



# Storage in the new energy system

## Storage – regulatory framework

### Setting the scene

Strategic contribution of Energy Storage  
to Energy Security and Internal Energy Market  
High Level Roundtable

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# Introduction to EASE

## The European Association for Storage of Energy...

...is the European **voice** of the energy storage community.

...advocates the **role of energy storage** as an indispensable instrument for the energy system.

...supports a **sustainable, flexible** and **stable** energy system.

...**shares** and **disseminates** information.

### Strategic Objectives:

1

Promotion of the role and benefits of energy storage

2

Fair market design for energy storage

3

Promotion of funding for energy storage (mainly RD&D)



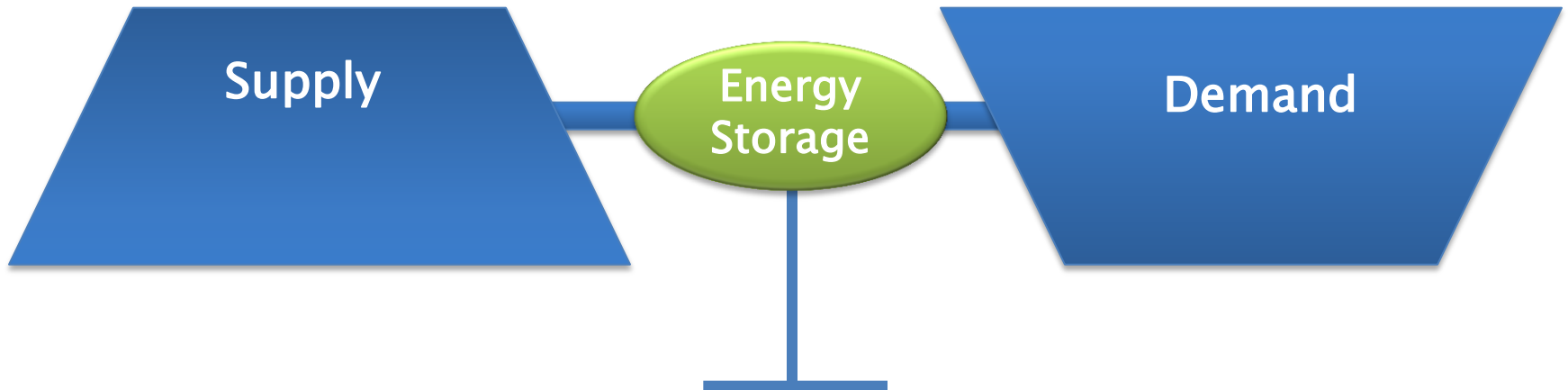
# Introduction to EASE

## Membership





# Energy Storage in the new energy system



- Energy Storage is a new, own system component
- No specific market design in Europe and the Member States to take into account all the added value Energy Storage can deliver



# Findings on market design issues...

## No specific market design in Europe and in the Member States

In more detail, what does it means? (1 / 2)

### System position of energy storage

- » lack of definition of energy storage
- » impact of unbundling
- » potential for heat storage is underestimated

### No level playing field

- » same market obligations applicable to all players and services

### Insufficient market access

- » network codes
- » openness, competition inter alia, access to bulk markets

### Remuneration not matching value creation

- » for flexibility and capacity
- » for additional storage services
- » for regulated markets (TSO/DSO)



# Findings on market design issues...

**No specific market design in Europe and in the Member States**

In more detail, what does it means? (2/2)

## Unacceptable implementation

- » fees & taxes

## Insufficient incentives besides R&D funds

## Lack of technical standards

- » interfaces

## Additional regulatory points

- » concessional rights
- » Water Framework Directive national implementation
- » missing acceptance for emission reduction potential: acceptance of Green H2 (P2G) for biofuel quotas



# EASE energy storage definition

## for the electricity vector

Energy Storage should be recognised as an own asset class in all energy related regulations due to its nature.

EASE proposes the following definition:

An “Energy Storage Facility” for the electricity vector is a facility used for the intake and stocking of electricity in different suitable energy forms. The release of this energy, at a controlled time, can be in forms that include electricity, gas, thermal energy and other energy carriers.



# Contact details

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# Members



GL Garrad Hassan is now DNV GL Renewables Advisory



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# Backup



# EASE recommendations on market design (1 / 3)

EASE believes that tackling the barriers for energy storage technologies in the existing system, which prevent energy storage from being competitive or from participating in the energy market, is necessary.

EASE promotes the development of a **business case** for energy storage. For that reason, EASE produced a series of **recommendations** to **enable the creation of a fair revenue stream**:

- EASE recommends a **legal framework for energy storage at EU level** to allow grasping all the added value energy storage can deliver, bearing in mind that the completion of the European single market for energy is crucial. A leeway for national approaches should be incorporated, as long as they do not create market distortion
- EASE believes that energy storage constitutes a **special and important asset of the complete energy value chain**. Therefore the current levy structures (grid fees, taxes or similar) may not hinder the integration of energy storage



## EASE recommendations on market design (2 / 3)

- Storage devices can render services to the regulated and non-regulated part of the energy system. In providing such services, **market based solutions should be preferred** whenever possible
- EASE believes that energy storage gives an added value on different levels in the energy system. Therefore the **operator of such devices may differ**. The market design could also allow specialised storage operators to emerge, as long as this does not trigger market distortion
- EASE recommends that potential **future capacity markets/payments** must be shaped in such a way that **without discrimination** every energy storage technology should be eligible to participate, if able to fulfil the requirements



## EASE recommendations on market design (3 / 3)

- EASE reminds that storage technologies must be considered comprising its **capabilities in sector export** (e.g. power to gas, hybrid electric vehicles, heat storage...). Given the important consequences for the markets involved, EASE reminds that an **integrated approach** is advisable
- EASE believes that adequate **financial support for Research, Development and Demonstration** must be made available on EU level to allow grasping the full benefit that energy storage technologies can bring to the energy system

EASE holds the firm opinion that it is too early to have a solid and clear view on which technology fits which application better.

We believe that efficiency and cost are important drivers which must always be kept in mind, as well as public acceptance and the environmental impact.