

SolarPower Europe Outlines 10 Policy Priorities for Solar & Storage

Brussels, 28 November 2016 - SolarPower Europe is calling on the European Commission to address the needs of solar power and storage technology in its upcoming Energy Union Package. The association's Task Force on Solar & Storage has created 10 Policy Asks that are crucial to develop an appropriate framework for solar & storage.

Riccardo Amoroso, Chief Innovation Officer of Enel Green Power and Vice President of SolarPower Europe, says, *"The industry is being very successful in bringing down the cost of stationary battery storage and in improving its ability to provide efficient services and solutions to the market. Today we need European policy makers to put in place stable regulatory conditions including clear definitions and an appropriate market design to ensure a level playing field among competing solution providers. Such conditions will allow for further innovations and corresponding market growth."*

While the solar power market in Europe has been in a transition phase over the last few years, the combination of solar and storage is the perfect fit to lift solar power to the next growth level.

Michael Schmela, Executive Advisor at SolarPower Europe, comments *"If the regulatory environment for solar & storage is set effectively, solar power will strongly contribute to reaching the 27% target for renewable energy in 2030 in the current draft RE directive. Implementing our 10 policy priorities for solar & storage in the Energy Union Package would already go a big part of the way to achieving the realistic 35% target SolarPower Europe would like to see in the new REDII 2030 directive."*

The benefits solar & storage bring to the energy system and European consumers are manifold. Solar & battery storage allows consumers to implement new and smart business models that maximize the value of solar electricity. It unlocks solar's flexibility potential at the consumer level – consumers could now offer services to grid operators. On a system level, solar generation can be used more cost-effectively together with storage.

Thomas Doering, Policy Analyst at SolarPower Europe and Coordinator of the Task Force Solar & Storage says *"Solar & battery storage installations represent an important flexibility option for the entire energy system, enabling to inject or absorb electricity generated by a solar system when the system requires it. Together, solar & battery storage allows continuous short term supply of clean and cheap electricity, overcoming the variability of solar electricity generation."*

Solar & storage – 10 policy priorities

The combination of solar and storage is the perfect fit to bring penetration of solar power to the next growth level in Europe, to achieve 2030 RES targets, flexibility requests across the EU and active consumers. To allow the combination of solar & storage to provide its full potential, we ask for a dynamic and adequate regulatory environment to keep pace with the quickly changing technology developments. The following 10 policy asks – at both European and national levels – are crucial to develop an appropriate framework for solar & storage:

DEFINITION

1. An **EU-wide definition of “electricity storage”** should be introduced in the revised Electricity Directive. This definition should:
 - a. establish **electricity storage as a new type of asset on the grid that can provide multiple services – next to traditional transmission, distribution and generation assets**
 - b. **acknowledge that electricity storage provides value as it can both absorb and release electricity from and into the grid**
 - c. set the ground for a fair taxation of stored electricity, in particular to avoid double taxation
 - d. recognize the **commercial value of flexibility services** provided at system as well as local level and encourage energy planners, regulators and system operators to integrate electricity storage in their planning

2. Clarifying the **definition and rights of active consumers regarding storage**: the REDII should enshrine the right for consumers to self-generate and consume renewable energy:
 - **Consumers need to be able to own and operate storage devices without discrimination.**
 - **The stored electricity must be free of specific taxes or charges.**

MARKET DESIGN

- 3. An appropriate reform of the intraday markets is crucial for enabling large-scale solar plants to better take on balancing responsibilities.** This will also push for new solutions combining solar & storage.
- 4. A real market for selling and procuring flexibility services must be developed, both at transmission and distribution levels.**
 - a. Distributed energy resources should have full market access, being able to stack value across existing and new markets wherever appropriate.
 - b. Minimum sizing requirements should be reduced
 - c. Products on the ancillary services markets should properly value the high accuracy, fast response, synthetic inertia etc. that storage can provide.
 - d. Contract durations in ancillary service markets should not be unnecessarily short as such durations may penalise potential solutions with high CAPEX or which cannot easily be redesigned to suit short contract durations.
 - e. DSOs should have the right to procure flexibility services from transmission and distribution level.
- 5. A clear basis regarding rules and circumstances under which TSOs and DSOs may operate storage solutions must be developed.**
- 6. Targeted solar tenders can incorporate as a weighting selection criteria the co-location of solar & storage** (for instance on islands). The ability to avoid grid congestion might be a lever for deploying storage solutions.
- 7. The exchange of electricity on a community scale** via collective self-consumption schemes must be possible for active consumers. Third party intermediaries should be allowed to operate active consumers' electricity storage devices via pooling platforms, such as virtual power plants or peer-to-peer mechanisms.

- 8. Clear rules regarding data transparency and access for all stakeholders are required:** Data transparency & access are foundational enablers for stakeholders to proactively develop innovations in grid design and operation that increase reliability as well as safety. Next to this, data access is an important pillar to advancing solar & storage solutions both at the consumer level (for determining economics) as well as at the grid level (for integrating distributed energy resources). Without data sharing, key stakeholders are sidelined from proposing new solutions that drive innovation and increase consumer choice.

REMUNERATION

- 9. Active consumers should be remunerated fairly for providing their devices to deliver services that support the electric grid. To achieve fair remuneration and service provision, tariffs** must provide consumers and service providers with price signals to be able to act upon market developments and system needs.
- 10. Distribution grid tariffs** must be “fit for the energy transition”. They should incentivise consumers to invest in technologies such as storage and advanced meters to allow the smartening of distributed solar PV by ensuring a balanced approach between volumetric and capacity-based grid tariffs. This balance can evolve over time (grid tariffs are set every 4 to 5 years on average in Europe) to accompany the progressive penetration of solar and storage.

Solar & Storage Task Force

SolarPower Europe’s Task Force on Solar & Storage currently has 14 members (ABB, BayWa r.e, DNV-GL, Enel Green Power, Enphase, EuPD Research, Eurobat, IHS Markit, Masar, Phoenix Solar, Reuniwatt, Tesla, Solar Trade Association, Sonnen). The group is currently working on country and business model analysis to prepare a report with case studies that will provide further background information for our 10 policy asks. The Task Force on Solar & Storage is open for contributions from further participants that are active in this field.

About SolarPower Europe

[SolarPower Europe](#), the new EPIA (*European Photovoltaic Industry Association*), is a member-led association representing organisations active along the whole value chain. Our aim is to shape the regulatory environment and enhance business opportunities for solar power in Europe.

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