



Commission for Regulation of Utilities
The Exchange
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Dublin 24

Date 7 August 2020

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Contact

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Re: Network Charging for Commercial Storage Units

ScottishPower Renewables (SPR) is part of Iberdrola, one of the world's largest utilities and leading wind energy producer. ScottishPower Renewables is responsible for progressing the deployment of onshore wind projects in the UK and Ireland, and offshore windfarms throughout the world, managing the development, construction and operation of all projects.

We currently have over 30 operational windfarm sites with over 2GW installed capacity throughout the UK and Ireland, including our share in the 389 MW offshore windfarm West of Duddon Sands. In addition, we have a substantial development portfolio of onshore windfarms in the UK and Ireland and offshore wind projects in the East Anglia Zone, including the 714 MW East Anglia ONE project which is currently under construction. We are also developing battery storage projects in Ireland such as Gorman 50MW, participating in volume capped DS3 services, and Barnesmore BESS 3MW, aiming to enter into the volume uncapped DS3 services.

We therefore welcome the opportunity to respond to the consultation on Network Charging for Commercial Storage Units and engage with the Commission for Regulation of Utilities (CRU).

Energy storage will play an essential role in facilitating the higher levels of renewable generation on the power system required to achieve national renewable electricity targets. The flexibility of storage systems and their ability to contribute to the energy, capacity and system services markets allows them to deliver a wide range of benefits to end consumers such as wholesale energy price reductions, reduced CO2 emissions and flexible system support services to help manage the grid with higher levels of renewables.

SPR supports the Energy Storage Ireland (ESI) response to the consultation and wishes to reiterate that the points raised in their consultation response are extremely important to facilitate the development of energy storage in Ireland.

In line with ESI's response, we welcome the CRU's intent to remove the issue of double-charging for storage technologies and therefore we welcome the CRU's interim approach to remove G-TUoS for commercial storage providers. This will remove an investment barrier that is particularly relevant for short duration storage projects – i.e. those being developed

primarily under DS3 tariff arrangements for provision of system services to help manage system stability with increasing levels of wind generation.

However, our support for the CRU's proposal is conditional on it being an interim solution only as we believe a more holistic approach to network charging, taking account of the points raised in the ESI response, as well as further industry engagement, is needed in the development of an enduring solution to unlock the full range of benefits energy storage can deliver. Further to this, we believe that consideration should be given to a longer-term solution for storage technologies with network charging for import only based on the import required for serving house loads. This would be consistent with the principles already established by the CRU in its PSO Levy decision to only treat storage as an energy consumer based on its house load consumption and would also recognise the fact that storage is not a generator of electricity.

Storage technologies can deliver a wide range of benefits that increase the capability of the system and provide value to consumers but these benefits can only be delivered when aligned with the correct economic incentives that should be delivered via the wider market arrangements rather than network charging policy.

In conclusion, we would like to thank the CRU for the opportunity to engage on this matter and we would welcome clarity on the CRU's timelines and proposed process for developing the enduring solution for network charging in relation to storage technologies. We view this development as a positive step in addressing a significant barrier to investment in storage technologies and we look forward to continuing our work with you in future.

We would welcome discussion on any of the above and if you have any questions in relation to this response, please do not hesitate to contact me directly.

Yours sincerely



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