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Consultation: Clarifying the regulatory framework for electricity storage: licensing

Dear Chiara Redaelli,

Please find attached our response to the above consultation, submitted on behalf of npower and the main innogy businesses within the UK.

innogy SE is a newly established European energy company. Formally part of RWE AG, innogy SE has three business segments: Grid & Infrastructure, Retail and Renewables. The UK is a core territory for both our retail and renewables segments.

innogy Renewables UK Ltd is one of the UK's main renewable electricity developers. We operate over 1GW of renewable generation, including onshore wind, offshore wind and hydro.

npower, part of the npower Group plc, is one of Britain's leading energy companies. npower Business Solutions; part of npower Ltd has recently launched 'Energy HQ' a complete one-stop-shop of all of the tools and services businesses need to tackle energy as a strategic cost, including the provision of DSR aggregation services for network operators.

innogy has also recently completed the purchase of BELECTRIC Solar and Battery GmbH, placing innogy as a major player for utility scale PV plants and battery storage systems. In the UK BELECTRIC was awarded a contract to deliver 10MW in the first EFR tender to National Grid.

Please see our comments in reference to the questions that were asked. I hope that the information we have given provides a satisfactory response. If you require any further information, please do not hesitate to contact me.

Yours sincerely,

Jag Bhohi

Regulation

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Consultation Response

Question 1: 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*?

We agree that utilising the generation licence will enable a more efficient introduction of the licence, which was part of the commitments made in the Smart Systems and Flexibility Plan.

Question 2: Do you have any views on whether we should include ‘in a controllable manner’ in the definition of electricity storage?

We believe this to be a sensible inclusion into the definition of electricity storage.

Question 3: 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.

From a storage perspective, we believe that the proposals are positive and that defining a 'primary function' is very important. We would like to ask that Ofgem provides sufficient transparency when evaluating risks and consequences resulting from this proposal and that we are fully aware of each stage of implementation.

Question 4: 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?

No, not at this time.

Question 5: Do you have any comments on the proposed changes to the Application Regulations for electricity and gas licences?

No, not at this time.