



**EASE Position on the proposed
Network Code on Load-Frequency Control and Reserves
from 28th June 2013
Brussels, December 2013**

EASE, promoting the use of energy storage in Europe and worldwide

EASE, the European Association for Storage of Energy, represents the voice of the energy storage community, actively engaged in promoting the use of energy storage in Europe and worldwide. EASE is convinced that energy storage will provide essential services along the whole energy value chain and so will support the transition towards a secure, competitive and decarbonised energy system in Europe.

Energy storage will play an important role in new market designs, especially with regards to flexibility markets. Specific storage regulation and market mechanisms for flexibility will help to create energy storage markets and will contribute to the development of a competitive energy storage industry in Europe.

Context

The proposed Network Code on Load-Frequency Control and Reserves (LFCR) submitted by ENTSO-E¹ to the European Commission, following the positive opinion from ACER, mentions in its article 45.6 that: “a Frequency Containment Reserve² providing Unit [...] shall be able to fully activate its FCR Capacity continuously for a time period of not less than 30 minutes”.

In the majority of EU member states, the upholding of FCR full activation is currently required for a period of time not exceeding 15 minutes.

¹ Final LFCR Network Code from 28.06.13 available at: <https://www.entsoe.eu/major-projects/network-code-development/load-frequency-control-reserves/>

² Frequency Containment Reserves or FCR

Comments / Recommendations

EASE considers that increasing the time of full FCR activation is a major change with important financial impacts. Those impacts have not been assessed by publicly available technical and economic studies.

Currently, through storage demonstrators or indirectly through Smartgrids demonstrators, the technical performances (efficiency, life duration, etc.) of a number of storage technologies (lithium-ion battery, flywheel, variable speed for PHS³, etc.) are under assessment to demonstrate their ability to fully activate their FCR Capacity for a period not exceeding 15 minutes, according to the requirement set in the former UCTE's handbook.

If this time period is doubled, as expressed in the Network Code proposed by ENTSO-E, then the technical and economic results of these demonstrators will be unusable or obsolete. This could then delay the development of a competitive energy storage industry in Europe for these specific applications, which are considered very promising for storage and for the entire energy system flexibility. It will also have a strong impact on the business case of the demonstrators which are mainly financed by national or European funds. It will exclude some technologies (for instance, some PHS plants) or dramatically increase the cost of storage solutions for providing FCR (double the size of battery or flywheel). But, more generally, this new duration will increase the cost of FCR procurement and the cost of electricity in the European Union.

EASE wants to recall the objective of ACER's [Framework Guidelines on Electricity Balancing](#) to have a non-discriminatory reserve procurement that "is set to foster liquid balancing markets and avoid undue entry of new entrants". New regulations should take the technical and economic potential of energy storage into account and not prevent its development.

Similarly, the reason behind this proposition remains unclear to EASE. In the present LFCR draft, the secondary reserve still needs to kick-in after 15 minutes. We would therefore have both primary and secondary reserves covering the timespan between 15 and 30 minutes.

Obligations for the secondary reserve are indicated in the [Network Code for Requirements for Grid Connection applicable to all Generators](#) as follows:

³ Pumped Hydro Storage

Article 10

GENERAL REQUIREMENTS FOR TYPE C POWER GENERATING MODULES

2. Type C Power Generating Modules shall fulfil the following requirements referring to Frequency stability:

c) In addition to Article 10(2) (b) the following shall apply accumulatively, when operating in Frequency Sensitive Mode (FSM):

6) The Power Generating Module shall be capable of providing full Active Power Frequency Response for a period...between 15 min and 30 min,...

During the 4th ENTSO-E workshop on this code (on May 7th 2013), ENTSO-E has been asked by the stakeholders to conduct a study on the additional risk that a full activation of primary reserve for 15 minutes instead of 30 minutes could represent. This has to our understanding never been done.

EASE recommends that technical rules and potential market designs regarding ancillary services (including FCR) should be shaped in such way that, **without discrimination**, every energy storage technology meeting the actual requirements must be eligible to participate. In the frame of better regulation, it should also be guaranteed that the rules which are in place do not change unless these are proven to be insufficient to guarantee grid stability.

As a consequence, the time period for FCR full activation should be maintained at 15 minutes, except if ENTSO-E is able to demonstrate by a cost-benefit analysis (taking into account the costs of research and demonstration already engaged) and by demonstrating the technical needs, that the extension to 30 minutes would be fundamental for the system reliability.

The European Association for Storage of Energy (EASE) is the voice of the energy storage community, actively promoting the use of energy storage in Europe and worldwide. It actively supports the deployment of energy storage as an indispensable instrument within the framework of the European energy and climate policy to deliver services to, and improve the flexibility of, the European energy system. EASE seeks to build a European platform for sharing and disseminating energy storage-related information and supports the transition towards a sustainable, flexible and stable energy system in Europe.

For more information please visit www.ease-storage.eu.

Contact person:

Patrick Clerens | Secretary General | EASE | info@ease-storage.eu

Disclaimer:

This position paper was elaborated by EASE and reflects a consolidated view of its Members. It does not necessarily represent the exact views of any specific member company.