



Open Letter on Energy Storage in the National Recovery and Resilience Plans

To: Commission President Ursula von der Leyen, Executive Vice-President Frans Timmermans, Executive Vice-President Valdis Dombrovskis, Vice-President Maroš Šefčovič, and Commissioner Paolo Gentiloni

CC: Ms Céline Gauer

Dear Commission President,
Dear Executive Vice-Presidents,
Dear Vice-President,
Dear Commissioner,

We would like to express our gratitude and extend our congratulations on the launch of the Recovery and Resilience Facility, which sends a clear signal that the EU's COVID-19 recovery must be green and digital.

By prioritising climate-related spending, the Recovery and Resilience Facility (RRF) can play a decisive role in accelerating the deployment of clean energy technologies. This in turn should empower Member States to reach the 2030 and 2050 decarbonisation targets, support the competitiveness of EU industry, and ensure a just and inclusive energy transition.

One of the technologies/applications that should benefit from RRF investment support is energy storage, given its role as a key enabler of the transition to a net-zero energy system. Energy storage solutions can increase the share of variable renewable energy sources (RES) in the energy mix by reducing or eliminating curtailment. In addition, energy storage can optimise the use of the transmission and distribution grid, mitigate congestions, and provide system and ancillary services. When located behind-the-meter, energy storage can enable active demand participation, unlocking flexibility and optimising the energy demand of residential and commercial industrial consumers. Energy storage also plays a pivotal role in smart sector integration, linking the electricity sector with the heating and cooling, mobility, and gas sectors to support direct and indirect electrification.

Given its importance for achieving the EU Green Deal priorities, **investments in energy storage should be prioritised by the RRF**. According to a study prepared for the European Commission, at least 97 GW of energy storage capacity needs to be deployed by 2030 to meet flexibility needs. By 2050, over 600 GW of storage capacity is required to support deep decarbonisation¹. These figures are likely underestimates, since they do not account for the new 2030 RES and decarbonisation targets, nor does the modelling fully account for intra-hour flexibility needs.

However, it is clear that at the current pace of energy storage deployment, the EU is unlikely to reach the needed levels of storage capacity. This risks slowing down the entire energy transition.

The European Commission-tendered study estimates that between now and 2050, €100 and €300 billion will be needed to finance new energy storage systems in the EU. The RRF has the potential to play a decisive role in accelerating energy storage deployments by contributing some of this much-needed funding. Having reviewed the 23 national Recovery and Resilience Plans (RRPs) submitted to date, we are concerned that they do not live up to the potential of the RRF in terms of supporting the clean energy transition.

We ask the Commission to consider the following points in its review of the RRFs:

1. **Many of the national plans do not comply with the climate target of 37% of each Member States' RRF spending** set out in Regulation (EU) 2021/241. If RRFs are not meeting this minimum spending threshold, they are not aligned with the EU Green Deal priorities. We therefore encourage the European Commission to strictly assess Member States' RRF with the climate target in mind, and to carefully review Member States' proposed climate-related projects to ensure that they are truly dedicated to the transition to a net-zero economy.
2. In most of the RRFs, **too little attention and funding is dedicated to the energy storage sector**. In our review of the RRFs, we have noted the following:
 - a. Many Member States do not mention energy storage solutions in their RRFs. Across the energy system – whether decarbonising the electricity supply, heavy industry, the built environment, or transport – energy storage plays a vital role. Not investing adequately in energy storage can lead to significant issues regarding security of supply and efficient system operation.
 - b. In RRFs that include energy storage projects, Member States tend to single out a small number of energy storage solutions for funding, rather than taking a technology neutral approach. We believe a technology neutral approach for funding

¹ European Commission (2020): *Study on energy storage – Contribution to the security of the electricity supply in Europe*, <https://op.europa.eu/en/publication-detail/-/publication/a6eba083-932e-11ea-aac4-01aa75ed71a1/language-en>

would be more appropriate. The aim is to allow all storage technologies (within a similar technology readiness level range) that can solve a particular system need or serve a given set of applications to compete for funding based on a set of transparent principles. This would enable new and innovative energy storage solutions to be deployed in the EU, broadening the mix of solutions that will be available on the market to support the energy transition.

- c. Some RRP include targets for energy storage deployments, explicitly earmark funding for energy storage projects, and/or dedicate funding to the introduction of new policies and support schemes for clean energy technologies. These are valuable approaches that can have a meaningful impact for energy storage and the clean energy sector, and we recommend that such approaches be taken up by more EU Member States.
 - d. For islands and outermost regions that are currently dependent on fossil fuel generation, the energy transition poses particular challenges. RRP should fund energy storage projects particularly in these areas to support renewables integration and reduce curtailment.
3. **Many of the RRP lack detailed timelines and implementation proposals** for the different tenders and funding schemes. This makes it difficult for the industry to anticipate the next steps and to prepare shovel-ready projects within an appropriate timeframe. Once the European Commission and Council have approved the draft RRP, they could request that Member States prepare a detailed timeline and implementation scheme for the various funding categories to help clarify the next steps.
 4. During the RRP drafting process, **many Member States did not devote enough time and attention to stakeholder engagement**. When RRP are revised (for instance to request additional funds in future), we call on Member States to ensure proper stakeholder consultation processes to enhance ownership and participation among citizens and industry (in particular SMEs) in the RRP.

We hope that you will carefully review the RRP with the above points in mind. An open and transparent process that clearly upholds the requirements set forth in Regulation (EU) 2021/241 is essential to ensure that the RRF is a resounding success.

We strongly believe that investments in energy storage are essential to meet the EU Green Deal goals and to support rapid decarbonisation in all EU countries. This is a unique opportunity to significantly increase the amount of funding and investment in clean energy solutions such as storage. We count on you to increase the level of ambition and motivate all EU Member States to make the most of this opportunity.

Yours sincerely,

Luis Marquina, President of AEPIBAL (Spain)

Jan Fousek, CEO of AKU-BAT CZ (Czechia)

Nikola Gazdov, Chairman of the Board of APSTE (Bulgaria)

Yann Dumont, President of ASEALEN (Spain)

Yves Schlumberger, Vice-President of Energy Storage Club, ATEE (France)

Urban Windelen, Managing Director of BVES (Germany)

Patrick Clerens, Secretary General of EASE (EU)

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