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Andrew Burgess  
Energy System Transition  
Ofgem  
By email:  
[flexibility@ofgem.gov.uk](mailto:flexibility@ofgem.gov.uk)

5<sup>th</sup> July 2019

Dear Andrew,

**Re: Clarifying the regulatory framework for electricity storage: Statutory Consultation on electricity generation licence changes and next steps**

Renewable Energy Systems Limited (RES) is pleased to respond to this consultation on changes to the standard conditions of the electricity generation licence (“the storage licence”) dated 26<sup>th</sup> June 2019. RES’ response is not confidential.

RES is the world’s largest independent renewable energy company active in onshore and offshore wind, solar, energy storage and transmission and distribution. At the forefront of the industry for over 35 years, RES has delivered more than 16 GW of renewable energy projects across the globe and supports an operational asset portfolio of 5 GW worldwide for a large client base.

RES has been actively engaged and supportive of the establishment of a legal definition of storage and also of licence conditions relating to the activity of electricity storage. For this reason, RES broadly welcomes Ofgem’s proposals.

RES’ more detailed comments on this consultation are appended to this letter. This response is offered in a spirit of positive cooperation to improve the fairness in the treatment of storage with regards to, for example, final consumption levies; we would be happy to clarify any of the points raised in this consultation response.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Edd Kenney-Herbert', with a long horizontal flourish underneath.

Edd Kenney-Herbert  
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## **Clarifying the regulatory framework for electricity storage: Statutory Consultation on electricity generation licence changes and next steps – RES response**

As an overview, we support the proposal to introduce the definition of “Storage” and “Electricity Storage Facility” into the standard conditions of the electricity generation licence.

### **RES responses to the questions posed in the consultation:**

We fully support the proposal to ensure storage providers are not subject to final consumption levies, subject to them correctly identifying and reporting on the volumes of self consumption electricity. We fully accept that licensees should be fully accountable to Ofgem for these self-consumption energy volumes. However, Ofgem have not made clear why this commercially sensitive information should be published on the licensee’s website. We note that standard condition 16B requires all generation licensees to publish financial information on the Relevant Licensee’s website however there is no requirement to publish information relating to the operation of that licensee’s power station(s). The requirement to publicly publish self consumption electricity seems to be without precedent. On the face this seems to discriminate against storage licensees relative to other generation licensees, which would appear to run counter to the objective of removing barriers to electricity storage.

We were unable to find anything in the consultation documentation to justify this position except:

*“4. The effect of this proposed modification is to confirm that the generation licensing regime and underpinning regulatory framework applies to electricity storage as well; and to ensure that electricity used by a storage facility is identified for the purpose of calculating relevant levies and charges.”*

We expect that registered suppliers will apply the calculation of excluded supplier levies attributable to self-consumption electricity and that Ofgem will enforce compliance with standard condition E1. Ofgem has not explained why self-consumption electricity data should be made available to any organisation other than these two entities. In respect of the specific drafting proposals, we would observe that;

E1.3(a) should not be published on the website. It is commercially sensitive and should only be notified to the supplier and Ofgem.

E1.3(b) should not be published on the website. This information is commercially sensitive and is not necessary “to ensure that electricity used by a storage facility is identified for the purpose of calculating relevant levies and charges”. The information should only be notified to the supplier and Ofgem.

Noting that we oppose the requirement to publicly disclose self consumption electricity data, we would highlight that the construction of standard condition E1 is not completely clear. Specifically, the proposed drafting does not make clear which elements of data must be provided to the relevant supplier and which elements must be published on the licensee’s website?

**Further suggestions:**

It is the intention to exempt licensees from payment of final consumption levies when the electricity imported is used only for the activities of electricity storage. With this in mind, we would suggest that final consumption levies applied to electricity imported for electricity storage should be retrospectively refunded to existing electricity storage projects.