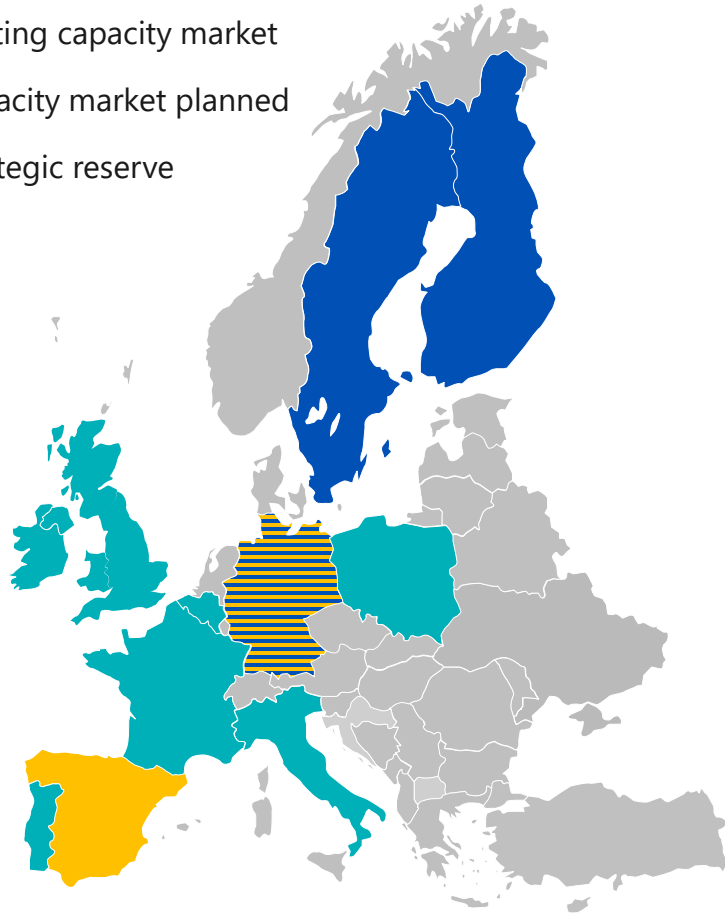


Energy Storage secures system reliability across Europe

More than 5 GW of BESS contracted via existing capacity market mechanisms

- Existing capacity market
- Capacity market planned
- Strategic reserve

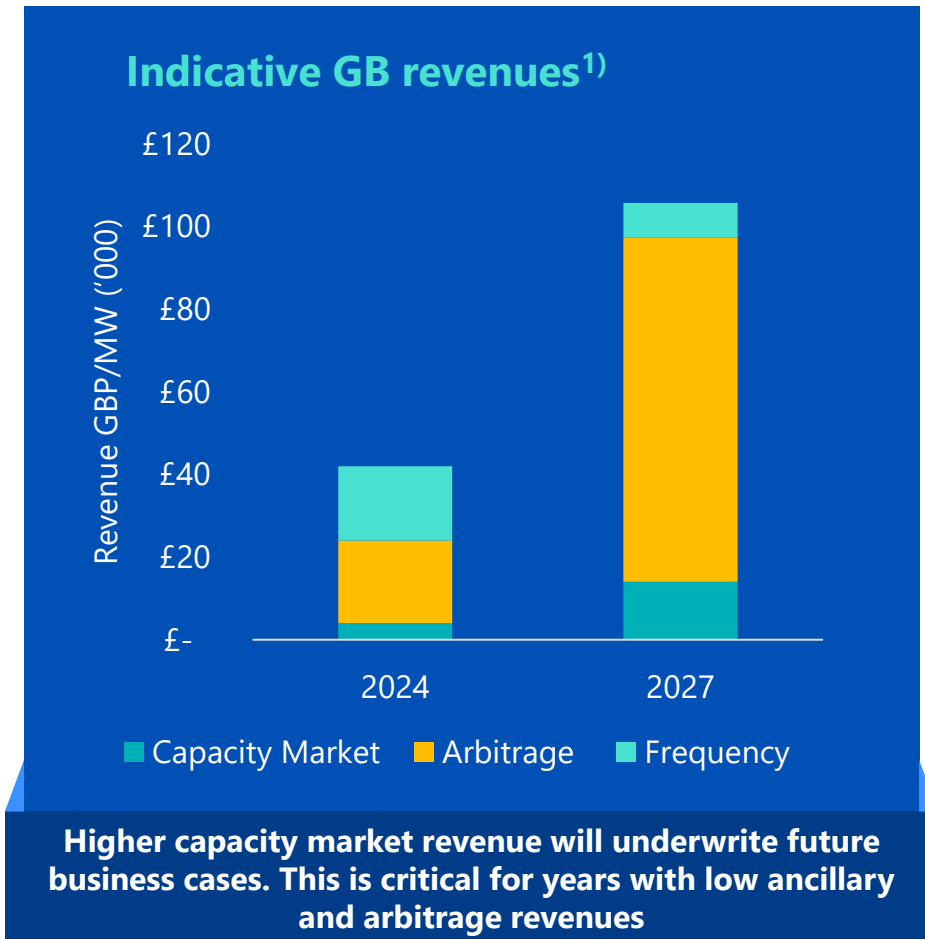


Year	Country	BESS awarded (de-rated capacity)	Price awarded	Contract duration
2024	UK	1,016 MW	£65/kW	1,10,15 years
2023	UK	1,284 MW	£63/kW	1,10,15 years
2023	Belgium	363 MW	€53/kW	15 years
2023	Poland	1,736 MW	€54/kW	(up to) 17 years
2022	UK	1,093 MW	£31/kW	1,15 years
2022	Poland	161 MW	€88.5/kW	(up to) 17 years
2022	Italy	1,600 MW (not de-rated)	€33-51kW	15 years
2021	Belgium	41 MW	€32/kW	15 years



Capacity market revenue can be a key to the BESS business case

Long-term contracted revenue lowers financing costs for projects



Why are long-term contracted revenues important to storage business case?

- Successful roll-out of many energy transition technologies (PV, wind) is based on their low financing cost due to availability of long-term [government] backed contracts (CfDs, feed-in tariffs, PPAs)
- Majority of storage revenues are fully merchant based on short-term wholesale / ancillary service markets
- Long-term contracted revenues, such as CM payments, can help change the capital structure for storage projects

Capacity market contracts increase project bankability and reduce financing costs

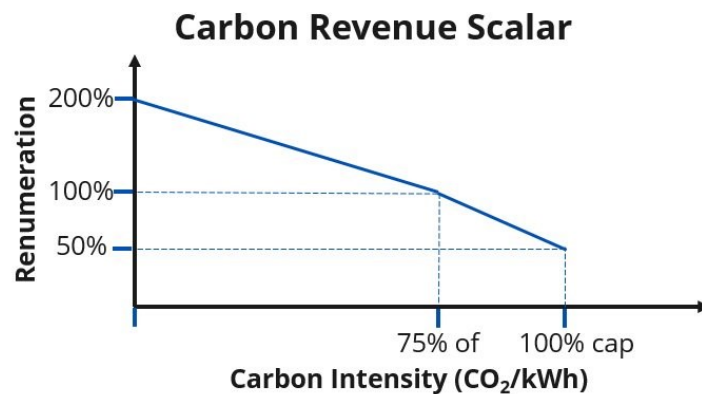
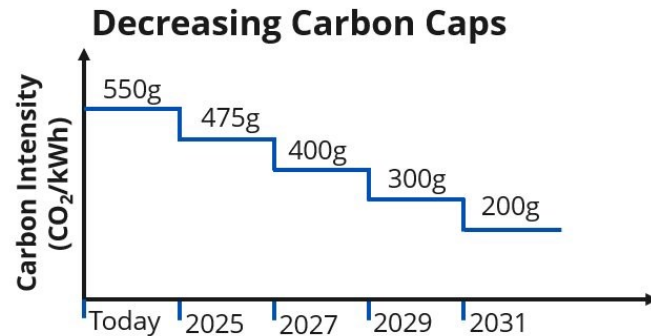


¹⁾ 2024 revenue based on 2019 T-4 auction results and current market returns, 2027 revenue based on 2024 T-4 auction results and revenue projections

Low-carbon flexibility for security of supply

Implementing EMD reform provisions on flexibility in Capacity Mechanisms

Capacity Market Reform Proposals



What is the new role of low-carbon flexibility under the EMD reform? >>>

- Member states to assess flexibility needs and declare flexibility objectives, including for energy storage
- Member states with capacity mechanisms are asked to adopt Capacity market design to promote the participation of non-fossil flexibility such as energy storage (art. 19e)

Decreasing carbon caps and carbon revenue scalars would act as market-based mechanisms to decarbonize the EU's capacity markets

