



A comprehensive European Approach to Energy Storage

Members of the European Parliament Propose an Ambitious European Strategy for Energy Storage

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Following the rapid deployments of energy storage solutions around Europe, energy storage is gaining momentum across various initiatives from the European Parliament and European Commission. On 9 September 2020, over 200 participants attended an EASE webinar presenting the European Parliament's ITRE Committee Own-Initiative Report on energy storage.

The webinar gave valuable insights into the work behind the report from the perspective of the Members of the European Parliament (MEPs) who led the drafting of the report: Claudia Gamon (rapporteur, Renew Europe), Maria Spyraiki (shadow-rapporteur, EPP), Ville Niinistö (shadow-rapporteur, Greens/EFA), and Niels Fuglsang (shadow-rapporteur, S&D). This was complemented by the European Commission, which presented its vision and policies for energy storage.

Ms Eva Chamizo Llatas, EASE President and Director of European Affairs for Iberdrola, opened the webinar by welcoming the European Parliament's active support on energy storage. The report provides a comprehensive analysis of the solutions that EASE, as the voice of the energy storage industry, considers essential for the integration of renewables and for transitioning to an energy system in which people will have both clean energy and security of supply.

EASE is happy to see that the report has taken a technology neutral approach to ensure a level playing field for all energy storage solutions. This will allow market forces to foster innovation and to drive the choice of technology.

Facts about the Report

Name of the File

The European Parliament's Industry, Research and Energy (ITRE) Committee Own-Initiative Report called "A comprehensive European Approach to Energy Storage".

What is an Own-Initiative Report?

Report drawn up by European Parliament on its own initiative, within the parliamentary committee responsible. Although it is not one of the formal decision-making procedures of the EU, an own-initiative report is an important step that allows the European Parliament to request that the European Commission put forward a legislative proposal on a given issue.

Reception in the European Parliament

The report was adopted in the ITRE Committee on 29 June 2020 and adopted with an overwhelming majority in the plenary on 10 July 2020 – with 556 votes in favour, 22 against and 110 abstentions.

Acknowledging energy storage as the key enabler for energy transition

In the keynote speech, Member of European Parliament (MEP) and the rapporteur to the report Claudia Gamon (Renew Europe) presented the report and explained that the work behind it is based on meeting two challenges: decarbonisation - a goal of the European Union - and the significant rise in electricity demand in the next years. She pointed out that since this demand will be met with renewables, energy storage must be a priority on the political agenda to secure energy supply.

In general, the scope of the report was to focus on green technologies because energy storage has the potential to facilitate the energy transition towards a renewables-based system. In addition, there is huge potential in several energy storage technologies. Regulatory barriers such as double taxation of electricity must be removed in order to enable market access for energy storage technologies, the rapporteur highlighted. The technological advancements must be closely followed by legislation and it is important to adopt a green perspective when introducing regulation and look at how different energy storage technologies support the energy transition. She added that in addition, the report is also focusing on what energy storage can do at the citizen and community level, which is a crucial topic that should not be left unaddressed.

Energy storage should be a key topic of energy policy

The presentation of the report was followed by a panel discussion with the rapporteur and shadow-rapporteurs to the report to exchange views on the next steps to implement the findings of the report. The key messages to take from the report:

- **There must be a comprehensive approach to energy storage at EU level.**

The report calls on the European Commission to develop a comprehensive strategy on energy storage covering all technologies. MEP Claudia Gamon pointed out that energy storage has not been considered as much as it should have been in the discussions on renewables and energy transition and since storage covers many different areas and topics, it is important to bring the policy makers from different areas together. MEP Ville Niinistö added that energy storage should not be thought about in isolation – it is a part of the whole energy system integration, one of the flexibility options and an option for security of supply. He emphasised that we need to have a future-oriented and holistic view of the energy system at European Union level, because without the same rules, systems, and possibilities in all Member States, this transition will not happen. He pointed out that in the upcoming legislative files, such as the Renovation Wave, the Battery Regulation, Alternative Fuels Infrastructure Directive, and TEN-E Regulation, energy storage should be included not just a separate entity but in a holistic manner in these files. MEP Maria Spyrali added that in addition to more harmonisation at European Union level, we need strong action from the Member States' side to facilitate the energy market to work.

MEP Gamon concluded that the main message on this topic to the Commission is that the Parliament is ready to work on a good regulatory framework that covers energy storage from start to finish, finding practical solutions to support today's technologies, to exploit their full potential, and to pave the way for the technologies of the future.

- **Double taxation and unwarranted network charges should be abolished.**

The report highlights the issue of double taxation and network charges for energy storage in many Member States and calls on the European Commission to differentiate between end use and storage or conversion in taxation matters. It also underlines the need to develop an efficient taxation system prohibiting double taxation related to energy storage projects in the upcoming proposal for a revised Energy Taxation Directive. MEP Claudia Gamon explained that this was a topic that was mentioned by many stakeholders around the European Union, showing that it is a question to be addressed on a wider sphere. MEP Maria Spyraiki noted that these barriers concerning double taxation create a hurdle especially for small-scale producers to operate in the grid.

- **TEN-E Regulation revision should be one of the next focuses.**

The report calls as a matter of urgency for the revision of the TEN-E Regulation and for a thorough reform of the process of drawing up the Ten-Year Network Development Plan. MEP Niels Fuglsang noted that there is a need a new TEN-E Regulation that lives up to the Paris Agreement and makes sure that we invest in energy storage and energy storage infrastructure. He stated that we need a new regulation to send the funding into energy storage projects which to support deployment of sustainable and renewable energy.

MEP Maria Spyraiki welcomed the Hydrogen Strategy that the European Commission presented on the 8th July 2020, adding that for a smooth and gradual transition into green hydrogen, sustainable investments have to be unlocked. This could be done through the TEN-E Regulation revision, particularly by amending the projects of common interest (PCI) list.

In addition, MEP Niels Fuglsang emphasised that in these discussions the topic of energy poverty is also important. He explained that although it is a question of inequality in the European Union which needs a larger economic policy but could also be solved by energy legislation, such as supporting energy renovations for citizens who have fewer resources. He noted that it could be the goal for the new TEN-E Regulation - to support renovation projects because energy storage is the key element in fighting energy poverty.

- **The role of consumers should be recognised and supported.**

The report calls on Member States to support citizens' participation in the energy system and to remove obstacles that prevent consumers from being involved in storing energy or participating in the market. MEP Ville Niinistö pointed out that this is one of the most important recommendations of the report. He explained that we are moving from a centralised energy system with a clear division between producers and consumers to a decentralised, multi-directional energy system, where storage can allow for a more efficient integration of distributed generation. Introducing real-time electricity pricing, plurality of services, and vehicle-to-grid integration can maximise the effectiveness of the grid, he added.

- **Stepping up storage also means investments in infrastructure.**

The report emphasises the potential of storage as an alternative to traditional grid expansion but also underlines the importance of coordinated infrastructure planning. MEP Maria Spyraiki noted that concerning stepping up storage we should not forget that we have to upgrade and invest in infrastructure because this is the way to secure the affordability of the energy for the end-user.

MEP Ville Niinistö added that storage is not just about storing energy in the current system to be used some later time, it is about the change in the whole structure of the system, as storage is a part of what makes the change possible. He noted that although there is some opposition to build more power lines, that could be addressed by better planning processes to ensure citizen involvement and buy-in.

MEP Niels Fuglsang stated that concerning hydrogen, one of the most important recommendations to take from the report is to develop a system of mutual recognition of Guarantees of Origin for hydrogen, to make sure we know where does the hydrogen come from – to make visible that some hydrogen is renewable and thus greener.

- **Research and innovation.**

The report highlights that there is a lack of market deployment of research projects under Horizon 2020 and the lack of systematic follow-up on completed projects and dissemination of research results. MEP Maria Spyraiki highlighted that in order to meet the 2030 and 2050 decarbonisation goals, we need to increase the funding for clean energy technologies such as storage in Horizon Europe.

We need to do more to make energy storage an integral part of the energy system

The discussions were summed up with remarks on the European Commission's vision and policies on the role of energy storage in the energy transition delivered by Tudor Constantinescu, Principal Adviser to the Director General for Energy.

Mr Constantinescu welcomed the European Parliament's report and noted that this shows how things have evolved – not only in terms of technologies but also in terms of policy coherence, policy understanding, and policy steering at the European level. As many of the policy points for energy storage are in the Clean Energy Package, the regulatory package has paved the way for storage to be more visible and included to the energy policy discussions.

However, more must be done to ensure that energy storage can reach its full potential as an essential driver of the energy system. For that, policymakers need to look at the “whole package” - from infrastructure to consumer topics with the main priority being the need for more and more renewable sources. The Commission, guided by the technology neutrality approach still sees that some technologies can be more depending on the market and this should be addressed to make sure that all technologies could play their potential role in an optimal way. For that there are still barriers to overcome and to create a level playing field (e.g. creating new Network Codes).

Mr Constantinescu highlighted the important role of the Recovery Plan and the European Green Deal in removing barriers and serving as the backbone of the EU's growth strategy. These will support the green recovery and achievement of the decarbonisation goals by investing already in the coming years. In this exercise we have to gather and involve all stakeholders that are affected or would play a part, especially the consumers that would benefit from the transition, he concluded.

The way forward

EASE is grateful to all presenters and participants of the webinar and is looking forward to supporting the European Parliament and the European Commission in the implementation of all the next steps.

About EASE:

The European Association for Storage of Energy (EASE) is the leading member - supported association representing organisations active across the entire energy storage value chain. EASE supports the deployment of energy storage to further the cost-effective transition to a resilient, carbon-neutral, and secure energy system. Together, EASE members have significant expertise across all major storage technologies and applications. This allows us to generate new ideas and policy recommendations that are essential to build a regulatory framework that is supportive of storage.

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