

## The Energy Storage Coalition welcomes the European Parliament's first step towards improved Electricity Market Design, but calls for further actions.

Brussels, 19 July 2023 - The Energy Storage Coalition welcomes the report on the Electricity Market Design adopted today by the European Parliament, as it sends a strong political signal on the importance of flexibility.

The report rightfully stresses the fact that *"the most necessary deployment of variable renewable energy generation will reach its full potential only with the deployment of additional storage"*, and highlighted the importance of energy storage to enhance energy security. In this context, the European Parliament aligned its actions with the recommendations put forth by the Energy Storage Coalition.

### In particular, with regards to flexibility needs assessment, the Coalition welcomes:

- The extension assessment to a period of 10 years, as many renewable and energy storage projects take over 5 years before operation;
- An EU-wide assessment to run in parallel to national assessments to provide harmonisation;
- The consideration of a scenario with a high gas price to ensure the EU has the non-fossil flexibility needs required during a crisis;
- The inclusion in flexibility needs reports of renewable curtailment levels, grid congestions, and all ancillary services.

### However, the report is also a missed opportunity to tackle some hurdles to the deployment of energy storage:

- **Double charges on energy storage remain to be addressed.**

Double charging occurs when energy storage is considered both as a consumer & producer of energy, and is therefore exposed to both the generation charges and the consumption charges. Since it does not apply to fossil generators, double charging puts energy storage at a competitive disadvantage compared to fossil fuels for providing flexibility and security of supply.

- **The EU-wide carbon cap of the Capacity Market is still set at 550g of CO<sub>2</sub>/kWh, which is not sufficient to exclude the most polluting assets.**

Capacity Remuneration Mechanisms across Europe heavily skew towards fossil gas which have won over 80% of capacity bids in Italy, Ireland, and Belgium and nearly 95% in Germany. The invasion of Ukraine has proven that this approach is not viable. Relying on fossil fuel imports is actually detrimental to the EU's security of supply and puts the EU in significant misalignment with its climate targets. That is why the Coalition calls for the EU-wide carbon cap to be progressively lowered to reach net-zero by 2040 at the latest.

The revision of the Electricity Market Design is on the right track and the Energy Storage Coalition calls on the EU legislators to address these remaining issues not to be a step short on our way to overcome the EU's energy and environmental challenges.

Support for energy storage is essential to increase the fast-paced deployment of renewable energy solutions and move away from fossil fuels. It is estimated that to achieve the EU's Fit for 55 and REPowerEU objectives, energy storage capacity must double by 2030 to achieve the forecasted demand of 200 GW by 2030.

The Coalition remains open to questions and collaboration to contribute in the successful decarbonisation of both the energy system and industry and security of energy supply in Europe.



The **Energy Storage Coalition** is an organisation constituted of four key clean energy actors: [SolarPower Europe](#), [The European Association for the Storage of Energy](#), [WindEurope](#), and [Breakthrough Energy](#).

Our aim is to promote the benefits of energy storage and advocate for a more favourable legal, financial and political framework for its deployment.

Discover more at: [www.energystoragecoalition.eu](http://www.energystoragecoalition.eu)

Head of Policy: Mr Aurélien BALLAGNY - [a.ballagny@energystoragecoalition.eu](mailto:a.ballagny@energystoragecoalition.eu)  
Head of Communications: Ms Doriana Forleo – [d.forleo@energystoragecoalition.eu](mailto:d.forleo@energystoragecoalition.eu)