

Energy Storage The European Perspective

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What will we talk about today?

1. Who we are
2. State of play in the EU
3. EU Policy Update
4. What's next?

1. Who We Are

EASE Members



European Association
for Storage of Energy



2. The European Market

European Market Overview – EMMES 7.0

Demand for storage is bigger than ever

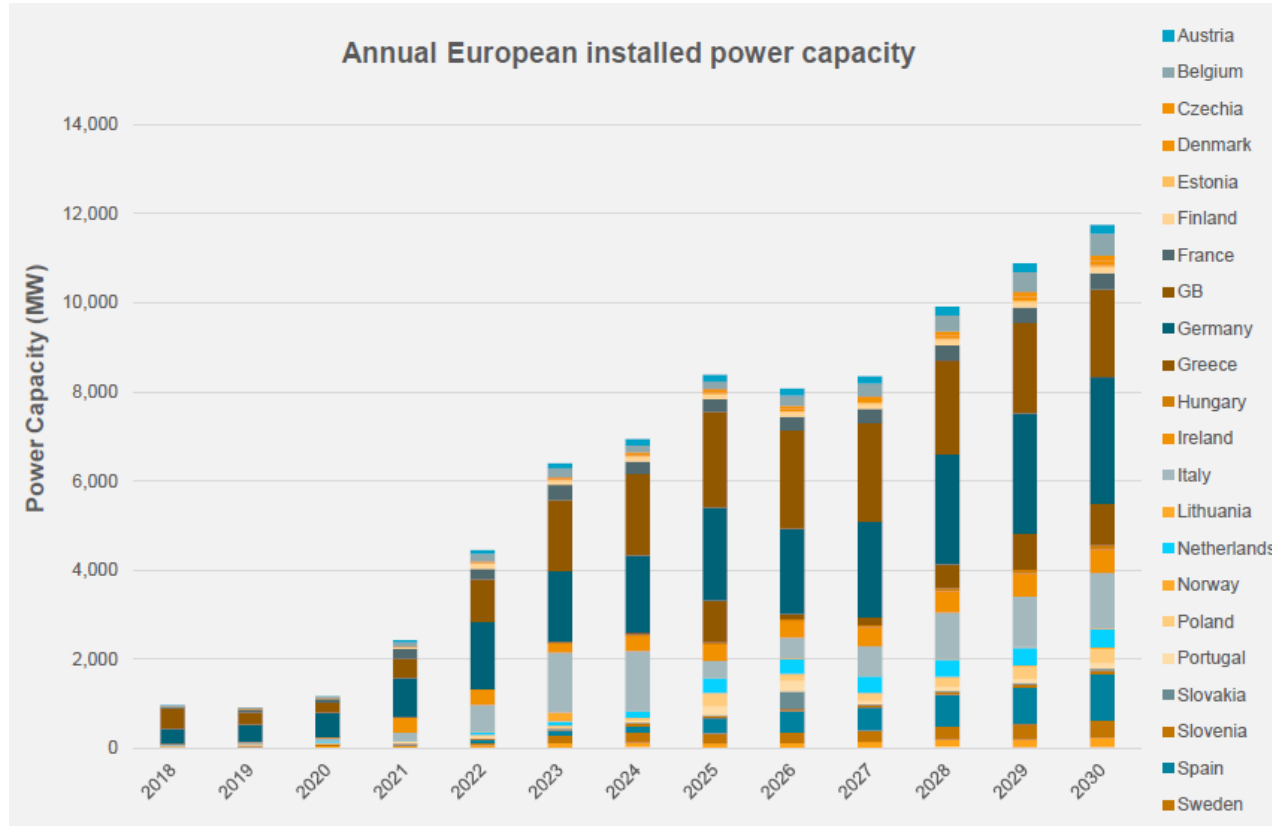
- About 4.5GW of new installations in 2022
- An even more positive outlook of >6GW for 2023.

Accelerating factors for demand

- 2022 Energy crisis
- National governments support
- Growing Front of the Meter project development pipelines
- Overall positive future policy direction on a EU level.

Electricity Market Design reform proposal

- Boosting investments in renewables and flexibility
- Reducing energy price volatility
- Protecting customers from price spikes



3. EU Policy Update

Electricity Market Design Update

- The European Commission presented its draft for a revision of the electricity market design on the 14th March.
- Many new provisions for energy storage
- Main points of contention:
 - Flexibility assessments, objectives and schemes.
 - Capacity mechanisms
- Parliament has reached an initial agreement
- Council is still under negotiations



3. EU Policy Update

Status of the Council's EMD Negotiations



European Association
for Storage of Energy

Topics wrapped up in Council

Flexibility Support Schemes	Will remain non-fossil
Flexibility Assessments	Generally unchanged from the Commission proposal
CfDs	Will likely allow their use for existing nuclear assets being repowered
PPAs	Generally unchanged from the Commission proposal

Topics still up for debate

Capacity Mechanisms	Poland is pushing for a derogation from the 550 g/kWh of CO2 in order to use CMs for aging coal power plants
Inframarginal Revenue Cap	The Council resurrected the IRC. It is likely a push by the Spanish Presidency at the last minute as a negotiating tactic.

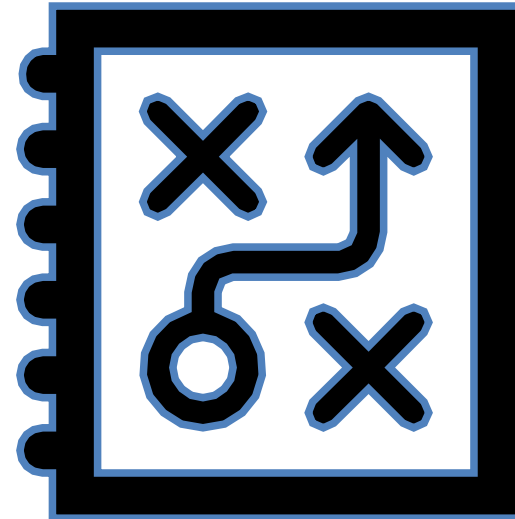
Complementary document: [European Commission Recommendations on energy storage!](#)

3. EU Policy Update

Net-Zero Industry Act – Overview

March 2023: The European Commission publishes response to the IRA – the **Net-Zero Industrial Act**

- Batteries/Storage listed as one of the nine Strategic Net-Zero Technologies
- Faster and streamlined permitting procedures for manufacturing facilities
- Dedicated procedures for Strategic Net-Zero Projects
- Support for innovation (regulatory sandboxes, SMEs)
- Access to skilled workers
- Access to markets for net-zero technologies through preferential treatment in public tenders



3. EU Policy Update

Renewable Energy Directive III

- **Trilogue Results:**
- **Renewable Acceleration Areas:** Co-located storage, both power and thermal, will benefit from simplification and shortening of the administrative permit-granting.
- **Designated Infrastructure Areas:** Enhanced permitting for grids and energy storage needed to integrate renewables.
- **Support schemes:** Member States must take co-located energy storage into consideration
- **Heating and Cooling:** Member States are recommended to support the used of thermal energy storage to decarbonize H&C networks
- **Skills:** Up/reskilling programs should explicitly focus on energy storage installation



4. EASE activities and EU Policy Update

Fit-for-55: Energy Efficiency Directive

- Parliament voted July 11th to pass trilogue agreement on the Energy Efficiency Directive:
 - Reduction in energy consumption of at least 11.7% at EU level by 2030
 - Member states need to save on average 1.5% per year
 - One Stop Shops: Will now include energy storage, due to engagement from EASE



4. EASE activities and EU Policy Update

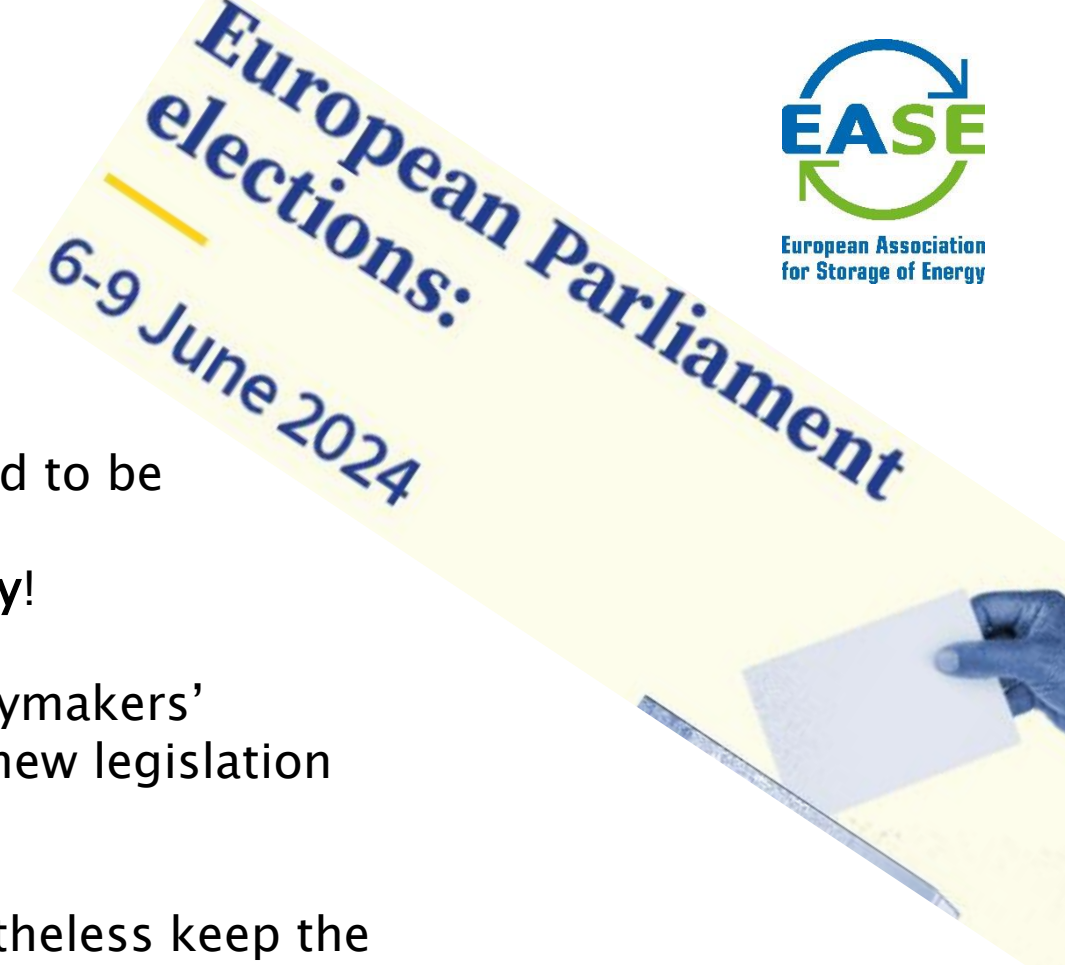
Fit-for-55: Energy Performance of Buildings Directive

- Trilogues have started since the end of summer
- Parliament position *significantly watered down* in order to get a deal
- Member States are also weary of significant changes to national legislation, particularly on Minimum Energy Performance Standards (MEPS)
- EASE has joined other stakeholders and co-signed a joint letter calling for a raise in ambitions
 - Highlighting the need for smart and flexible buildings.



4. What's next?

Less new legislation, more implementation?



- By March 2024, all files discussed today are expected to be wrapped up.
 - Notable exceptions – the **energy storage strategy!**
- Rumors in Brussels indicate that there may be “policymakers’ fatigue”, i.e. that EU institutions will slow down the new legislation and vice versa focus on implementation
- NECPs, CEP implementation, new State aid will nonetheless keep the EU institutions busy
- Similarly, National governments, regulators, and regulated entities will have significant work to do
- And of course, there are EP elections in 2024...

Talk to us.

We're ready to answer your questions.

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BRUSSELS, 10 — 12 OCTOBER 2023

Get ready and save the date! The EASE Secretariat is excited to announce plans for the next Energy Storage Global Conference 10-12 October 2023.