

Legislative proposal on the promotion of the use of energy from renewable sources - Revision of Directive (EU) 2018/2001

Public Consultation, September 2020

RECHARGE, the industry association for advanced rechargeable and lithium batteries in Europe, supports a revision of Directive (EU) 2018/2001 on the promotion of the use of energy from renewable sources (RED II) to further increase the share of renewable energy in the European energy mix as outlined in the Energy System Integration Strategy¹.

While a mix of many technologies is needed in Europe's energy transition, we want to highlight that flexible storage solutions, such as batteries, have a vital role to play. We therefore encourage a better recognition of battery storage services in the revision of RED II.

Battery storage and battery support services:

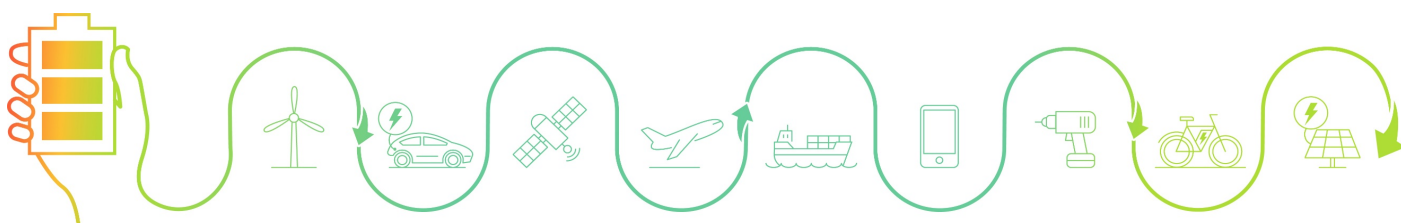
Battery storage systems are critical to ensuring a smooth electrical energy supply by balancing the grid during peak and low electricity production periods, providing a reliable and permanent interface between the production site and the electricity grid, and helping to regulate the voltage and frequency of the grid. Batteries have become substantial to limiting curtailment of excess energy and, hence, limiting energy waste. Further, *renewables + storage* has enabled a more decentralized and smarter electricity infrastructure that better enables the "utilization of local energy sources, increased local security of energy supply, shorter transport distances and reduced energy transmission losses."².

Batteries are also a cost-effective storage solution:

1. Thanks to optimization efforts in manufacturing, economies of scale, advancements in materials efficiency and an uptake of electrified mobility, the cost for battery storage has substantially decreased in the last decade, leading to cost parity for *PV + storage* with

¹ Powering a climate-neutral economy: An EU Strategy for Energy System Integration, July 2020, pg. 8 "...growing electricity demand will have to be largely based on renewable energy. By 2030, the share of renewable energy in the electricity mix should double to 55-60%, and projections show a share of around 84% by 2050. The remaining gap should be covered by other low-carbon options."

² Directive (EU) 2018/2001 on the promotion of the use of energy from renewable sources (recast), December 2018



traditional energy sources. Further cost reductions are to come from material and battery design innovation and new (or emerging) battery chemistries.

2. Thanks to batteries' balancing services to the grid and their suitability for micro/decentralized grids, investments in the transmission and distribution system are expected to be lower.

Electrification of transport, heating & cooling:

A cost-effective and flexible electricity system is important for the aspired shift to increased renewable energy use in other areas than electricity generation. RECHARGE especially supports the further electrification of passenger and cargo transport based on a high share of renewable energy for the battery manufacturing and charging phase, to (a) reduce GHG emissions and (b) unlock the potential of the interconnection abilities of *renewables + storage* for other sectors such as buildings and industry.

We believe that planned measures in the renewable energy (and other energy-related) legislation should further encourage innovative models such as sector coupling and vehicle-to-grid.

Economic value:

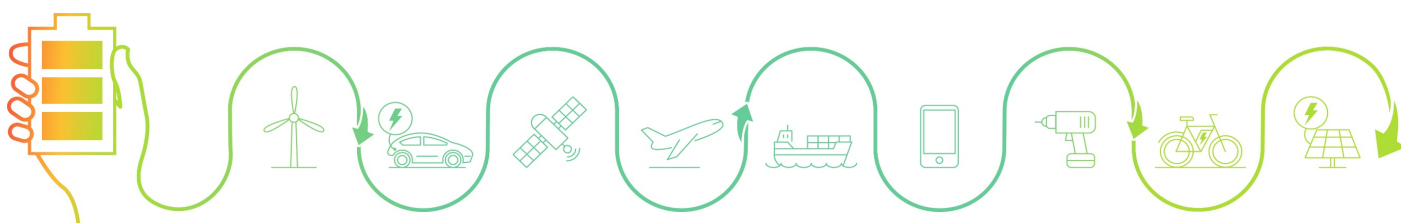
We agree with the Commission's assessment that increased renewable energy targets will also have a positive impact on economic growth and investments by creating quality jobs and reducing dependence on non-European energy sources. The battery storage industry alone is expected to generate €210 billion new GDP and create some 1 million jobs by 2022³.

Incentivizing prosumers with storage systems:

We welcome that in the current Renewable Energy Directive, especially article 21 § 2(b)⁴, attention had been given to taxation and charging questions related to self-consumption in renewable energy installations with storage systems. Based on Directive (EU) 2019/944, article 15 § 5, RECHARGE encourages extended provisions for both self-consumption and prosumers with the aim of further incentivizing utility-scale and behind-the-meter storage solutions. Also, clarification is required

³ InnoEnergy - EUSEW Sustainable Batteries: An Ally for the Green Recovery, 24 June 2020, Brussels

⁴ Directive (EU) 2018/2001, Article 21, §2 - Member States shall ensure that renewables self-consumers, individually or through aggregators, are entitled: (b) to install and operate electricity storage systems combined with installations generating renewable electricity for self-consumption without liability for any double charge, including network charges, for stored electricity remaining within their premises



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regarding priority access for renewable energy that is fed into the grid, coming from either primary production or stored renewable energy (see Directive (EU) 2019/944, article 15 § 5d⁵).

Clarification of guarantees of origin for energy from renewable sources:

In relation to our work for the PEFCR (Product Environmental Footprint Category Rules) for rechargeable batteries, RECHARGE calls for additional clarification regarding guarantees of origin for energy from renewable sources (article 19) and the offsetting mechanisms applied.

Guarantees of Origin must be a fair mechanism to reward companies using green energy while further incentivizing Member States to develop their renewables-based electricity infrastructure.

ABOUT RECHARGE



RECHARGE is the European industry association for advanced rechargeable and lithium batteries. Founded in 1998, it is our mission to promote advanced rechargeable batteries as a key technology that will contribute to a more empowered, sustainable and circular economy. RECHARGE's unique membership covers all aspects of the advanced rechargeable battery value chain in Europe: From suppliers of primary and secondary raw materials, to battery, equipment and original equipment manufacturers (OEMs), to logistic partners and battery recyclers. www.rechargebatteries.org

⁵ Directive (EU) 2019/944, Article 15 §5d: Member States shall ensure that active customers that own an energy storage facility are allowed to provide several services simultaneously, if technically feasible.

