

BEAMA response to the Ofgem consultation on the regulatory framework for electricity storage

BEAMA represents manufacturers of equipment related to electricity storage in buildings and networks, and providers of related services.

Questions

Q1 Do you agree that the form and content of the licence as proposed in this consultation will achieve the purpose and deliver what we committed to in the Smart Systems and Flexibility Plan?

BEAMA is generally supportive of the aims of this licence as proposed. However, we have concerns about the proposal to classify storage as a subset of generation. Storage does not generate power. As such it should be classified as a tool to enable the delivery of flexibility to home systems and the grid.

At the very least, BEAMA urges Ofgem to keep this definition under review to ensure that no new regulatory barriers emerge as an unintended consequence.

Q2 Do you have any views on whether we should include ‘in a controllable manner’ in the definition of electricity storage?

BEAMA is sympathetic to Ofgem’s rationale for including the words ‘in a controllable manner’ and we understand the policy and technical imperatives for it. However, we warn Ofgem to beware of unintended consequences. Including these words in the definition could give rise to a requirement to test and demonstrate control, with the potential that evidence may then have to be submitted to Ofgem. This would not be a desirable outcome. We suggest that a form of storage that is deliberately uncontrolled could fall outside the agreed definition, but that the definition should not be worded in such a way as to require a licence holder to demonstrate controllability.

Q3 Do you think there are any risks or unintended consequences that could arise as a result of our proposal? If so, please provide an explanation.

There is a potential danger in the requirement that storage be primarily provided to export energy and that ‘the licensee shall not have self-consumption as the primary function when operating its storage facility’. This is likely to be appropriate for pure grid connected storage, but a behind-the-meter system in a commercial and industrial application would likely be performing multiple services including both export and self-consumption, which could cause issues. Clearly this will require a clear definition of ‘primary function’ and Ofgem should ensure that it does not cause unwarranted confusion or negative impacts on project economics for commercial and industrial applications.

Q4 Do you have any comments on the list of technologies that should be included or excluded from the definition of storage as set out in Appendix A?

Ofgem has provided verbal assurances at meetings and elsewhere that the list of technologies is by way of example only and that it is not intended to be a definitive reference list that could inadvertently exclude new technologies. This should be clarified in the text of the Appendix.

If more information is required about this response, please contact Jeremy Yapp, Flexible Energy Systems Manager at BEAMA, on Jeremy.yapp@beama.org.uk or 07985 413514.