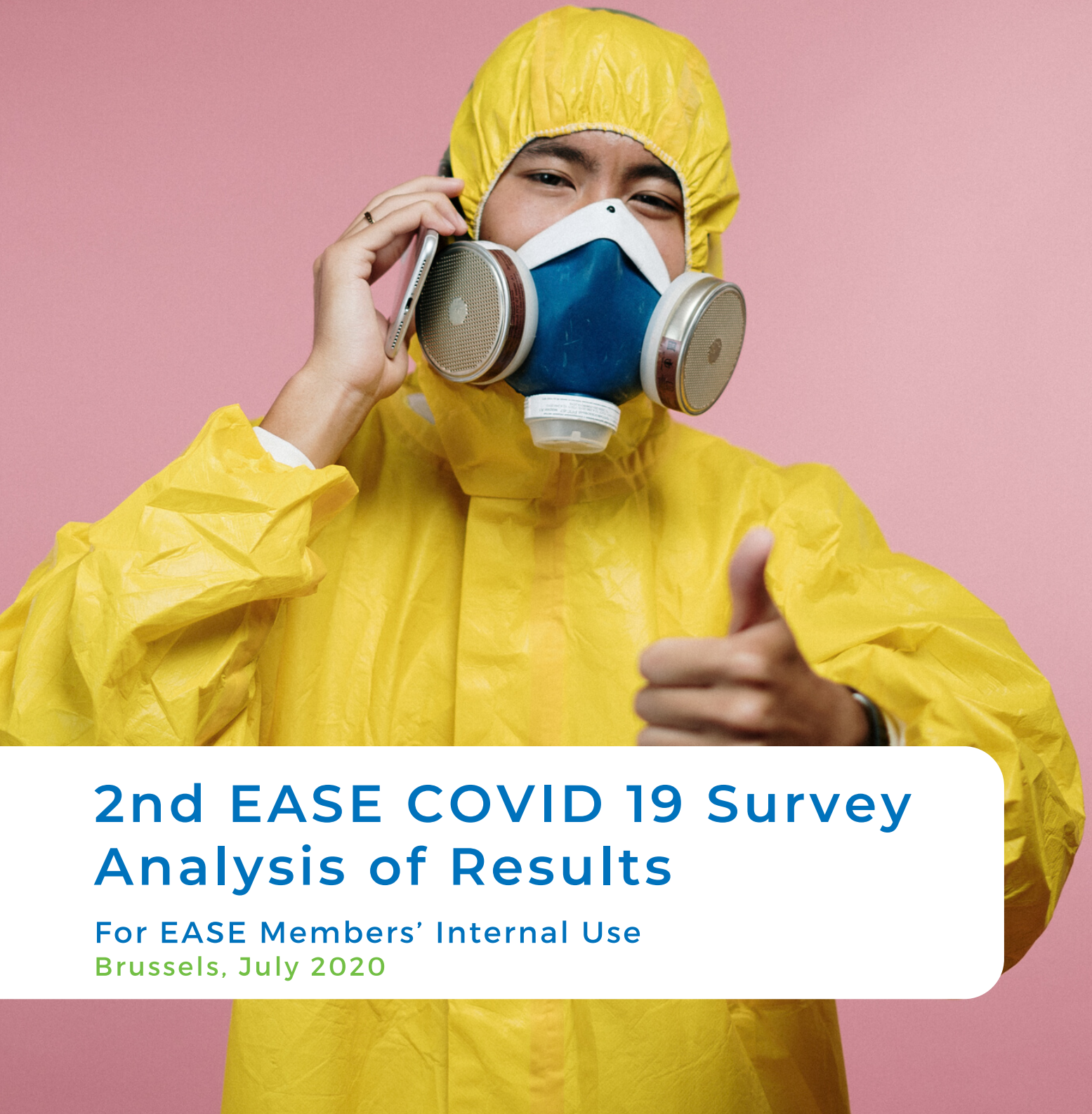




European Association  
for Storage of Energy



# 2nd EASE COVID 19 Survey Analysis of Results

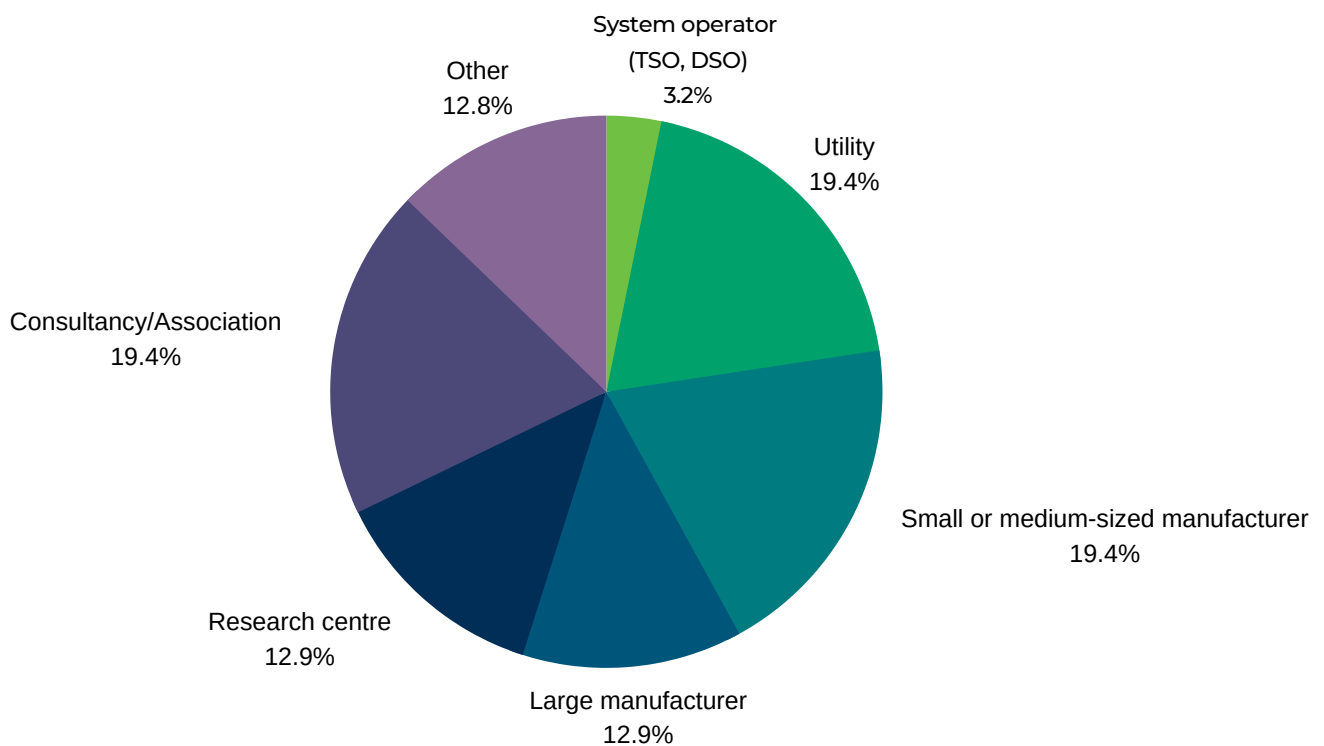
For EASE Members' Internal Use  
Brussels, July 2020

# Background

On 8 June 2020, EASE launched a second survey to assess the ongoing impact of the COVID-19 pandemic on the energy storage sector. This survey followed a first survey that collected responses from 8-21 April 2020. The second survey received 31 responses between 8-22 June 2020, comparable to the 33 responses received for the first survey.

The survey respondents stem from various parts of the energy storage sector:

What category best describes your organisation?



# Revenues and Workforce Impacts

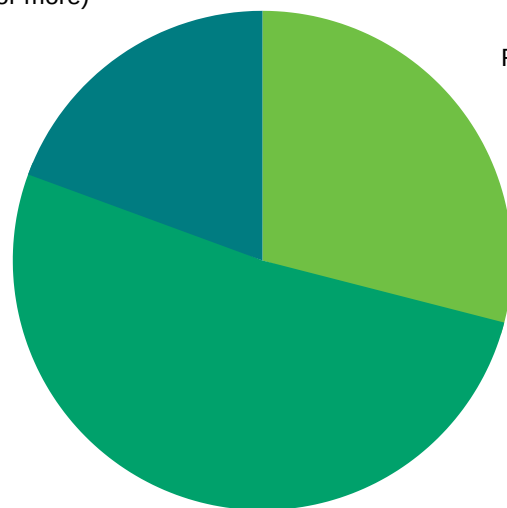
The first several questions focused on the potential impact of COVID-19 on storage revenues and impacts by business area.

## Impact on revenues

Respondents were not optimistic about the impact of storage on revenues: only 29% of respondents expected Q2 2020 revenues to meet the expectations. 71% expected Q2 revenues to be lower as a result of the COVID-19 pandemic, and 19% of these expected a significant drop in revenues (30% or more). Compared to the April 2020 survey, more respondents in the June survey estimated significantly lower revenues for Q2 2020 (19% compared to 15% in April).

Compared to the forecasts, how do you expect your company's Q2 (April 1 – June 30) revenues to change due to COVID-19 and related economic impacts?

Significantly lower revenues (30% drop or more)  
19.4%



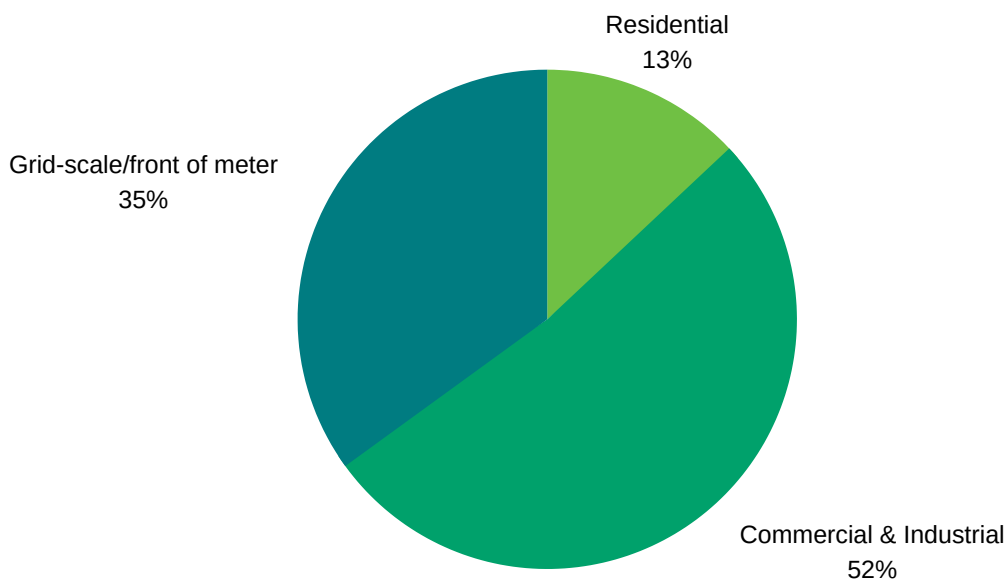
Revenues meet expectations  
29%

Lower revenues  
51.6%

## Impact on storage segments

The survey then asked which storage segment is expected to be most impacted. 52% indicated the commercial & industrial segment, while only 13% selected the residential segment.

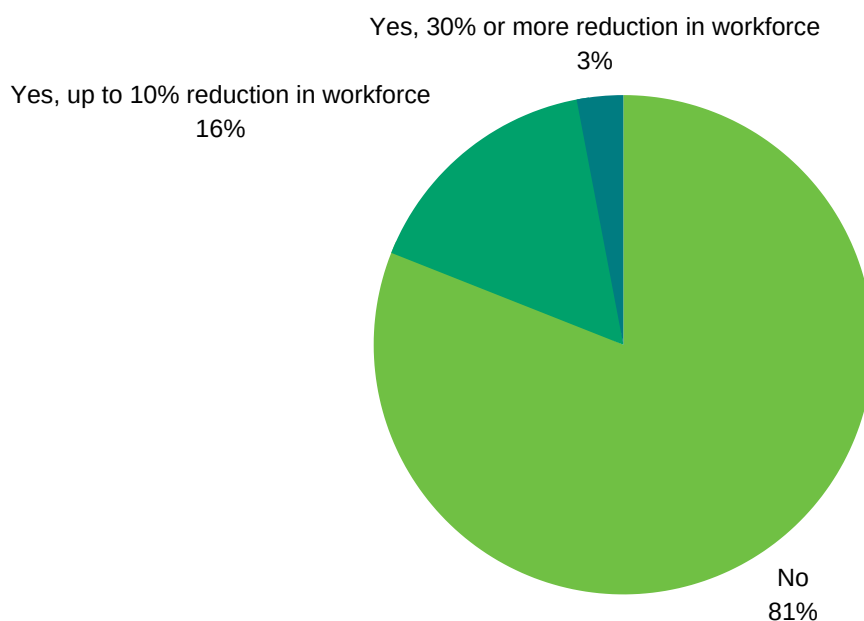
Which storage segment do you expect to be most impacted by the economic slowdown in Europe?



## Impact on workforce

Turning to the socioeconomic impacts, 81% of respondents indicated that their organisation has not seen COVID-19 related layoffs. Only 16% saw an up to 10% reduction in workforce, while only one respondent (3% of the total) indicated a 30% or more reduction in workforce. This is an improvement over April, when 75% of respondents indicated no reduction in the workforce.

Has your organisation's workforce been affected by COVID-19 related layoffs?



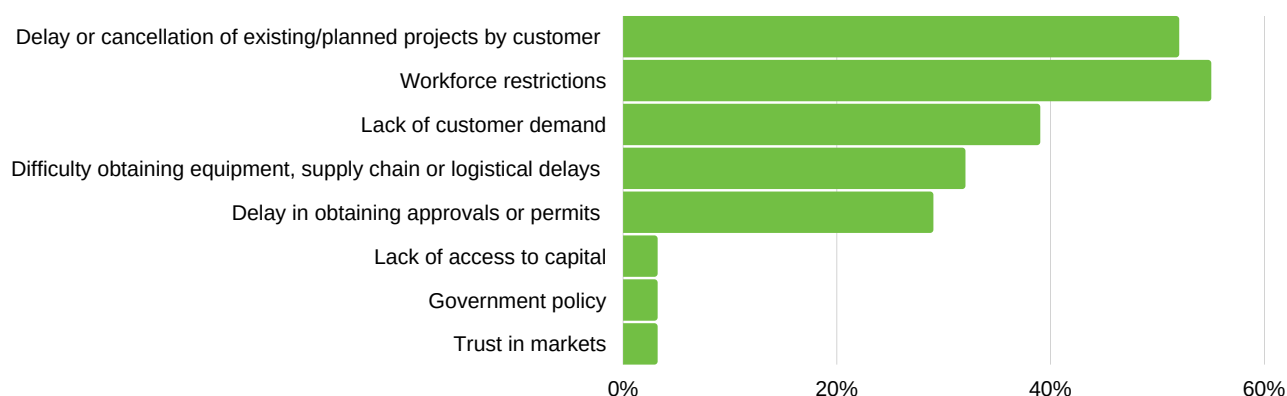
# Impacts for Organisations

The survey also mapped the deeper effects on organisations by looking at the short-term and long-term impacts on revenues as well as the impacts to business areas inside of the organisation.

## Short-term impacts

The main short-term impacts identified by respondents on Q2 and Q3 2020 revenues were workforce restrictions (e.g. social distancing measures, lockdown, etc – 55% of respondents) and delay or cancellation of existing/planned projects by customer (52%). Lack of customer demand was cited by 39% of respondents, followed by difficulty obtaining equipment, supply chain or logistical delays (32%) and delay in obtaining approvals or permits (29%). Lack of access to capital, government policy, and trust in markets were not identified as key factors affecting revenues in the short term.

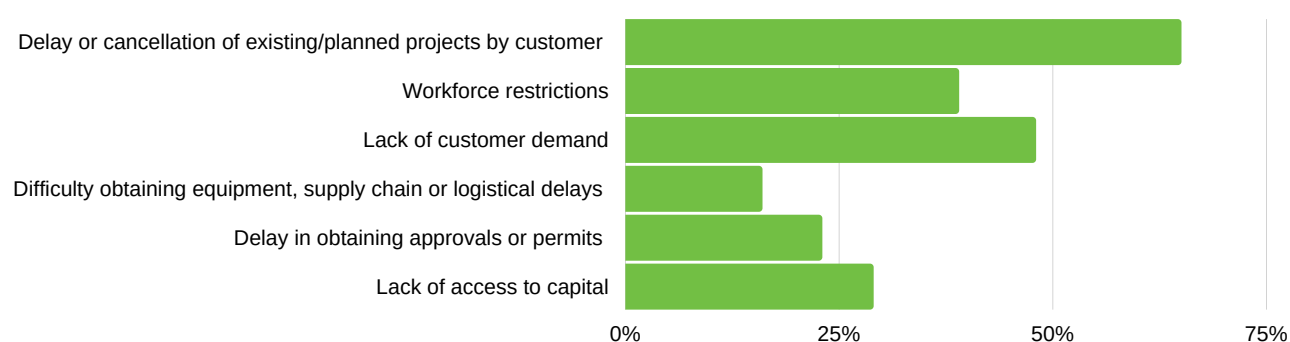
Short-term impacts of COVID-19 pandemic: Which of the following factors have impacted or are expected to impact your organisation's Q2 and Q3 2020 revenues?



## Long-term impacts

In the longer term (affecting revenues end-2020 and in 2021), delay or cancellation of existing/planned projects by customer is considered the main impact for revenues: 65% of respondents identified this as an important factor. This was followed by lack of customer demand (48%) and workforce restrictions (39%).

Longer-term impacts of COVID-19 pandemic: Which of the following factors are expected to have the biggest impact on your organisation's revenues for end-2020 and into 2021?

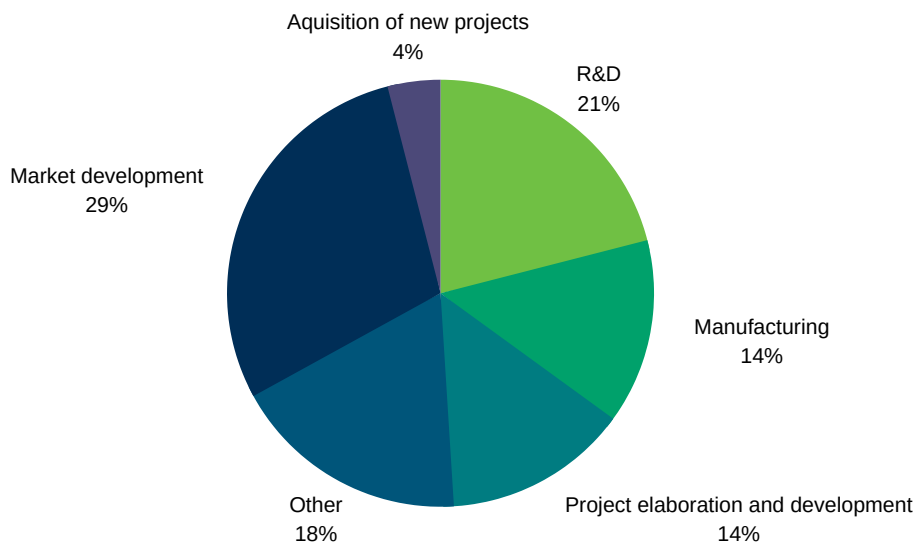


## Impacts on business areas

There was no clear consensus on which business area was most affected, pointing to the fact that COVID-19 has had wide-reaching implications across all business areas. 29% of respondents indicated market development, 21% R&D, 14% manufacturing, and 14% project elaboration and development.

In the April 2020 survey, market development was clearly selected as the most affected business area (44%) followed by project elaboration and development (20%). Between April and June 2020, the impacts on the R&D area of storage organisations seem to have become more pronounced, from 6% in April to 21% in June.

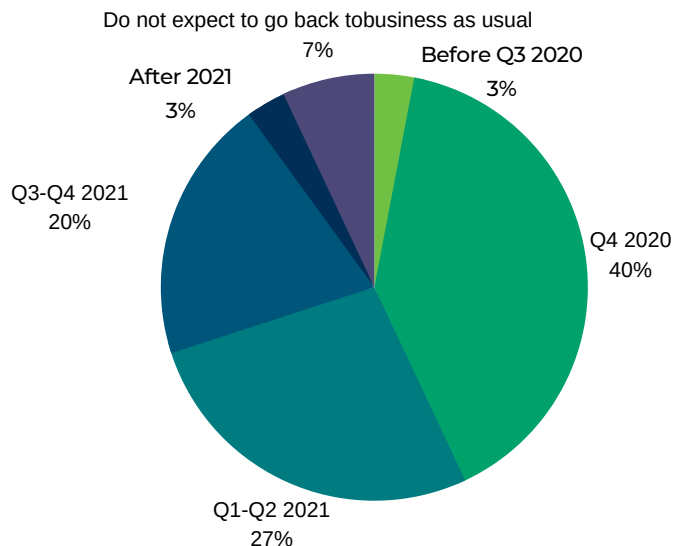
Which business area in your organisation has been most affected by the COVID-19 epidemic until now?



## Return to normal

We also asked participants to tell us when they expect to return to "business as usual". 40% of respondents expected a relatively rapid return to normal – by Q4 2020, but 47% expected to return to business as usual only in 2021. Meanwhile, 7% expect no return to business as usual, citing budget constraints among customers, changing production and demand patterns, and fear around a second wave of COVID-19.

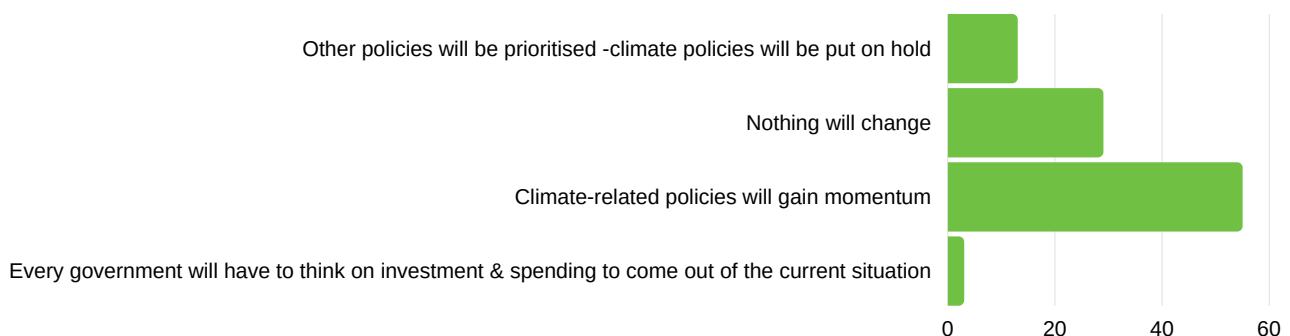
When do you expect your organisation to return to "business as usual"?



# Policy Implications and Requests from the Storage Sector

In June 2020, respondents were far more optimistic about EU and national government support for climate related policies: 55% expect climate-related policies to gain momentum (compared to only 31% in April). Only 13% see other policies being prioritised while climate policies are put on hold. This is not unexpected given the clear messaging from the European Commission and a majority of EU Member States regarding the importance of a green recovery.

Do you expect the European Union and the national governments' support for climate-related policies to change? If so, how?



Respondents listed several concrete policy actions that in their view could support the energy storage sector during the COVID-19 recovery and beyond (responses are grouped together and edited for clarity):

- More subsidies, e.g. for residential storage and manufacturing
- Continued funding for R&D, pilot and demonstration projects -> one respondent noted the need for policymakers to make up the shortfall in investment due to the lower revenues of utilities
- Backing up European Green Deal with investments, making available public, low-interest capital with ease of terms
- Addressing regulatory barriers, Clean Energy Package transposition
- Strengthening climate policy in the EU, for instance: stricter emissions reductions requirements, renovation wave

Overall, the most commonly listed responses were related to R&D investments and policy/regulation to incentivise storage. This fits with the responses above indicating that organisation's R&D activities were significantly impacted, and that lower customer demand is expected to affect revenues.

# Other Ideas

Finally, respondents were invited to share any other insights or observations not covered by the questions above. Some interesting responses include:

- “Earmark investment, policies, opportunity for all types of known energy storage systems to give use the best system relevant for specific region. Not all regions need/flourish with only one type of storage.”
- “The call for more resilience in all our systems, including energy, plays to storage’s advantage. It upgrades storage’s importance in the energy system, as storage is central to deliver resilience.”
- “Demand for energy storage could increase due to decentralisation.”

# Next Steps

This short survey, though not representative of the storage sector due to the relatively low sample size of 31 respondents, gives at least a broad idea of how the sector is impacted by the COVID-19 pandemic.

The anonymised survey results will be shared in a summary article on the EASE website, as well as in individual discussions with EU policymakers.

From the survey results and discussions with individual EASE members, it is clear that COVID-19 has had implications for all organisations and across all business areas in the energy storage field. EASE, as part of its core mission, is already working to address the main issues identified by respondents:

- Supporting market development for energy storage
- Advocating for increased funding for energy storage R&D and pilot projects
- Drawing attention to the need for clear and ambitious climate policy with energy storage at the centre, ensuring rapid implementation of the Clean Energy Package

EASE will work with members in the coming months to agree on specific policy asks for the European Green Deal and Recovery Plan, which will be shared with EU policymakers in order to ensure increased support for energy storage throughout the coming years.





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