

8/10/12

SocEnv
Society for the Environment

The Rt Hon Edward Davey MP
Secretary of State
Department for Energy and Climate Change
3 Whitehall Place
London
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8 October 2012

Dear Secretary of State

The Society for the Environment supports the Institution of Mechanical Engineers (IMEchE), one of its members, in its call for the Government to analyse carefully the benefits of energy storage and to consider whether current regulatory and commercial policies and mechanisms are holding back the development of innovative technologies.

There is a need to balance supply and real-time demand as renewable energy sources, which are by their nature intermittent, form an increasing part of the UK's energy mix. Storage is one way of helping to do this. A number of innovative storage methods have been developed and demonstrated in the UK, and some reports have estimated a potential global market of up to \$25 billion. These include, for example, cryogenic storage, where electricity is used to liquefy air, which is later expanded through a turbine to recover the energy as electricity. This technology has recently been demonstrated at pilot plant scale by a UK company. The demonstration was covered by the BBC in its *Today* programme and on its website, and a summit at IMechE on the subject was attended by your own officials. Other approaches have been developed and demonstrated, at a range of scales which can be suited to all parts of the energy market. Storage is also important for other forms of energy, including heat from such sources as wood-fuelled boilers, which work most efficiently when run continuously and where supply therefore needs to be balanced to demand.

The potential of storage is serious enough to be the subject of a proper analysis. There are a number of constraints that could hold back further development, including the rate-of return-requirements applicable to transmission and distribution companies and the fact that electricity storage, if it is not recognised as a market sector in its own right, could fall foul of European rules that exclude network operators from generation. If the development of appropriate technologies is held back there is a danger that they will be exported and that UK businesses will lose out.

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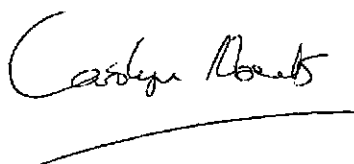


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The Society for the Environment works to champion a professional approach to environmental issues by licensing institutions, under a Royal Charter, to award the title "Chartered Environmentalist". We acknowledge that there is a range of views on energy policy, but all our members support the need for policy decisions to be based on evidence and sound science, and to be implemented by qualified professionals. We therefore support IMechE in its call for energy storage to be subject to a thorough analysis so that it can be properly considered as policy development is taken forward.

Yours sincerely,



CAROLYN ROBERTS
Chair



ALEX GALLOWAY
Chief Executive

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