

EDF Trading would like first to thank the CRE about this consultation and the opportunity to provide feedback on this topic.

Q. 1: In your opinion, what will be the place of battery storage among the solutions that bring flexibility to the electrical system?

We understand that battery technology is being developed not only in France but also in most of the European countries.

Battery storage can answer TSO-DSOs needs in two ways:

- Congestion management
- Ancillary services

Batteries are one of the solution to answer SOs needs for flexibility, but they are not the only ones. Other electricity generation and as well demand response should compete at the same level.

The level playing field principal for batteries compared to other assets should always applied and be respected with the same rights/constraints. From a regulatory point of view, batteries as a “new” answer for flexibility should not prevail nor surrender over other assets. They should all compete at the same level and only the economic efficiency should make the difference in a merit order book.

This should be a market based mechanism.

Another crucial element is the role of the TSOs and DSOs.

The TSO-DSOs should act as a neutral facilitators of the market and batteries should never be operated by a TSO and/or DSO.

Should TSO/DSO own any battery would result with economical inefficiency and underutilisation.

This would also result in a non-accurate investment signal for future business case in battery technology.

This is why the principle of unbundling should always prevail: system operators and market participants must have clear and separated roles.

Market participants are the best placed to optimize batteries (and other assets) in the most economical way.

Q. 2 : Do you currently identify regulatory, tariff or contractual barriers to the development of battery storage? It may be relevant to distinguish storage on an industrial scale (above 1 MW) from domestic storage (from a few kW to a few hundred kW).

To encourage development of battery storage, one of the key element is to provide clear investment signal. Batteries storage must be “integrated” into the wholesale market. The owner should be able to optimise its assets in the market where he can extract the higher value.

The scheme should be a market based mechanism.

For example this can be the intraday market and/or a local flexibility market.

As we already said above, TSO-DSO should not own any batteries, storage or other flexibility asset.

Q. 3 : Do you agree with the three themes identified by CRE to enable the development of storage (simplification of the contractual framework and connection procedures, accessibility of different forms of storage to different market mechanisms, sending the right price signals)? Do you see others?

We mainly agree with the themes identified by CRE.

On the top of that, we can mention that market participants need clear price signal to react to TSO-DSO needs and being able to respond with the most economical way, battery or other electricity generation as well as demand response.

There is also a need for transparency needed from the SOs.

With the example of congestion management, TSO-DSO need to publish the congestion map in order to express their clear needs and to favour future investments.

Q. 4 : Which elements of the regulatory framework for storage could be tested? If a "legal sandbox" was put in place by law, would you be interested in experimenting with one of your projects? If yes which ?

As we said, battery is one of the answer for flexibility but not the only one.

We do not particularly support a dedicated framework only for battery, but more regulatory framework for flexibility at large.

Q. 5 : Do you have other thoughts ?

Regarding the current Ringo Project, we welcome the RTE monthly meeting and the opportunity to build a constructive discussion.