



Commission for Regulation of Utilities

The Exchange

Belgard Square North

Tallaght

Dublin 24

Submitted via e mail to: dashe@cru.ie

Our Ref: RES – Storage Network Charging

07 August 2020

Dear Dylan,

Network Charges for Commercial Storage Units Interim Solution

Renewable Energy Systems (RES) is the world's largest independent renewable energy company with operations across Europe, the Americas and Asia-Pacific. At the forefront of renewable energy development over 38 years, RES is responsible for more than 17GW of renewable energy capacity and energy storage projects worldwide. RES is active in a range of renewable energy technologies including onshore wind, offshore, solar and energy storage.

RES welcomes the opportunity to engage with the Commission for Regulation of Utilities (CRU) and provide feedback on this consultation in relation to the proposed interim solution on network charges for commercial storage units.

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.

RES 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 reduce 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 deliver 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.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'P. Smart', is enclosed in a thin black rectangular border.

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