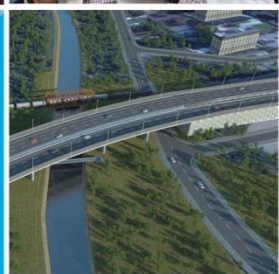
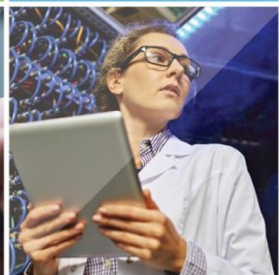
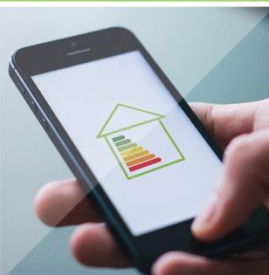




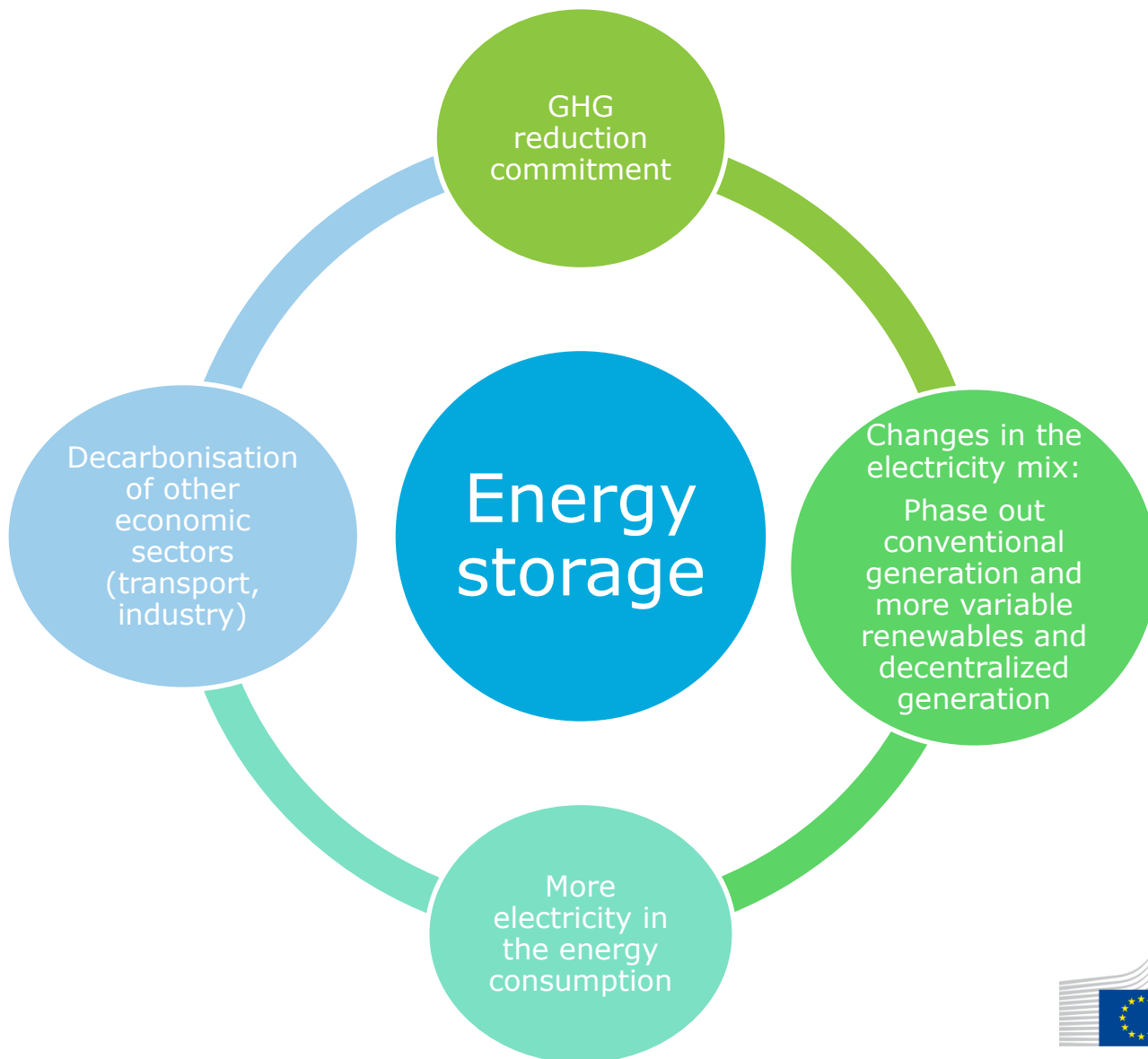
European
Commission



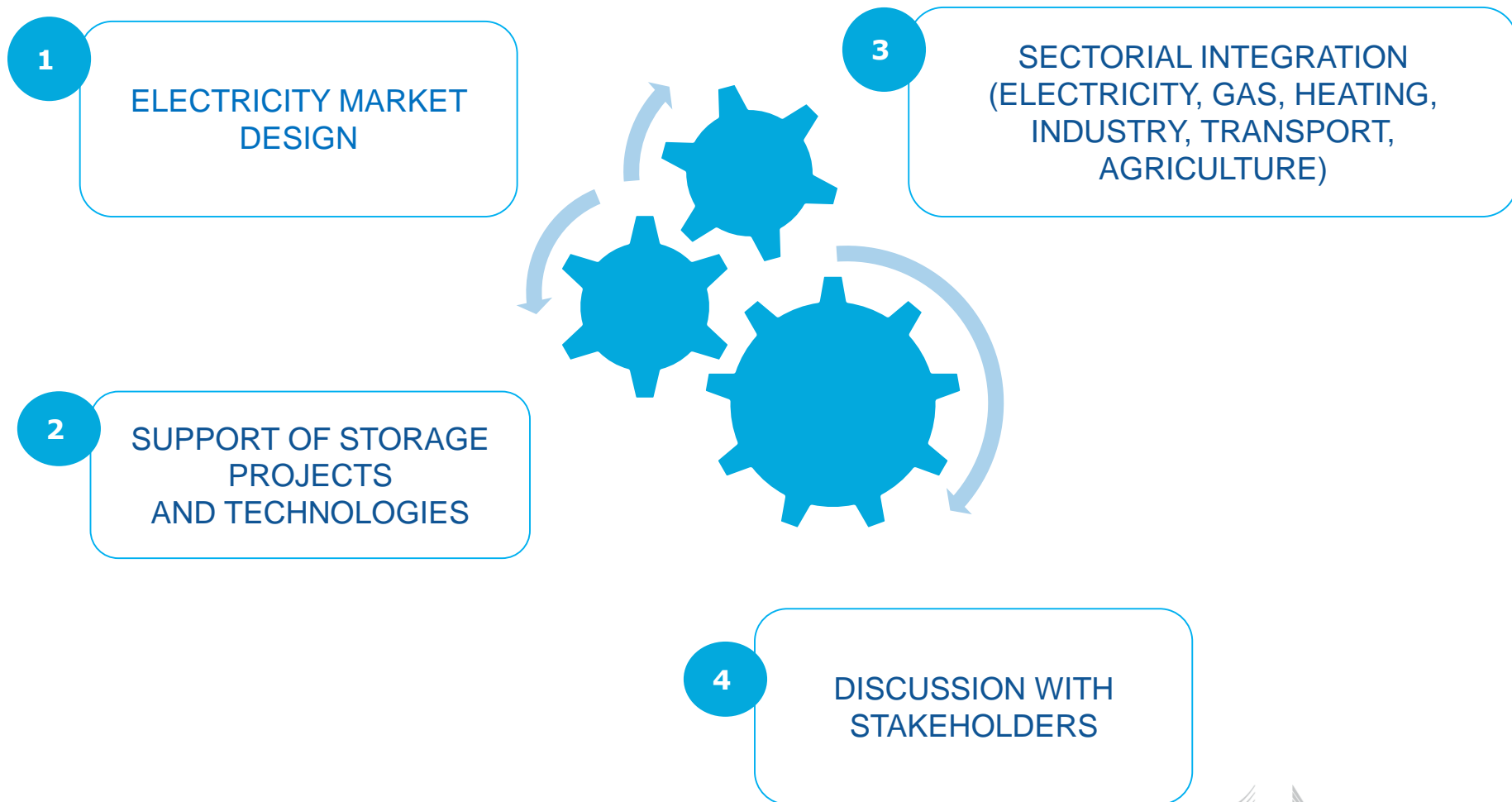
The role of storage

Yolanda Garcia Mezquita
European Commission, DG ENER
GEODE Autumn Seminar 2018
31 October 2018

Growing role of energy storage in the energy transition



State of play – what has been done so far?



Electricity Market Design

- ✓ Definition: “Energy storage” means, in the electricity system, deferring an amount of the electricity that was generated to the moment of use, either as final energy or converted into another energy carrier. [Proposal of Electricity Directive (recast), Article 2]
- ✓ The EMD proposes rules to facilitate flexibility and energy storage
- ✓ It ensures the neutrality of network operators vis-à-vis new business activities in storage:
 - When a network operator needs to use energy to manage its network, it is procured it from market participants. Only in case there are no market interests, a regulatory authority may grant a temporary derogation
- ✓ Regulatory authorities will have to ensure that charges for access to network do not discriminate storage
- ✓ Strengthening of short-term price signals to ensure that electricity prices provide correct and meaningful production and investment signals
- ✓ Storage will be facilitated by the stricter rules on RES electricity curtailment (in combination with increasing targets on RES production)
- ✓ Risk preparedness: all measures, including storage, which help to avoid possible crisis or to contain a crisis are equally relevant

Sectorial integration (electricity, gas, heating, industry, transport, agriculture)

- ✓ Physical and market integration of the electricity, gas, heating and other economic sectors (industry, transport, agriculture)
- ✓ Sectorial integration is a tool contributing to the decarbonisation of, and for providing the necessary flexibility to, the energy system (e.g. conversion of the excess of decarbonized electricity towards other forms of energy for temporary storage or for direct use)
- ✓ Several studies on going with the aim to identify:
 - Existing regulatory barriers and potential gaps to the integration, in particular, of electricity, gas and heating sectors
 - Recommendations to overcome these barriers/fill the gaps

Discussion with Stakeholders: Florence Forum and Electricity Coordination Group

- ✓ Florence Forum – 31st May 2018: Conclusions on energy storage:
“The Forum acknowledges the role that energy storage plays in the energy transition as an instrument of security and flexibility. It calls on stakeholders to fully recognize the role of energy storage, promote innovation and facilitate the deployment of storage, including through long-term investment signals. The Forum stresses the need to continue the discussion and follow up in the upcoming meetings. To that end, the Commission will identify and prepare in advance a set of issues for discussion in the next Forum.”

- ✓ Questions for stakeholders: ENER-ELEC-COORD-GROUP@ec.europa.eu
 - Why does the energy system need energy storage?
 - What are the barriers (regulatory, fiscal, economic, technical) in the deployment of energy storage?
 - Is the regulatory framework sufficient to ensure that markets can deploy storage capacity?
 - Should the EU do further efforts? What type of actions/policy options should be considered?

What next?

- ✓ Workshop with stakeholders on energy storage back to back the Electricity Coordination Group meeting - beginning 2019

- ✓ Possible topics to discuss:
 - ❑ The results of the public consultation on energy storage
 - ❑ The conclusions of “The EU Strategy for long- term greenhouse gas emissions reduction”:
 - Communication and Staff Working Document by end of 2018



Thank you for your attention!

<https://ec.europa.eu/energy/en/topics/technology-and-innovation/energy-storage>