and the potential for storage

- Value for market and network
- Grid cost reduction:
  - E.g. avoiding peak investments
- Increasing security of supply:
  - E.g. alternative source of energy
- Aiding network management:
  - E.g. aiding in frequency control, reactive power
- Achieving CO<sub>2</sub> targets:
  - E.g. essential for EV, usage of residual energy



# Regulatory principles

- **Level playing field**
  - Ensure a level playing field with other sources of flexibility (technology neutral)
- **Ensuring competition**
  - Ensure a fully competitive storage market can develop
- **Remove barriers**
  - Remove barriers and avoid placing regulation on top of regulation
- **Creating the right price signals**
  - Provide the right price signals for storage and ensure it is fairly charged

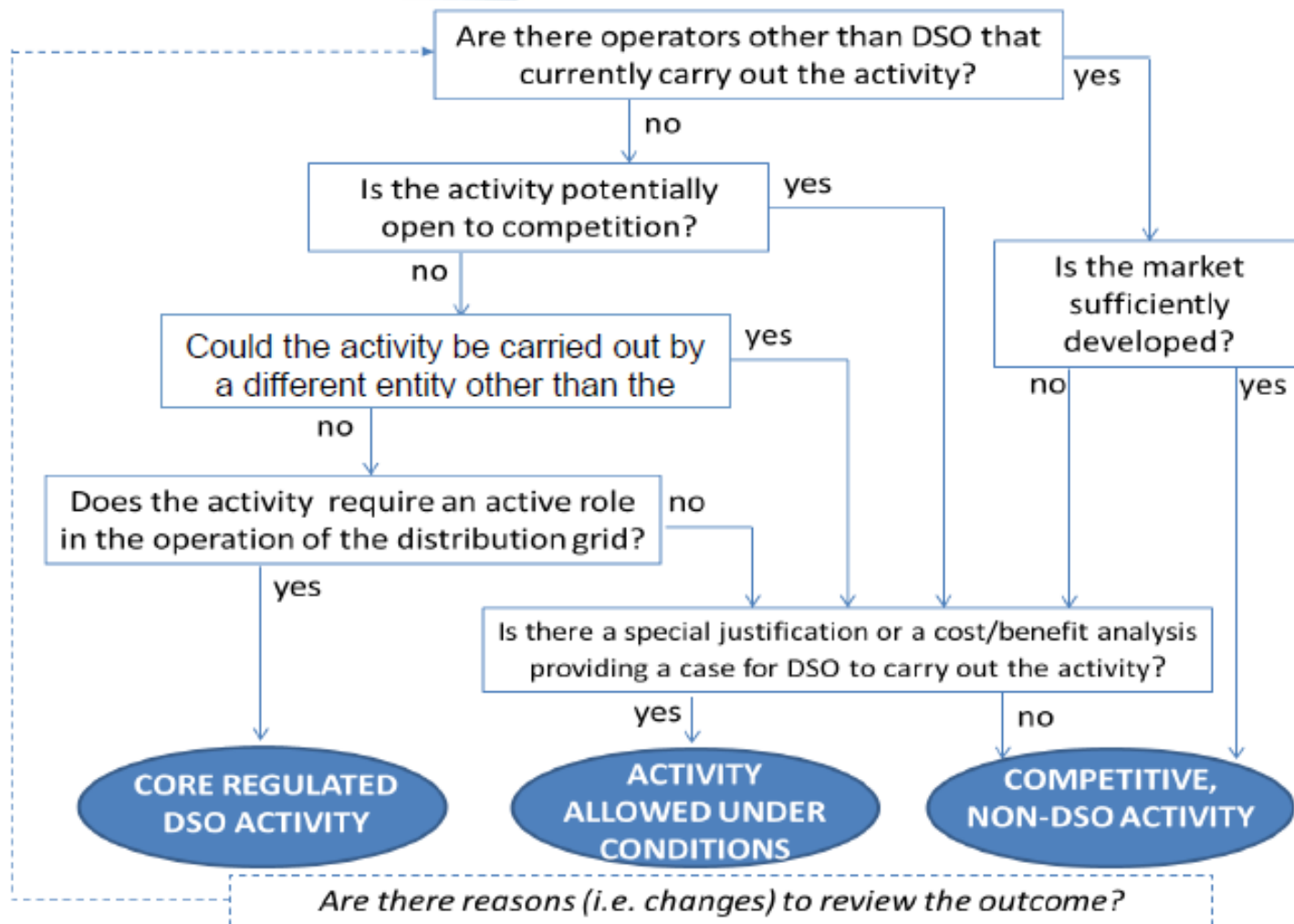


# Role of TSOs/DSOs

- **Relevant market for storage**
  - One of many sources of flexibility
- **Storage involves ‘generation’ and ‘supply’**
  - Defined in Electricity Directive, involvement of TSOs/DSOs must comply with unbundling requirements
- **TSOs/DSOs should not own or operate storage**
  - Activities by regulated monopolies likely to hamper competitive markets to develop



# Role of TSOs/DSOs



➤ CEER Conclusions Paper on Future Role of DSOs



## Role of TSOs/DSOs

- NRAs should provide correct incentives for TSOs/DSOs to procure flexibility (including storage)
  - Coordinated TSO/DSO access to flexible resources
  - Optimise consumers' benefit across the system
- TSOs/DSOs should signal their needs to the flexibility market



# Fair contribution

- Discussion on potential double network tariffs for storage
  - Potentially raises the cost of storage and impact the level playing field
  - Situation differs from country to country
- Goal should be a fair contribution
  - Provide the correct price signals for storage, and incentivise storage to operate in a way which benefits the system

