

Solar & Energy Storage Member Forum Meeting Minutes –

30/06/22, 13.00 – 14.30 Online

Attendees: Mark Ansell (MA, Powervault), Gregory Triantafyllidis (GT, JBM Solar), Phillip Curds (PC, Enfinium), Mark Howitt (MH, Storelectric), Richard Molloy (RM, Eaton), Andrew McAleavey (AM, Penso Power), Andrew Leach (AL, Renewable Power), Philippe Bazin (PB, Novuna), Methinan Sivasithamparam (MS, Carter Jonas), Richard Palmer (RP, Syzygy Consulting), James Foster (JF, Syzygy Consulting), Jonny Cottrell-Masion (JC, Powervault), Matthew Bell (MB, Solecco Solar), Vijay Shinde (VS, Siemens Energy), Ollie Finkill (OF, Siemens), Roxanne Suratgar (RS, Fichtner Consulting), Stephen Snowdon (SS, Peel Holdings Energy), Samuel Harden (SH, Canadian Solar), Jessica Graham (JG, BDP Pitmans), Daniel Krause (DK, Tesla), Kim Dongyoung (KD, Reddie & Goose LLP), Callum Coleman (CC, REA), Frank Gordon (FG, REA), Mark Sommerfeld (MS, REA)

Introductions

VS opened the meeting as chair.

1. REA Update

FG noted that REA had a very productive meeting with Greg Hands earlier that week. He highlighted useful industry events that REA are involved in including an event on transport decarbonisation, Trucks, Trains, Boats and Planes on 14th July.

2. Policy Update

Members pointed to the fact that many risks remained to the delivery of the 2050 net zero target as shown in the Climate Change Committee's 2022 report.

a. Windfall Tax

MS outlined that the REA have contacted Treasury for clarity on windfall tax proposals and have made it clear that the REA believe that a windfall tax on renewable generation should not be introduced.

One member suggested that this should instead be approached as a windfall carbon tax.

b. Nodal Pricing

MS noted that NG ESO have published a position paper on facilitating a move to nodal pricing and Ofgem are also undertaking an assessment of locational pricing to assess benefits, costs, and potential pathways to implementation. We expect further stakeholder engagement in the coming months and findings from the Ofgem research to be published in Autumn.

In discussion members raised concerns that this could make project cost forecasts more difficult to predict and therefore increase complexity into planning. Data transparency would be important. Others expressed support for nodal pricing, recognising efficiencies that could be achieved. The REA was encouraged to come to a firm position on nodal pricing. REA will hold discussions on nodal pricing as part of the REMA process.

c. Grid issues

FG explained that Ofgem had published their decision on the Access and Forward-Looking Charges SCR. The reform should incentivise energy storage and the REA will seek feedback from members on their experiences of the changes. Work on the TNUoS and DUoS SCR is still ongoing.

MS noted that BSUoS charges have been moved from generation and demand to final demand only. This will come into force in April 2023.

MS noted that the ENA had published EREC G100 Issue 2 in May. Document applies to all customers' installations connected at any voltage, where new load or generation equipment is installed and commissioned on or after 1 April 2023.

d. Levelling up & UK Infrastructure Bank Bills

CC outlined REA work on the UK Infrastructure Bank and the Levelling Up Bills. Members agreed with the REA position that the UK Infrastructure Bank must have sufficient appetite for risk.

Action: REA to develop a position on nodal pricing as part of REMA work.

3. REMA

MS explained the REA's work on the REMA including the task and finish group that has been set up to lead REA's response to the proposals. He noted that the consultation is expected in the next few weeks and explained some possible market designs that the government may introduce.

Some members raised concerns around a complex system with multiple markets. **Members** discussed market designs and their benefits.

Members also stressed the need for progress on delivery of a support scheme for Longer Duration Energy Storage. The REA confirmed they were continuing to chase BEIS for updates on the outcome from last year's call for evidence, expecting further consultations on scheme design. Members also highlighted importance of the scheme not causing unintended market consequences.

4. VAT & Energy Storage

CC shared the REA's current political engagement work to push for the inclusion of energy storage in the ESM list, therefore exempting it from VAT. The REA have drafted a letter to Minister Lucy Frazer MP and will meet with parliamentarians to push for the Treasury to include this in their plans.

5. ENA Meeting

MS noted that REA met with the ENA and raised member concerns on queue management and grid securities. The REA will be seeking members views on alternative systems to the queue management procedures.

Members expressed concern that National Grid as the TSO do not follow queue management procedures and frustration at the system as it currently works, some members saw connection capacity as the largest barrier to renewable deployment.

Action: REA to consider next steps on queue management, including option to organise a roundtable with ENA, National Grid.

6. Solar Guides

CC noted that solar guides available to the industry are currently out of date and this has been raised by members. The REA would distribute a note on this to gauge whether members were interested in producing up-to-date guides.

Action: REA to distribute note on producing solar guides.

7. Community Engagement

CC reminded members that the REA are seeking to collect case studies on community engagement undertaken by solar developers. Members are encouraged to send these to Callum. The possibility to expand this work into storage was discussed and members are welcome to provide case studies from storage sites.

Action: Members to provide case studies to the REA.