

Policy Recommendations for Long Duration Energy Storage

Key takeaways from workshop on market design and industrial policy

1. Accompany the growth of renewable energy plants with a build-up of energy storage facilities and other flexibility tools. Interconnectors are necessary but not sufficient.
2. Policy must incentivize a range of longer duration storage technologies. Relying only on battery storage will not suffice to cover all intra-day, multi-day and seasonal storage needs.
3. Recognize the need for storage as an integral part in achieving a fully renewable system and reducing generation costs, infrastructure costs and total system costs.
4. Help speed up deployment by increasing investors' confidence, setting LDES capacity objectives and access to long-term revenue streams such as capacity mechanisms.
5. Encourage storage-only auctions by system operators to procure services requiring daily, to multi-day, to seasonal durations.

A NEW MARKET
DESIGN

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6. Deploy further research & innovation funding for LDES and allocate appropriate resources for large demonstrator projects, helping lower costs and bring LDES to the market.
7. Remove critical bottlenecks by accelerating permitting for grid connections and lowering the fees to connect. This applies to storage and renewable projects in general.
8. Homogenize the regulatory environment across Europe regarding taxation, permitting, and grid connection fees coherently with the Clean Energy Package.
9. Ensure tariffs are cost-reflective and do not penalize energy storage. The Clean Energy Package should be implemented across the EU Member States.
10. Broaden the scope of the EU's LDES policy to explicitly include LDES for heat, which is critical to decarbonize industry, and accommodate its specificities.

SUPPORT THE LDES
INDUSTRY