



Regulatory Framework for Development of Stand-Alone Battery Storage Projects in Southeast Europe



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PREFACE

Dear Partners and Friends of SEE Legal,

Southeast Europe is a region with immense potential for renewable energy development, considering its abundant natural resources such as solar, wind, and hydroelectric power. In the rapidly evolving landscape of energy systems, Battery Storage technology has emerged as a focal point of innovation, sustainability, and economic transformation, which is capable to fully harness renewable energy sources. The region heavily relies on imported fossil fuels, making it vulnerable to price fluctuations and geopolitical tensions. However, battery storage projects and hybrid renewable projects offer a solution to enhance the region's energy security. By increasing the share of renewable energy sources and reducing reliance on imported fossil fuels, these projects are expected to decrease energy dependency and improve energy self-sufficiency. This diversification of energy sources will ensure a more resilient and secure energy supply, reducing vulnerability to external factors.

Thus, as the demand for efficient energy solutions intensifies, our region finds itself at the crossroads of adopting this groundbreaking technology to address both its energy security and environmental aspirations. However, with innovation comes complexity, and the deployment of battery storage systems brings to the forefront a myriad of legal considerations and potential challenges that warrant meticulous examination.

This road map is dedicated to shedding light on the intricate legal matters surrounding battery storage development in Southeast Europe. As legal practitioners well-versed in energy law and infrastructure projects, we recognise the profound implications of this technology on the region's energy landscape.

The journey towards establishing battery storage facilities is intricately woven into a complex regulatory tapestry. From regional energy policies to national legislative frameworks, the legal nuances governing this technology necessitate careful attention. We dig into the landscape of permits, licenses, and market rules to elucidate the challenges and opportunities associated with obtaining regulatory approvals.

As we embark on this exploration of legal frontiers within the realm of battery storage in Southeast Europe, we invite our readers to delve into the pages that follow. This initiative is more than a compilation of legal insights; it is an ode to our commitment to fostering informed decision-making, sustainable development, and innovative progress. The complexities are manifold, but so are the prospects.

Our network is available to further guide you through this journey of legal discovery and empowerment.



Gus J. Papamichalopoulos

Head of the SEE Legal Energy & Renewables,
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Disclaimer

This publication is intended to provide a general guide and each section has been prepared by the relevant SEE Legal Group member law firm covering the particular jurisdiction(s). This publication is not meant to be a treatise on any particular legislation and is not exhaustive but is meant to assist the reader in identifying the main principles governing the subject matter in the various jurisdictions in Southeast Europe, and to provide helpful guidance in this respect. Legal advice should always be sought before taking any action based on the information provided herein. The information contained in this publication is based on the respective legislation as of 15 August 2023. No part of the publication may be reproduced in any form without our prior written consent.

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BG

BULGARIA

1. Legal Status and Key Authorities

The operation of stand-alone electricity storage projects was recently recognized by the Bulgarian energy regulations as a separate energy activity and, in February 2023, a set of relevant rules was introduced in the Bulgarian Energy Act (the “**Energy Act**”). The new rules are quite laconic and their practical implementation is not yet fully clear. Furthermore, the process of introduction of relevant implementation rules in applicable secondary level energy regulations is still ongoing. Only recently, in June 2023, the local Electricity Trading Rules were supplemented to provide for the participation in the electricity market of operators of stand-alone electricity storage projects. It is anticipated that the other pieces of secondary level legislation, such as the rules on connecting to the grid and the licensing regulations, will also be supplemented in the near future to take account of specific features of electricity storage projects.

The legal definition of an electricity storage and, respectively, an electricity storage facility, is technology-neutral and rules apply in the same manner to battery storage as well as to other technologies for energy storage. At the same time, the Energy Act provides that facilities for “electrochemical storage facilities” (referring to battery storage) are to be considered “movable structures” under applicable Bulgarian construction permitting laws. Apparently, the objective of this provision was to simplify the development of battery storage facilities by allowing that they are built under a less onerous regime applicable for placing movable structures (e.g. bungalows and other facilities not fixed permanently to the land) rather than the regime applicable for the construction of buildings or industrial facilities (which, otherwise, includes photovoltaic plants or wind turbines). However, the practical implementation of this rule is quite controversial at this stage, and it is yet to be clarified by the future practice of local authorities. In all other respects, the recently adopted rules under the Energy Act do not specifically provide for the permitting process of storage projects and, as a result, the general rules about permitting process of energy projects (e.g. power plants) shall apply.

The permitting process includes the following main milestones:

- *Acquisition of property rights over lands for the project.*

As mentioned above, according to the Energy Act, battery storage facilities should be considered movable structures, which means that property rights over land (surface rights) will not be strictly required and the facilities can be built on the basis of contractual lease rights granted by the owner of the relevant land. However, the practical implementation of this regime is not fully clear at this stage and it may turn out that acquisition of property rights is still required, for instance, for auxiliary infrastructure required for the project (e.g. roads, transformer stations, fences, etc.).

- *Environmental Authorisations.* See below Section 4 for details.
- *Approval of a Detailed Development (Zoning) Plan for the project site(s).*
- *Change of status of the land.* If the land over which a project is to be developed has the status of agricultural or forestry land, its status must be changed following a special administrative procedure, which is developed in parallel with the procedure for approval of a detailed zoning plan mentioned above. Certain fees are payable for the change of status of land.
- *Connection to the grid procedures.* See below Section 5 for details
- *Obtaining permits for placement/building permits for the project.* As mentioned above, according to the Energy Act, battery storage facilities should be considered movable structures and their construction could be authorized by a simplified procedure under a permit for placement (rather than the more complex building permit procedures). However, the practical implementation of this rule is not fully clear at this stage and it may turn out that the construction of a project infrastructure (e.g. roads, transformer stations, fences, etc.) would still require the obtaining of a building permit.
- *Obtaining a license under the Energy Act.* No special energy license is required under the Energy Act for the construction and operation of a battery storage facility itself. However, under the Energy Act, in order for an operator of a standalone battery storage facility to be able to purchase and sell electricity in order to operate the facility, the operator will have to obtain a standard license for trading with electricity from the local energy regulator. The Energy Act does not require that the operator of a battery storage facility is the owner of the facility.

Therefore, it appears that the option is available for the owner of the facility to assign, by contract, the operation of the same to a third party (operator) who can also be an already licensed electricity trader and would not need to obtain a dedicated license for its trading activities as operator of the storage facility. Further clarity on this matter is expected to be provided once the existing secondary level regulations for the issuance of licenses under the Energy Act are updated to take into account the new rules of the Energy Act on electricity storage facilities operation.

2. Credit Support Requirements

As mentioned above, the construction of a battery storage facility does not require a special license or other regulatory permit under the Energy Act and thus no credit support requirements apply. The operator of a standalone battery storage facility is required to obtain a license for trading with electricity. In the context of the license application, the applicant must provide a proof of: (a) creditworthiness, (b) legitimate origin of the funds for licensed activities and (c) a special deposit maintained in a bank account or a bank guarantee for the amount of 1/24 of the expected annual turnover of the applicant but not less than BGN 150,000 (about EUR 76,000).

3. Third Party Access

Generally, non-domestic entities are permitted to participate in the activities of electricity storage and no special access requirements exist for non-domestic entities. The incorporation of a local subsidiary may be necessary for obtaining property rights over agricultural lands. Furthermore, certain general restrictions may apply in respect of companies controlled by entities registered in jurisdictions included on the EU list of non-cooperative jurisdictions for tax purposes.

4. Environmental Requirements

As regards environmental requirements, no special requirements exist for battery storage projects and the general rules applicable to development of projects apply.

Depending on the size, location and other characteristics of a project, an environmental review by the competent authorities shall be performed. Such review consists of two separate procedures:

- General review of the environmental project impact under the Environment Protection Act;
- Special review of the project impact on certain protected zones under the Protected Territories Act and the Biodiversity Act (if such impact is expected).

As a general rule, if the two procedures are relevant for a particular project, they are joined in a single procedure for the preparation and approval of an environmental impact assessment study. If the project does not raise any environmental concerns, a decision may be granted by the authorities that no comprehensive environmental impact assessment review is required.

If there are some environmental concerns, the competent authorities may require detailed Environmental Impact Assessment study to be performed and the results of the same to be approved as a condition for the implementation of the project.

The environmental authorisations issued for a project expire if implementation of the project has not commenced within five years from the date of issuance of the decision, which shall be ascertained by an inspection of the environmental control authorities.

5. Securing Access to the Grid

Currently, there are no special rules for connecting to and accessing the grid for standalone electricity storage facilities and the general rules, as described below, would apply. Certain special rules, which take into account the specifics of such projects, might be introduced in the future.

Under local regulations, the access to the grid process is divided into two stages:

1. Connection to the grid procedures, which apply during the construction process until commissioning of the project; and
2. Access to the grid procedure, which applies for the life of the project upon commissioning.

The connection to the grid process is regulated by the Energy Act and a special Ordinance No. 6 of 24 February 2014 (the “**Connection Ordinance**”). A project may be connected either to the national transmission grid or the respective regional distribution network (depending on the capacity and technical parameters of the facilities).

According to the applicable rules, the connection procedure consists of three stages:

- *Official statement on the terms and conditions for connection.* Upon request by the respective applicant for the connection, the network owner must issue a statement on the terms and conditions under which it may connect the respective facility to the network. The statement describes the technical requirements of the project facilities and the new infrastructure which might have to be constructed for the completion of the connection. The connection may be refused only for objective technical reasons and the refusal is subject to appeal before the local energy regulator.

- *Preliminary connection agreement.* As a next step, the applicant must sign a preliminary agreement for connecting to the network based on the terms described in the statement for connection.
- *Final connection agreement.* After the issuance of a Construction Permit for the respective facility, a final Connection Agreement is signed (with the same technical terms already agreed in the preliminary agreement).

The connection fees payable to the grid owner are regulated by the energy regulator.

Upon commissioning the project, an access to the grid agreement shall be concluded as a condition for the grid user to enter into power purchase agreement and be supplied with electricity from and/or inject electricity into the grid. The access to the grid agreement is subject to general terms and conditions approved by the energy regulator and must replicate the technical conditions agreed previously in the connection agreement for the project.

Fees are payable by grid users for the access to and transmission of electricity supplied to them through the grid, which are regulated by the energy regulator.

6. Electrification

A standalone storage project would be allowed to start operating by consuming electricity from the grid and respectively injecting electricity into the grid upon fulfilment of the following conditions:

- the construction of the storage project facilities having been completed and fully commissioned for use under applicable construction law regulations;
- the operator of the facility having obtained a trading license from the local energy regulator;
- the operator of the facility having completed a procedure for registration as a participant in the electricity market before the relevant grid owner¹ (a separate procedure for the registration as a market participant at the local electricity exchange IBEX is required if the operator wishes to trade at the exchange);
- an access to the grid agreement having been signed with the relevant grid owner (see Section 5 above); and
- the operator of the facility becoming a member of a balancing group for the purposes of settlement of balancing liabilities with the national transmission system operator (or being personally licensed to act as a coordinator of a balancing group).

7. Fast Track Schemes

Currently, the applicable Bulgarian laws do not provide for any fast-track framework for streamlining the licensing process of storage projects.

8. State Aid/Investment Aid Frameworks

Currently, the applicable Bulgarian laws do not provide for any state aid / investment subsidy schemes for privately developed standalone electricity storage projects.

The Bulgarian Recovery and Resilience Plan (the “Plan”) currently includes a project (to be financed with about EUR 800 million of EU funds) for the establishment of a dedicated state-owned company to build national infrastructure of electricity storage facilities across the country with a total charging energy capacity of 6,000 MWh. In January 2023, the Bulgarian Parliament adopted a decision requesting amendments to the Plan, including the abandoning of the above-mentioned project and negotiating with the European Commission that the funding instead be allocated for funding of private storage projects. At this stage, it is not clear whether such a change to the Plan will be approved.

9. Off-Take Schemes

Currently, the applicable Bulgarian laws do not provide for any special off-take structures applicable to standalone electricity storage projects. Under general rules, operators of such projects can trade in the wholesale electricity market subject to obtaining the required electricity trading license and meeting relevant generally applicable requirement for accessing the market. Given the recent recognition of standalone electricity storage activities as a specific business, no local practice on the development and participation in the market for such projects and no customary trading arrangements have been established so far.

10. Anticipated Regulatory Initiatives

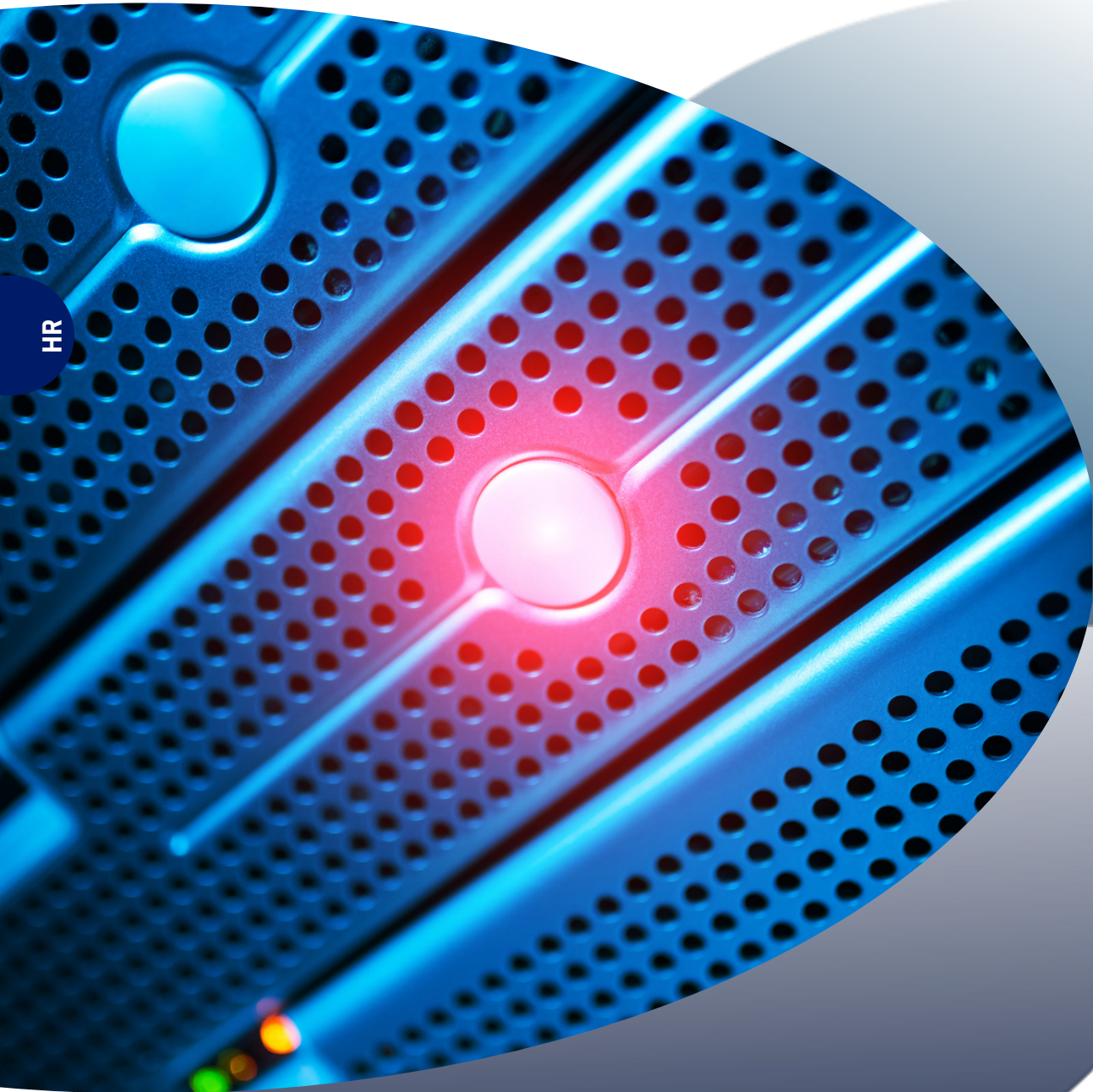
As mentioned, the process of amending and supplementing the secondary level energy regulations to reflect the specifics of energy storage projects is still ongoing. It is anticipated that certain pieces of secondary level legislation, such as the rules on connecting to the grid and the licensing regulations will be supplemented in the near future to take account of specific features of electricity storage projects. No particular drafts of such amendments have been published as of the date of this report.

¹ Currently, the applicable regulations provide for details of such a procedure only for customers and producers of electricity, and need to be updated to reflect the specifics of energy storage projects.

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CROATIA

1. Legal Status and Key Authorities

Electricity storage is identified as an energy activity under the Croatian Electricity Power Market Act and the Energy Act. In the context of electric power systems, storage is defined as the postponement of the end use of electrical energy until the moment that comes later than when it was generated or the conversion of electrical energy into a form of energy that can be stored, the storage of such energy and the subsequent conversion of such energy into electrical energy or its use as energy carrier.

However, certain electricity storage activities are explicitly not considered energy activities under the law (and they can therefore be performed without an energy licence), such as when storage capacities are placed behind the billing metering point of the active customer or when a distribution or transmission system operator uses the energy storage for fulfilment of its obligations under the law.

The key government agencies/authorities involved in the permitting process are the following:

- the Ministry of Economy and Sustainable Development, which issues energy approvals for the projects of new energy storage facilities and for the projects of repowering of the existing energy storage facilities;
- the Croatian Energy Regulatory Agency (HERA), which issues Energy Licence, necessary for the performance of energy storage activities; and
- the Croatian Transmission System Operator (CTSO) and the Croatian Distribution System Operator (CDSO), relevant for obtaining the power consent for access to the grid.

For more on securing access, please see Section 5 below.

2. Credit Support Requirements

In the proceedings before HERA, for the issuance of Energy License for any energy activity (energy storage activity included), a project developer must, inter alia, prove that it is solvent and that it has the necessary financial resources. Although a developer can demonstrate such circumstances in other ways, in practice such formal letters are commonly used.

3. Third Party Access

There is no special legal framework for non-domestic entities in relation to electricity storage activities. Instead, the Croatian Electricity Power Market Act includes only one general provision that entities from third countries (meaning non-EU Member States) are obliged to act in accordance with the applicable laws of the European Union and the Croatian law, including the laws on environment policy and safety. However, under Croatian corporate law rules, there are requirements for any non-Croatian entities to set up a branch office (or a subsidiary) for any permanent performance of business activities in Croatia.

4. Environmental Requirements

Under the Regulation on Environmental Impact Assessment, an environmental impact assessment must be carried out for power plant projects, in the early stages of design, before the issuance of a location permit (or before another approval, if the location permit is not required). Storage projects are not explicitly mentioned in the list of projects triggering the environmental impact assessment. However, the Electricity Power Market Act mentions and regulates storage projects side by side with power plant projects; therefore, the confirmation from the competent Ministry should be sought before making definite conclusions.

5. Securing Access to the Grid

As of the latest regulatory amendments, the initial step for securing access to the grid is obtaining energy approval. The next step is a Study of Optimal Technical Solution, a grid analysis that uses information on the current and planned state of the grid and planned grid users (consumers and producers) and includes a safety analysis in all extreme conditions of production and consumption. The Study is valid for 270 days as of the date of its receipt. Within this period, the project developer must submit a request for issuance of power consent (containing the technical conditions for the power plant to get connected to the grid) and enter into the grid connection agreement with the Croatian Transmission System Operator (HOPS) or the Croatian Distribution System Operator (HEP-ODS), otherwise, the Study ceases to be valid. Lastly, the project developer must submit a request to connect to the grid.

There is no fast-track framework for streamlining the licensing process of storage projects.

There is still very little real-life experience in developing such projects and therefore limited specific issues. Until today, no battery storage licences projects have been registered in the respective HERA registry. A common challenge in the entire energy industry is regulatory uncertainty. For example, it is still unclear when the new set of bylaws and implementing acts related to the tendering procedure for the issuance of Energy Approval will finally be adopted.

6. Electrification

There is no specific process prescribed – the first electrification takes place for the testing phase, which occurs after the entry into grid access agreement. For the permanent electrification, the entire permitting process must be completed, which means obtaining the usage permit (for the construction, for which a successful testing phase is one of the requirements) and the energy licence issued by HERA (for the energy regulatory part) as well as entering into the Electricity Market Participation Agreement with the Croatian Energy Market Operator (HROTE).

7. Fast Track Schemes

The applicable law does not provide for any fast-track framework for streamlining the pertaining licensing process.

8. State Aid/Investment Aid Frameworks

Generally, state aid programs can be used for financing a storage project if it meets the eligibility criteria stipulated in the call. On the other hand, investment subsidies cannot be used for developing storage projects locally since energy projects cannot be the subject of those subsidies.

Most state aids related to energy development and efficiency are in the form of *de minimis* aid. This means that the respective grants do not exceed the threshold of EUR 200,000. In addition, when applying for any *de minimis* aid, the total value of received state aid (of any kind) in the last three fiscal years must not exceed the relevant amount.

Mostly, aids are obtained via the competent Ministry or the state body that published the call. For covering technical aspects of the submission, obtaining necessary documentation and communication with relevant authorities or grantors, it is always advisable to include technical advisors.

9. Off-Take Schemes

Croatian laws do not provide any specific off-take structures applicable to stand-alone electricity storage projects, rather storage projects can trade in the wholesale electricity market, as OTC/bilateral or through power exchange. The new Rules for the Organization of Wholesale Electricity Market are expected but yet to be adopted – the March 2023 proposal is still under discussions. In that context, no local practice on the development and participation in the market for such projects and no customary trading arrangements have been established so far.

10. Anticipated Regulatory Initiatives

There are pending bylaws concerning electricity markets in general, not electricity storage specifically.



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GREECE

Introductory Note

In Greece, the licensing framework governing the Stand-alone Battery Storage Projects (hereinafter “**SBSPs**”) spotlights the main elements for the development thereof, taking into account that the technology of Battery Storage Projects shows great potential for the failsafe operation of the Electricity Transmission System (hereinafter the “**System**”) and the stabilization of the electricity demand.

From a legal perspective, the process leading up to the construction and ultimately the operation of SBSPs, follows the key milestones hereunder, in parallel to one another or as a prerequisite to one another, as follows:

- *Pre-environmental Permitting*, i.e. issuance of the Storage License as per the provisions of Law 4001/2011 on “The operation of the Energy Markets of Electricity and Natural Gas, the Research, Production and Transport Networks for Hydrocarbons and other provisions”;
- *Participation in the Tenders for the Award of Investment Grant and Operating Aid Support*;
- *Grid Connection Issues and Execution of the Operating Aid Agreement*, i.e. conclusion of the necessary regulated contracts, primarily as per the provisions of Law 4685/2020 (A’ Phase - New Licensing Regime), Law 4951/2022 on “Modernization of the RES licensing framework, Modernization of environmental legislation, transposition of Directives 2018/844 and 2019/692 of the European Parliament and of the Council and other provisions” (B’ Phase – starting from the application for the Grid Connection until the issuance of the Operation License), Law 3468/2006 (RES Law) and Law 4414/2016 (New RES Support Law) as well as the relevant secondary legislation;
- Environmental permitting, i.e. issuance of the Environmental License (Environmental Terms Approval (“**ETA**”) or Standard Environmental Commitments (“**SEC**”)) pursuant to Law 1650/1986 (Environmental Protection Law) & Law 4014/2011 (Environmental Licensing Law), as amended by Law 4685/2020 (New Licensing Regime) and the relevant secondary legislation and
- Construction permitting, i.e. issuance of the licenses provided for in the applicable building legislation, where such licenses are required for the commencement of the construction works.

This handbook consists of the relevant permitting milestones arising from the parallel work streams, including references to the material points to be considered in the context of development of SBSPs.

1. Storage Licenses Regulation Status

A. Issuance of a Storage License

The Regulatory Authority for Energy (“**RAE**”) has been appointed as the competent authority for the issuance of the License required for the development of SBSPs (“**Storage License**”).

Applications are admissible following the payment of a fee (“**Application Fee**”), which is calculated based on the project’s maximum capacity, amounting to EUR 60/MW. The Application Fee cannot exceed the amount of EUR 12,000.

The application for the issuance of the Storage License is submitted to RAE in monthly certification rounds (application cycles), i.e. within the first ten (10) days of each month.

The validity period is twenty-five (25) years, commencing as of the date of issuance of the Storage License.

The Storage License can be renewed for an additional period of twenty-five (25) years, provided that the SBSP is still in operation phase and has reached two-thirds (2/3) of the initial 25-year validity period of the Storage License, i.e. being operational for at least 16 years.

B. Revocation of a Storage License

The Storage License is revoked if its holder fails to submit: a) an application for the issuance of an Environmental License within six (6) months or within eighteen (18) months, in case a special ecological study is required, and b) an application for the issuance of the Final Connection Terms Offer (“**Final CTO**”) within thirty six (36) months as of the issuance of the Storage License.

The Storage License is revoked in case of a breach of the License’s terms and conditions (“**T&Cs**”) and in accordance with the specific provisions of the Storage Licenses Regulation, when issued.

The Storage License (and every other license and/or approval issued during the licensing process of the project) ceases to be valid ipso jure if any of the following events occur:

- in case the holder of the Storage License does not accept the Final CTO or if, within two (2) months as of the issuance of the Final CTO, does not submit an application for the retention of the Letter of Guarantee (hereinafter “LoG”) submitted with the application for the issuance of the Final CTO (Grid Letter of Guarantee of article 6 of Law 4951/2022); provided, that, in case the holder of the Storage License elects to not accept the Final CTO but declares before the Independent Power Transmission Operator (“IPTO”) that it opts to retain the validity of the Grid LoG, only the Final CTO ceases to be valid, while the Storage License, as well as all other licenses or approvals issued during the licensing process of the project, remain valid and the competent Operator proceeds with the re-issuance of a Final CTO, by virtue of which an alternative interconnection solution is proposed;
- in case the Grid Connection is not feasible and the holder of the Storage License does not submit an application in order for the pending Final CTO application to remain valid until IPTO is in position to issue a Final CTO;
- if the holder of the Storage License fails to submit an application for the issuance of an Installation License within eighteen (18) months as of the acceptance of the Final CTO; provided, that the above deadline can be extended for an additional period of up to twelve (12) months subject to the payment of an extension fee of EUR 1,000.00 per MW/month; or
- in case the holder of the Storage License does not submit a Notice of Readiness or an application for the issuance of an Operation License within the validity period of the Installation License.

C. Storage Licenses Regulation Currently Pending

According to Article 135A of Law 4001/2011, a Regulation governing the issuance of Storage Licenses (“Storage Licenses Regulation”) will be issued by virtue of a Ministerial Decision of the Minister of Environment and Energy, following the issuance of an opinion by RAE.²

When issued, the Storage Licenses Regulation will specify the content of the applications, the T&Cs for the issuance of the Storage Licenses, the criteria and the process of submission, review and evaluation of the applications and any objections submitted before RAE, as well as the process to be followed for the extension of validity, amendment, transfer and revocation of Storage Licenses.

2. Credit Support Requirements

The submission of a LoG is not required for the submission of an application for the issuance of a Storage License.

The complete status of the application, the good standing of the Company-holder of the Storage License, the UBO notification and the geographic coordinates of the installation site of the project registered in the Electronic Register of Electricity Storage are requirements for the admissibility of the application.

The following issues are reviewed by RAE for the issuance of a Storage License:

- the technical and financial adequacy of the applicant and the financial and energy efficiency of the project;
- the saturation and security of the Grid;
- national security, public health and safety issues.

The financial adequacy of the applicant and the capacity to secure the financing required for the implementation of the project is reviewed by RAE for the purposes of the issuance of the Storage License. Specifically, if the development of the project is achieved in part or in whole through bank financing, the applicant must submit to RAE a letter of intent proving the source of project finance.

3. SBSP Tenders - Investment and Operating Aid Support

By virtue of Law 4920/2022 (*Government Gazette issue A’ 74/2022*), the legal basis is set for the award of State Aid (Investment grant and Operating Aid support) to SBSPs, subject to the European Commission’s prior approval of such aid and for the adoption of any further implementing measures.

On the grounds of the above, on 10 June 2022, Greece notified the European Commission of its intention to establish a scheme in order to provide support for the development of SBSPs in Greece, as part of the Greek National Recovery and Resiliency Plan – Greece 2.0 (“RRP”), targeting the promotion of the integration of new RES projects to the System, which is required for achieving the National Energy and Climate Plan (“NECP”) objectives. The development of SBSPs aims to increase the flexibility of the System and liquidity of the Balancing Market, enhance System adequacy, enable energy efficiency, promote transparency in electricity price formation, and lower energy costs, while they may also alleviate network congestion.

² The referenced secondary legislation has not been issued as of the date.

Following the approval of the European Commission on 5 September 2022 (Reference: State Aid SA.64736 – RRF – Greece – Financial support in favour of electricity storage facilities), the Ministerial Decision ΥΠΕΝ/ΔΗΕ/55948/1087 (*Government Gazette issue B' 3416/20.05.2023* hereinafter the “MD”), governing the SBSP Tenders was finally issued on 20 May 2023.

According to the MD, the selection of the projects will be made on the basis of three (3) successive SBSP Tenders, which will be conducted for an aggregate capacity of 1,000 MW and the SBSPs participating in the tendering process will be selected the latest by 31 December 2023.

A. Bidding Process

The main characteristics of the bidding process are the following:

- The Tenders will be under the form of a single-stage bidding process;
- The bid offer is expressed in euros per MW per year (EUR/MW/year) and corresponds to the annual Reference Revenue of the SBSPs;
- Starting bidding price: The maximum bidding price for the 1st Tender is set to one hundred fifteen thousand euros (EUR 115,000) per MW per year (EUR/MW/year);
- The Tender bid must include at least the applicant's name, a technical description of the project, including its location, the respective Storage License and the bid offer, as well as any further technical and operational requirements;
- The SBSPs participating in each Tender will be evaluated by the Regulatory Authority for Waste, Energy and Water (RAAEY) as to the completeness and validity of their submissions and as to the technical requirements, based on the technical description submitted for each project, according to the criteria and process defined in the Call for Tender.

B. Eligibility Criteria

For the participation in the SBSP Tenders, the following requirements must be cumulatively met:

- The SBSPs participating in the 1st Tender must have been granted a valid Storage License;
- The participant shall submit a Participation LoG of EUR 35,000/MW;
- Construction works must have not been commenced prior to the submission of the bid offer;
- The tendered SBSPs shall have a maximum injection capacity of at least equal to 1 MW, based on the technical specifications mentioned in their Storage License (as per Article 132E of Law 4001/2011);

- The SBSP technology must have been utilized internationally in SBSPs that participate in the Electricity Markets and have been set into commercial operation within the period 2018-2022, with an aggregate capacity of at least 1,000 MWh;
- The SBSPs must be connected directly to the System or through MV interconnection works which are not part of the Distribution Network;
- The SBSPs must be in the position to participate as an independent Balancing Services entity in the Electricity Markets, in accordance with the relevant Regulations.

C. Investment grant and Operating Aid Support

Holders of the SBSPs selected through the first two SBSP Tenders shall receive an investment grant of EUR 200,000/MW. For the purposes of being awarded the investment support, the holders of the SBSPs are required to submit the following LoGs:

- a Performance and Timely Execution LoG of EUR 250,000/MW;
- a LoG for the purposes of payment of the investment grant as per Article 143F of Law 4001/2011. The amount of the LoG is set to EUR 200,000/MW. The Performance LoG is reduced to EUR 100,000/MW upon the expiration of five (5) years as of the date of issuance of the Operation License.

In addition to the Investment aid, the SBSPs will be receiving Operating Aid under the form of a Contract for Differences (“CfD”), taking into account that the SBSPs selected through the Tenders are also required to participate in the Electricity Markets. The validity period of the Operating Aid is set to ten (10) years starting from the commercial operation of the SBSPs.

Holders of SBSPs are required to Submit a Good Performance LoG to the Renewable Energy Sources Operator & Guarantees of Origin (DAPEEP) as a requirement for the issuance of the Operation License, with a validity period corresponding to the 10-year validity period of the Operating Aid support. Following the submission of the Good Performance LoG, the Performance and Timely Execution LoG is returned to the holder of the SBSP.

With regards to SBSPs selected through the first two Tenders, the amount of the Good Performance LoG is set to EUR 200,000/MW. Within five (5) years as of the issuance of the Operation License, the amount of the LoG is reduced by 50%, i.e. to EUR 100,000/MW. The Good Performance LoG is returned within six (6) months as of the lapse of the 10-year validity period of the Operating Aid support.

4. Environmental Licensing

The issuance of the Environmental License (ETA or SEC) is a prerequisite for the issuance of the Final Connection Terms Offer, the Installation License and the lawful commencement of construction works.

The ETA is granted following the submission by the holder of the Storage License of an Environmental Impact Assessment study (EIA). Special assessment is required for the development of projects within the NATURA 2000 network.

The Environmental License shall remain valid until the end of the operation phase of the SBSPs and its content typically refers to the type, size and basic technical features of the project and the technical means, terms and conditions to prevent or encounter pollution, and/or environmental deterioration during the construction and operation of the project.

The process for the issuance is determined based on the environmental effects of each category of SBSPs as per the below:

- *Category A Projects* (typically SBSPs of an installed capacity greater than 100 MW), which may have significant environmental impact, are licensed by virtue of an ETA;
- *Category B Projects* (SBSPs of an installed capacity up to 100 MW), which may have local non-adverse impact on the environment are licensed by virtue of an SEC decision.

The EIA shall be submitted within six (6) months as of the date of issue of the Storage License or within eighteen (18) months in case a special ecological study is required.

The Environmental License's initial duration is set to fifteen (15) years. The Environmental License may be renewed by application which must be submitted two (2) months before its expiry at the latest.

5. Grid Connection - Prioritisation Issues

A. Issuance of a Final CTO

The application for the issuance of a Final CTO is required to be electronically submitted by the holder of the Storage License or the representative of a joint Final CTO application before IPTO from the first to the tenth day of each calendar month, provided that the environmental licensing process has been completed.

The application for the final CTO must be submitted within thirty-six (36) months from the date of issuance of the Storage License.

The above deadlines can be extended for an additional period of up to twenty-four (24) months subject to the payment of an extension fee of EUR 150 per MW/month.

The issuance by IPTO and acceptance by the holder of the Storage License of the Final CTO is a prerequisite for the execution of the Grid Connection Agreement.

The application for the issuance of a Final CTO must be accompanied by a bank Letter of Guarantee (Grid LoG).

The amount of the LoG is determined based on the project's installed capacity in accordance with the following progressive scale:

- EUR 42/kW for the first one megawatt (1MW) of the project;
- EUR 21/kW for the next nine megawatts (1 to 10 MWs);
- EUR 14/kW for the next ninety megawatts (10 to 100 MWs) and
- EUR 7/kW for each megawatt over one hundred megawatts (>100 MWs).

The obligation to maintain the Grid LoG ceases upon submission of a Notice of Readiness of Article 4A of Law 4414/2016 or the commissioning of the SS/P or the electrification of the project.

B. Grid Connection Priority

The Ministerial Decision ΥΠΕΝ/ΓΔΕ/84014/7123 (*Government Gazette issue B' 4333/12.08.2022*), as amended, established the priority framework for the connection of RES projects & Storage projects to the Grid by classifying same in six (6) priority groups (the "**Group**" or "**Groups**"). According to the MD, SBSPs can be classified under Group D1'.

With regards to both technologies (i.e. RES and SBSP), Law 4951/2022 provides that the holder of the respective license or the representative of a joint application shall proceed to the submission of an application for the issuance of a CTO, provided that the Environmental License(s) for the relevant project(s) has/have already been issued (Article 5 par. 1 of Law 4951/2022); both the SBSP and the RES project must be granted with an Environmental License in order to proceed to the submission of a joint CTO application.

According to Article 2 of the MD on the prioritization of combined RES projects and SBSPs, on the condition that the latter is not integrated to the former (Group D1', item b'), the following conditions shall be met in order for the combined application to be eligible:

- With regards to the RES projects of the application, the stand-alone or joint capacity should be greater than 100 MW;
- Both RES and SBSP's capacity should not individually exceed a limit of 250 MW;
- The SBSP's operation duration must be at least two (2) hours at the maximum injection capacity;
- Both RES and SBSP projects must be connected to the same interconnection point;
- The maximum (combined) power injected to the System shall not exceed the maximum injection power of the Storage project (this should be documented as accepted in the context of the relevant application as well as stipulated in the respective CTO and Grid Connection Agreement).

The MD also provides for the following special terms and conditions:

- Maximum capacity limit of CTOs: 1,000 MW of installed capacity of RES Projects; and
- A curtailment of up to 20% of the initial capacity as set out in the Producer's Certificate/Production License/Storage License/CTO application may be imposed.

It is finally noted that the MD provides for a special term that is introduced in the CTO; in particular, both Projects (RES and SBSP) which are awarded with prioritization under Group D1', will be required to enter into commercial operation simultaneously.

By virtue of the recently issued MD governing the SBSP Tenders, a special provision has been introduced enhancing the prioritization of SBSPs selected through the SBSP Tenders compared to the generally applicable provisions mentioned hereinabove.

Henceforth, according to Article 17 of the MD, the applications for the issuance of a Final CTO for SBSPs, which have been selected through the SBSP Tenders:

- are reviewed by IPTO in parallel with projects classified under Group A';
- are completely prioritized compared to projects classified under Groups B' – F'.



REPUBLIC OF NORTH MACEDONIA

1. Legal Status and Key Authorities

The Energy Law in force in North Macedonia regulates “electricity storage” as a separate energy activity and defines it as “the postponement of the final use of electricity until the moment that follows the moment when it was produced, i.e. the conversion of electricity into another type of energy, which is stored in an electricity storage facility connected to an electricity transmission or electricity distribution network due for its subsequent re-conversion into electricity and later use”.

An “electricity storage facility operator” is an entity that performs the energy activity of storing produced or procured electricity in an electricity storage facility.

The key authorities involved in the permitting process of the construction and operation of energy storage facilities (where land rights have been acquired over the site of construction) include the following:

- Electricity Transmission System Operator (ETSO)/Electricity Distribution System Operator (EDSO) – grant consent for connection to the electricity distribution/transmission system and conclude an agreement with the investor for the use of the distribution/transmission system.
- Ministry of Transport or the Mayor of the Municipality – issue the construction permit; such facilities are still not expressly categorised in the local Law on Construction as first or second category facility; if the facilities are treated as first category facilities, the Ministry of Transport be authorized to issue the construction permit and, following construction, the permit for use of the facility.

Energy and Water Services Regulatory Commission of the Republic of North Macedonia (ERC) – issues the license for performing the energy activity - electricity storage.

2. Credit Support Requirements

No credit support requirements (such as an obligation to submit a letter of intent or letter of guarantee from a banking/credit institution) are stipulated in local regulations for entities applying to obtain the license for performing the energy activity - electricity storage.

3. Third Party Access

Local law does not allow non-domestic entities to carry out the activity of electricity storage in North Macedonia.

4. Environmental Requirements

Electricity storage facilities are not specified in local legislation as projects for which, prior to start of construction, an environmental impact assessment study must be conducted or for which the need for conducting an environmental impact assessment is determined on a case-by-case examination by the Ministry of Environment, or as projects for which an environmental protection study must be prepared and approved by the Environmental Administration or by the mayor of the municipality where they would be located.

Furthermore, electricity storage facilities are not specified in local legislation as projects for which, after construction but prior to start of operations, an A or B integrated environmental permit must be obtained from the Ministry of Environment.

5. Securing Access to the Grid

No special rules or fast-track permitting procedures are stipulated in electricity transmission/distribution network rules currently in force for electricity storage facilities.

Under the Energy Law, the technical-technological conditions and the method of connection, as well as the methodology for calculating the fee for connecting the electricity storage facility to the electricity transmission, that is, distribution network, are to be regulated in the corresponding network rules.

6. Electrification

No express rules for electrification of electricity storage facilities are stipulated in electricity transmission/distribution network rules currently in force.

7. Fast-Track Schemes

No fast-track licensing procedures are stipulated in the Energy Law for granting the license for performing the energy activity - electricity storage.

8. State Aid/Investment Aid Frameworks

Only a certain types of electricity storage project can be declared by the Government to be strategic projects for electricity infrastructure and be eligible to receive state aid based on such agreement with the Government.

Such types of projects are defined in the Energy Law as follows:

- the construction of facilities with above-ground or underground infrastructure or geological sites in which electricity is permanently or temporarily stored, if such sites are planned to be directly connected to high-voltage transmission lines of at least 110 kV; and
- procurement and installation of equipment or installations necessary for the safe, secure and efficient operation of the system described above, including systems for protection, monitoring and control of all voltage levels and substations.

The Government, in a procedure determined in the Law on Strategic Investments in the Republic of North Macedonia, and after previously provided opinion from the Energy and Water Services Regulatory Commission (“ERC”), makes a decision to declare an energy infrastructure project as a strategic investment project.

9. Off-Take Schemes

Operators of electricity storage facilities are participants in the wholesale electricity market. The wholesale electricity market in North Macedonia covers the bilateral agreements market - the organized market (day-ahead and intraday market) and the balance energy market.

The electricity market operator, MEMO DOOEL Skopje (“MEMO”) has only very recently (on 10 May 2023) started operating the Macedonian power exchange comprising the organised market. Initially, the power exchange will cover the national electricity market, until the first coupling of the market with the power exchanges of neighbouring countries. Trading will be done also initially on the day-ahead market, until MEMO has confirmed there is liquidity, i.e. supply and demand at every hour of the day, when the intra-day market will also become operational.

The website of the power exchange is: <http://dam.memo.mk/>. Trading is done on such power exchange in accordance with the General rules for operation of the organized electricity market, the Operational Rules, the Clearing and Financial Settlement Rules of the Organized Market and the Code of Conduct (all available in English on the exchange’s website). The website also contains information about the conditions, procedure and forms for admission.

10. Anticipated Regulatory Initiatives

Electricity storage became a regulated energy activity in the legal system in North Macedonia in November 2022, with the latest amendment to the Energy Law. However, not all issues related to operating electricity storage facilities are regulated in the Energy law and further amendments to various laws and bylaws are expected to be made in order to cover all aspects of their operations. Such amendments are especially expected in the Rulebook on licenses, which regulates the process and conditions under which the ERC would grant a license for conducting an electricity storage activity and in the applicable electricity transmission/distribution network rules. However, amendments may also be made in applicable construction and environmental laws and bylaws concerning the construction and operation of electricity storage facilities.



NNDKP

Legal & Tax



RO

ROMANIA

1. Storage License and Setup Authorisation

A. Construction of Stand-Alone Battery Storage Projects ("SBSPs")

Energy storage is defined and regulated under the Energy Law no. 123/2012 and subsequent secondary legislation. The National Regulatory Agency in Energy ("NRAE") is the competent authority in the licensing process for storage projects in terms of energy regulations.

However, under Romanian regulations, the construction phase of a SBSP must follow two set of rules:

- general construction rules applicable to any construction works and
- specific construction rules applicable to energy facilities.

The main required regulatory documentation comprises the following:

1. Prior Documentation/Endorsements for Building Permit

- Urban Planning Certificate (in Romanian, *Certificat de Urbanism*). Prior to obtaining the relevant building permit, it is necessary to obtain (i) an Urban Planning Certificate and, usually, for energy projects (as such are usually located *extra muros* – extravilan - and not specifically regulated by existing urban planning documentation) and (ii) a Zonal Urban Plan (PUZ).

The competent authority to issue this document is the same authority that will issue the building permit.

- Zonal Urban Plan (in Romanian "*Plan Urbanistic Zonal*") setting the urban parameters for the project, being required on the basis of an analysis on a case by case basis, considering the specific location of the project.

The competent authority is represented by the relevant local council where the land plot is located (different rules apply for Bucharest). As part of the PUZ procedure, it is necessary to obtain certain endorsements/approvals. Such endorsements/approvals should be issued within 30 days from submission of the request and complete documentation to the relevant authority. However, there is no term regulated under the law in which the local councils are obliged to approve or reject a PUZ.

The validity of PUZ is established through the decision of the local council approving it, depending on the scope of its issuance and the complexity of investment. No express issuance fees/tariffs are regulated.

Note: The PUZ is not required for SBSP located on certain categories of extra-muros (in Romanian extravilan) agricultural land if the surface occupied by the objective does not exceed 50 ha.

- The Environmental Regulatory Act Issued Following the Strategic Environmental Assessment (SEA) Procedure – Screening Phase Decision (in Romanian: *Decizia etapei de incadrare*) or Environmental Permit (in Romanian: *Aviz de mediu*) for PUZ

The competent authority will assess on a case-by-case basis if the proposed PUZ will be subject to: (i) a shorter SEA procedure, ending with the Screening phase decision or (ii) the full SEA procedure, ending with the Environmental Permit. The length of the SEA procedure may vary depending on the perceived impact on the environment and natural protected areas (if the SBSPs are located in, or in the vicinity of natural protected areas). The competent authority is the County Environmental Protection Agency for conducting the SEA procedure for zonal plans (PUZ), including for coordinating the adequate assessment by the National Agency for Natural Protected Areas or the designated administrators in case the SBSPs are located in, or in the vicinity of natural protected areas (i.e., the adequate assessment is completed with the issuance of a specific endorsement to be considered in the SEA procedure).

- Prior Permits Listed in the Urban Planning Certificate

The permits are specifically listed in the Urban Planning Certificate and are set depending on the specificity of the project and of the area where it is located. They are usually issued by the operators managing the water, electricity, gas, oil networks, the aeronautical related authorizations, road administrators, administrators of historical monuments, etc. Any applicable fee will depend on the issuing entity, same being applicable for the issuance timeline.

- Prior Permits Listed in the Urban Planning Certificate

The permits are specifically listed in the Urban Planning Certificate and are set depending on the specificity of the project and of the area where it is located. They are usually issued by the operators managing the water, electricity, gas, oil networks, the aeronautical related authorizations, road administrators, administrators of historical monuments, etc. Any applicable fee will depend on the issuing entity, same being applicable for the issuance timeline.

- Power Location Endorsement – requested based on the Urban Planning Certificate

The issuing entity is the Distribution/Transmission network operator from the area.

- The Environmental Regulatory Act Issued Following the Environmental Impact Assessment (EIA) Procedure – Screening Phase Decision (in Romanian: *Decizia etapei de incadrare*) or Environmental Approval (in Romanian: *Acord de mediu*)

The competent authority will assess on a case-by-case basis if the project will be subject to (i) a shorter EIA procedure, ending with the Screening phase decision or (ii) the full EIA procedure, ending with the Environmental Approval. The full EIA procedure may apply, for example, if the project is located in, or in the vicinity of natural protected areas and may impact such areas. The length of the EIA procedure may vary depending on the perceived impact on the environment and natural protected areas (if the SBSPs are located in, or in the vicinity of natural protected areas), and on any connection the SBSPs may have to bodies of water. The competent authority for conducting the EIA procedure is the County Environmental Protection Agency, whereas the Delta Dunarii Biosphere Reservation will be competent for projects located in this area, and the National Environmental Protection Agency will be competent for projects located over two or more counties. The competent environmental authority also coordinates (i) the adequate assessment by the National Agency for Natural Protected Areas or the designated administrators in case the SBSPs are located in, or in the vicinity of natural protected areas (i.e., the adequate assessment is completed with the issuance of a specific endorsement to be considered in the EIA procedure) and/or (ii) the procedure for issuing the Water Management Approval by the competent water-related authority (i.e., Approval to be considered in the EIA procedure and which, on a case-by-case basis, may require a prior impact assessment study on bodies of water).

- Water Management Approval (in Romanian: *Aviz de gospodărire a apelor*)

In case the SBSPs have any connection to bodies of water and depending on complexity of each project, the competent authorities to issue this Approval are (i) Territorial Water Management Authorities or (ii) National Administration “Apele Române” (A.N.A.R). No overall deadline is regulated for the issuance of the Water Management Approval.

2. Building Permit (“BP”) (in Romanian, *Autorizație de construi*)

The competent authorities to issue the BP are the local authorities (municipality mayors, presidents of the county council, general/district mayors of Bucharest), depending on the project itself and location thereof. It should be issued within maximum 30 days as of the submission of the documentation.

The relevant authority may establish a validity period of BP of maximum 24 months as of issuance date. This is the term for starting of works. Separately, the public authorities establish different terms in which the works need to be finalized and the reception of the works completed. In certain conditions, the validity of BP may be extended once for a period that cannot exceed 24 months.

3. Set-up Authorization (in Romanian, *Autorizație de înființare*)

NRAE is the competent authority in this regard, this document representing a technical approval for the construction of the SBSP.

Issuance term - 60 days from the date the full documentation is applicable. Different rules may apply when a SBSP is implemented together with a renewable energy production unit/capacity.

Validity term: the set-up authorization is valid for a minimum duration of 1 year; NRAE determines the specific duration of each authorization based on the time required for performing the installation and commissioning works relating to the storage facilities and the duration requested by the application.

Issuance fee - NRAE annually determines the applicable value of the issuance fee.

Set-up authorizations are required only if the maximum power that can be injected in the grid is over 1 MW.

Storage set-up authorizations and storage operation license can be requested by Romanian or non-domestic entities. A non-domestic entity that is headquartered outside the European Union must however establish a secondary headquarters in Romania throughout the validity period of the requested authorization/license.

NRAE may suspend/withdraw the set-up authorization at the request of the holder or on its own initiative in the cases expressly provided for by law. For example, NRAE may suspend the set-up authorization in the following cases:

- a. if the holder of the set-up authorization does not fulfil the legal obligations and conditions laid down in the set-up authorization, and such non-fulfilment is not imputable to the set-up authorization holder or the situation created by the non-fulfilment can be remedied;
- b. if another authority has suspended the validity of one of the documents on the basis of which the set-up authorization was issued;
- c. in the event of repeated non-fulfilment of payment obligations related to state aid scheme, balancing obligations; etc. NRAE notifies the set-up authorization holder of the suspension of the authorization, the conditions to be met by the holder to terminate the suspension. NRAE may dispose the termination of the suspension of the authorisation within five (5) business days from the date on which the set-up authorization holder proves that the conditions for the termination of the suspension have been met.

As regards the cases in which the set-up authorization may be withdrawn, these include, for example: (i) if the holder of the set-up authorization does not fulfil the legal obligations and conditions laid down in the set-up authorization and the situation created by the non-fulfilment is irreversible; (ii) in the event of the holder's forfeiture, incapacity, bankruptcy or deregistration; (iii) loss of legal title to the immovable property where the energy capacity is located; etc.

NRAE decisions on the suspension or withdrawal of set-up authorization may be challenged by the holder before the competent court.

B. Operation of SBSPs

Following commissioning, the operation of SBSPs is based on certain licenses, as follows:

1. *License for the Commercial Operation of Energy Storage Facilities* ("**Storage License**").

Note: The same rules as presented below apply also when a SBSP is implemented together with a renewable energy production unit/capacity.

The Storage License is issued by NRAE.

Issuance term - 60 days from the date the full documentation is submitted. Different rules may apply when a SBSP is implemented together with a renewable energy production unit/capacity.

Validity term - 25 years. For continuity purposes, a new license can be issued subject to an application submitted with 60 days prior to the expiry of the initial license.

Issuance fee. Contribution. - The fees for issuance of a Storage License ranges between RON 500 – 2,500 (approx. EUR 106 - 530), depending on the approved power of the SBSP. Throughout the validity of the Storage License, the license holder shall pay to the NRAE the contributions and tariffs established by order of the President of NRAE, under the terms of the law. Failure to pay them by the deadlines set by the regulations in force may lead to the suspension and, eventually, withdrawal of the licence.

Additionally, regarding the other cases in which NARE suspends or withdraws the Storage Licence, such cases are similar to those presented above for the suspension/withdrawal of the Set-up Authorization.

2. Environmental Authorisation

In case the SBSPs' activity falls under NACE code (Rev.2) 3511 - Production of electricity, or 3512 - Transmission of electricity, the competent authority to issue the Environmental Authorization is the County Environmental Protection Agency, whereas the Delta Dunarii Biosphere Reservation will be competent for authorizing SBSPs located in this area, and the National Environmental Protection Agency will be competent for SBSPs located over two or more counties. The competent environmental authority also coordinates the adequate assessment by the National Agency for Natural Protected Areas or the designated administrators in case the SBSPs are located in, or in the vicinity of natural protected areas (i.e., the adequate assessment is completed with the issuance of a specific endorsement to be considered in the Environmental Authorization procedure). The Environmental Authorization is issued within 90 business days as of the submission of the complete documentation and is valid as long as conditions remain unchanged, and the titleholder obtains its annual visa. The titleholder shall request the application of the annual visa by the competent Environmental Protection Agency at least 60 days prior to the day corresponding to the issuance of the respective authorization. Failure to obtain the annual visa may ultimately affect the validity of the Environmental Authorization.

3. Water Management Authorization

In case the SBSPs have any connection to bodies of water, the competent authority to issue the Water Management Authorization varies depending on complexity of each project: (i) Territorial Water Management Authorities or (ii) National Administration “*Apele Romane*” (A.N.A.R).

The Authorization is issued within 45 business days as of the submission of the application accompanied by complete documentation and is valid for up to 5 years, depending on each project’s characteristics, and provided the conditions remain unchanged.

2. Credit Support Requirements

To obtain a Set-up Authorization, the applicant must submit, documents attesting the financing sources for the project (e.g. own resources, binding documents issued by banking institutions, credits, other type of contractual/pre-contractual documentation relating to the investment), as well as excerpts from the last financial statement submitted with the fiscal authorities or a copy of the last monthly verification balance of the applicant (for the situation in which the application is submitted in the same year that the applicant is established).

To obtain a Storage License, the applicant must submit an estimate on the turnover that will be generated in the year the license will be granted from the storage activity.

Currently, there are no dedicated state aid/investment subsidy schemes open for SBSPs, but in the beginning of 2023 a call for projects to be funded through the Romanian National Recovery and Resilience Plan was opened targeting investments in new solar and wind generation facilities with or without integrated electricity storage installations.

Further, no tenders or other type of government funded / imposed auctions are in place under the Romanian legislation.

3. Grid Connection

A specific/maximum deadline is not regulated for the overall permitting, construction, and commissioning of storage projects.

In general, the grid connection process starts with an application to obtain access to grid and to secure the required capacity of the SBSP, followed by obtaining all the required permits/approvals/authorizations relating to the building phase and finalized with the commissioning of the storage project and obtaining the storage operation license and other required operational licenses (please see above for more details).

Connection to the grid cannot be refused on the grounds of additional costs resulting from the need to increase the capacity of system elements in the immediate vicinity of the connection point, nor may the connection of a new SBSP be refused on the grounds of possible future limitations of available network capacity, e.g. congestion in remote parts of the transmission network.

However, the Transmission network operator may limit the guaranteed connection capacity or offer connection conditions subject to operational limitations in order to ensure the economic viability of new generation or new SBSP, provided that such limitations have been approved by NARE.

Please note that in case the storage installation will be integrated in an electricity generation capacity, no distinct permitting for the storage installation is required, being included in the overall permitting process for the electricity generation capacity.

Strictly in respect of the grid connection, the following steps and regulatory documentation will be required:

1. Technical Interconnection Endorsement

The competent authority to issue the documents is the Distribution/Transmission network operator to which the installation will be connected. In respect of timeline:

- 30 days from the submission of the application and full documentation when the interconnection solution is determined on the basis of Solution Chart (in Romanian, *fisa de solutie*);
- 10 days for situations in which the interconnection solution is determined on the basis of a Solution Study (in Romanian, *studiu de solutie*), starting from (a) the date the network operator sent the Solution Study containing only one interconnection solution to the applicant, or (b) the date the applicant informed the network operator of the interconnection solution selected, for the situation in which the Solution Study contains more than one options.
- The impossibility to issue the Technical Interconnection Endorsement is notified to the applicant within 10 days.
- The Technical Interconnection Endorsement is valid up to the issuance of the Interconnection Certificate. However, the Technical Interconnection Endorsement shall cease to be valid in the following situations:
- in 12 months from its issuance, if an interconnection agreement has not been concluded;
- at the termination of the interconnection agreement to which it is attached;

- at the expiry of the Building Permit or the legal approvals on the basis of which it has been issued;
- at the termination of the Building Permit or the legal approvals on the basis of which it has been issued, acknowledged through a court decision;
- if it is not proved that the Building Permit has been obtained within 12 months from the date of conclusion of the Interconnection Agreement and not later than 18 months from the date of issue of The Technical Interconnection Endorsement.

2. Interconnection Agreement

The agreement is concluded with the relevant local network operator (distribution or transmission operator) that issued the Technical Interconnection Endorsement.

The electricity network operator must propose a draft for the Interconnection Agreement within 5 business days as of the receipt of the complete documentation from the user. Draft is based on standard form approved by NRAE, and only limited aspects are subject to negotiations.

The fee for concluding the interconnection agreements is represented by the interconnection tariff, which is contained in the Technical Interconnection Endorsement and is determined pursuant to a specific methodology enacted by NRAE.

3. Interconnection Certificate

The competent authority to issue the certificate is the Distribution/Transmission network operator to which the installation is connected, that also issued the Technical Interconnection Endorsement.

It is valid throughout the existence of the SBSP, until the occurrence of changes of the technical and energy related data (in which case an update of the certificate should be requested). No fees are applicable.



SERBIA

1. Legal Status and Key Authorities

Stand-alone electricity storage projects and electricity storage as a separate energy activity have been recognized only by recent amendments to the Serbian Energy Act which came into force in May 2023 (the “**Energy Act**”).

This is just a first step in the process of fully recognising the regulatory status of electricity storage projects and a number of secondary bylaws still need to be adopted. Most importantly, the Grid Rules and the Rules of Operation of the Distribution System still do not recognise the electricity storage facilities, and the Market Rules are silent on the electricity storage activity. The Ministry For Mining and Energy, the Energy Agency of the Republic of Serbia (the “**Agency**”), Elektromreža Srbije, as the transmission system operator (“**TSO**”), and Elektro distribucija Srbije, as the operator of the distribution system (“**DSO**”), are the main stakeholders in this process.

Electricity storage facilities are defined by the Energy Act in the manner that is consistent with the EU Directive 2019/944 – as the facilities which defer the use of electricity to a moment later than when it was generated, or facilities which convert electrical energy into a form of energy and store such energy for the purpose of re-transforming it back into electric energy at some later point. So, the definition of the electricity storage facility is technology neutral and the same rules apply to all electricity storage technologies.

The Energy Act does not provide for a specific permitting process for developing electricity storage facilities – for the time being, it is even unclear whether one needs to obtain an energy permit (in Serbian, *energetska dozvola*) from the Ministry for Mining and Energy for the development of an electricity storage facility.

According to the Energy Act, the activity of operating an energy storage facility does not require a license from the regulator. An operator is considered a participant in the energy market and it should be able to buy and sell electricity without acquiring a licence. However, in order to be able to actually participate, it will be necessary for the operator to arrange its balancing responsibility with the TSO or to transfer its balancing responsibility to another market participant.

2. Credit Support Requirements

As stated above, it is unclear whether the developer of a battery storage facility will require an energy permit. Even if it does, there are no credit support requirements in that procedure. Operating a battery storage facility does not require a special license. However, once the facility is developed, in order to participate in the energy market, the operator will need to arrange its balancing responsibility and that may require posting a bank guarantee or a deposit in favour of the TSO.

3. Third Party Access

Having in mind that operating a storage facility is not subject to a licence, there is no explicit provision prohibiting foreign operators of a local electricity storage facility. However, a development of a local electricity storage facility by a foreign entity would arguably be much more complex as it would also entail the acquisition of property rights which are, generally, subject to a number of restrictions. The easiest way to get around these restrictions would be to establish a local subsidiary to carry out the project.

4. Environmental Requirements

Electricity storage facilities are not specified as projects for which an environmental impact assessment study must be conducted or for which the need for conducting an environmental impact assessment needs to be determined on a case-by-case basis.

Furthermore, they are not specified as projects which require an integrated environmental permit.

However, depending on the technology of a battery storage one should not exclude the possibility that the project falls under some other category for which an environmental impact assessment study and integrated permit may be required.

5. Securing Access to the Grid

At the moment, for standalone electricity storage facilities, there are no special rules for the connection and access to the grid, and the general rules would apply. We expect that specific rules will be introduced in the future.

For the time being, the grid connection process consists of the following steps:

Grid Connection Study (*studija priključenja objekta na prenosni sistem*). The first step in the process of connecting the project to the transmission system is the preparation of a Grid Connection Study (a “**Study**”). A Study is prepared by the TSO, at the cost of the developer of the project, and pursuant to an Agreement on Preparation of the Grid Connection Study (*Ugovor o izradi studije priključka objekta na prenosni sistem*), to be executed between the TSO and the developer of the project. The findings of the Study are used for the purpose of issuing an opinion by the TSO, as well as for the issuance of the conditions for the connection to the grid.

Opinion of the TSO (*mišljenje o uslovima i mogućnostima priključenja*). The opinion of the TSO sets forth the conditions and possibility of connecting the relevant project to the transmission system.

Technical Conditions for Grid Connection (*uslovi za projektovanje i priključenje*). Technical conditions for grid connection specify the technical conditions and criteria for the grid connection, and are used for preparing the design documentation for the Project and for the development of the grid connection in accordance with the Planning and Construction Act.

Grid Connection Agreement (*Ugovor o izradi planske i tehničke dokumentacije i pribavljanju potrebnih dozvola za izgradnju priključka*). Development of a grid connection requires the preparation of the relevant design documentation and obtaining the location conditions and construction permit for the grid connection. The process is regulated by an Agreement on Preparation of the Planning and Technical Documentation and Obtaining Necessary Permits for Construction of the Grid Connection (*Ugovor o izradi planske i tehničke dokumentacije i pribavljanju potrebnih dozvola za izgradnju priključka*), to be concluded between the TSO and the developer of the relevant project. The costs of these activities and procedures are borne by the developer.

Grid Connection Approval (*odobrenje za priključenje*). The main document in the formal process of connecting the project to the transmission system is a grid connection approval (*odobrenje za priključenje*). This document is issued by the TSO at the request of the developer of the relevant project. The request for issuance of the grid connection approval may be submitted only upon the issuance of a construction permit for the relevant project.

The TSO is obliged to issue a grid connection approval within 60 days of a complete application. The developer can challenge a negative decision within 15 days from the date of the decision by filing an appeal with the Agency.

The content of the grid connection approval, i.e. the technical and other conditions for the grid connection are prescribed by the Energy Act and its bylaws, and are dependent on the type of facility being connected.

The grid connection approval is valid through the deadline for the completion of the construction works but no longer than two years, and its validity can be extended on the basis of a request submitted no later than 30 days before its expiry.

Grid Access Agreement (*ugovor o pristupu prenosnom sistemu*). The grid access agreement (*ugovor o pristupu sistemu*) determines the place of handover of electricity, calculation period and method of calculation in accordance with the relevant methodologies.

Balancing Services Agreement or Balancing Responsibility Agreement. A project developer has to arrange its balancing responsibility, either by becoming a balancing responsible party or by transferring the balancing responsibility to another balancing responsible party. Becoming a balancing responsible party assumes entering into a balancing responsibility agreement (*ugovor o balansnoj odgovornosti*) with the TSO (which, among other things, assumes posting a bank guarantee, the amount of which is determined pursuant to a formula tied to, *inter alia*, the amount of production but is not lower than EUR 1,000,000).

Facility Exploitation Agreement (*ugovor o eksploataciji objekta*). This agreement is executed with the TSO and determines specific technical operational requirements for the facility in order to make it compliant with the grid code and the grid connection approval.

6. Electrification

There are still no specific rules for the electrification of electricity storage facilities. In general, according to the Grid Rules, a battery storage facility would be allowed to start operations upon obtaining the use permit, fulfilling all conditions from the grid connection approval, and taking all other actions described in Section 5 above.

7. Fast Track Schemes

No fast-track procedures are contemplated by the Energy Act in connection with the licensing of electricity storage projects.

8. State Aid/Investment Aid Frameworks

The Energy Act does not provide for any incentives applicable to the electricity storage facilities.

However, in principle, energy storage projects could be developed through a so-called strategic partnership pursuant to a competitive tender launched by the Government. However, for the time being, there are no indications that the Government will use this scheme to develop electricity storage facilities.

9. Off-Take Schemes

According to the Energy Act, the operator of an energy storage facility may engage in the following activities in the energy market:

- buy and sell electricity;
- provide electricity storage services for the needs of other participants in the electricity market;
- offer auxiliary services to the TSO and DSO, in accordance with the technical characteristics, Grid Rules, and the Market Rules; and
- enter into an agreement with the TSO for the participation in the balancing mechanism.

10. Anticipated Regulatory Initiatives

Changes to the Grid Rules and the Market Rules are currently being drafted. Having in mind that a further development of distributed generation requires the simultaneous development of significant storage capacities, it is expected that detailed rules on electricity storage facilities will be soon introduced.



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SLOVENIA

1. Legal Status and Key Authorities

Under the Slovenian Electricity Supply Act, the energy storage is defined as an electricity activity. In particular, the said Act transposes the definition of “energy storage” from the EU Directive 2019/944 and, thus, the term means *the deferral of the final use of electricity to a moment later than when it was generated, or the conversion of electrical energy into a form of energy which can be stored, the storing of such energy, and the subsequent reconversion of such energy into electrical energy or use as another energy carrier*.

However, not all relevant legislation already recognises the specific nature of the battery storage projects and rules applicable to other similar facilities shall apply by analogy. However, it should be expected that the regulatory environment shall change as the interest in developing relevant projects increases and the relevance and potential of the concept is fully recognised.

The key agencies or authorities involved in the permitting process of storage projects are:

- distribution operator SODO,
- electricity distribution companies,
- Energy Agency,
- system operator ELES,
- market operator Borzen and
- Ministry of the Environment, Climate and Energy.

2. Credit Support Requirements

In Slovenia, there are no specific credit support requirements for entities applying for a storage licence and the applicable legislation does not foresee any other requirements aimed at demonstrating the creditworthiness of the applicant.

However, should an installation or facility require reinforcement of the transmission or distribution network, the applicant for the connection of the installation or facility shall, at the request of the electricity operator, provide adequate security, which the electricity operator may enforce if the holder of the connection consent fails to provide the connection within a reasonable period agreed with the electricity operator. If the costs incurred by the electricity operator to reinforce the network are higher than the amount of the provided security, the electricity operator shall be entitled to claim the difference up to full reimbursement of the costs.

Additional conditions apply for connection of installations with a connection capacity exceeding 500 kW: the holder shall be obliged to reimburse the electricity operator for the costs of reinforcing and extending the network if it fails to ensure the connection of the new installation or facility within a reasonable period agreed with the electricity operator. The electricity operator shall also have the right to request the applicant to cover any additional costs not covered by the provided security.

3. Third Party Access

The legal provisions applicable to energy storage projects do not include any specific limitations in respect of participation of non-domestic entities in electricity storage activities in Slovenia. In this respect the Electricity Supply Act provides that participants from third countries operating on the electricity market in the Republic of Slovenia must comply with applicable European Union law and the laws and regulations of the Republic of Slovenia, including those relating to environmental protection and safety policy. Among other, non-domestic entities should be aware of the generally applicable requirement of Slovenian Companies Act that foreign entities performing a business activity in Slovenia should do so through a Slovenian branch.

Additionally, it should be noted that investments in electricity storage projects may be subject to Slovenian foreign direct investment screening mechanism.

4. Environmental Requirements

The legislation does not foresee any environmental requirements applicable specifically to electricity storage. Therefore, installation of an energy storage project may be subject to environmental requirements applicable to construction projects and spatial interventions in general, whereas the latter shall vary depending on the nature, type and scope of construction or intervention or civil engineering works that might be related to the energy storage project. In other words, the exact process and requirements shall depend on the size and type of the storage project, as well as the location and specific environmental considerations applicable to the relevant area. In general, construction of an energy storage installation may require the following permits which also include an environmental protection dimension:

- Environmental protection Permit and/or Environmental protection Consent: Electricity storage facilities are not specified as projects for which an environmental impact assessment study must be conducted or for which the need for conducting an environmental impact assessment needs to be determined on a case-by-case basis. Environmental protection Permit in Slovenia is required for certain facilities with increased risk of emissions into the water, ground or air.
- Building Permit: No building permit is required for self-supply installations, as the installation of equipment and installations in, on and next to the building is considered maintenance work. Also, battery storage devices which can be categorized as external equipment of the existing buildings (intended for the functioning of a primary object), are considered simple objects for which no building permit is (independently) required.

However, certain stand-alone battery projects might – depending on their type and scope – trigger permitting requirements. Where both a building permit and an environmental assessment is required, the permits must be obtained in an integrated process lead by the competent authority – the Ministry of Natural Resources and Spatial Planning.

Where the investment does not require a building permit according to the legislation, it is nevertheless necessary to check the spatial planning acts, the built infrastructure on the site and the protection buffer zones resulting from the site location information and to obtain the necessary project conditions, consents and opinions. Additional diligence is required when the development is planned on land having special status (Natura 2000, Triglav National Park, cultural heritage properties, registered archaeological sites, etc.), where additional restrictions must always be considered and obtaining required consent from the spatial planning authorities is necessary.

5. Securing Access to the Grid

Securing Access to the Grid

Connection to the grid is subject to a connection consent issued by the electricity operator; either distribution or transmission system operator, depending on the voltage of the proposed connection. The connection consent determines the connection location and conditions for the connection. Based on the connection consent, the electricity operator and the electricity storage provider shall conclude a contract for the use of the system to determine their mutual relations regarding the payment of the network connection fee. The electricity storage provider shall be obliged to pay the network connection fee for the connection power in accordance with the connection consent and the applicable price list for the connection power before the connection is made.

Fast-track Framework or Streamlined Licensing Process Specifically for Storage Projects

For the time being no fast-track or streamlined procedures are available for energy storage projects. However, the Slovenian government is currently preparing a new Act on the Positioning of Installations for the Production of Electricity from Renewable Energy Sources the main objective of which will be to facilitate production of solar and wind energy, including, inter alia, energy storage installations. It is possible that the new law will also introduce expedited processes for licensing of energy storage projects.

Challenges Related to Securing Access to the Grid

Storage projects may face the following issues:

- *Grid Capacity.* Limited grid capacity in certain areas may pose challenges for large-scale storage projects, especially if the grid infrastructure needs to be upgraded to accommodate the additional capacity.
- *Technical Requirements.* Storage projects need to meet technical requirements set by the grid operator, which may involve ensuring compatibility with the grid voltage levels, type, and grid stability. It is necessary to carry out measurements of the suitability of installations, if these are not specified in the informative sheet prepared by the system operator SODO.
- *Obtaining the relevant consents.* If connection to the grid requires easements on third party land this should be properly addressed in the initial stages of the project.

6. Electrification

As a preliminary remark, it should be noted that the entire procedure for implementation and electrification of electricity storage projects is not specifically determined. Therefore, we hereby provide a description of the process used for construction of renewable energy production facilities which should, by analogy, also apply to electricity storage projects. Construction of renewable energy production facilities requires the following steps:

- **Obtaining site plan information** to identify any protection zones, restrictions, criteria and conditions for the construction of the installation.
 - Time frame: site plan information can be obtained within a few days from the competent municipality.
- **Information on the possibility of connection and analysis of the location** is obtained from the competent electricity operator. This information indicates the maximum connection capacity of the production installation that can still be connected to the existing distribution network, but it does not guarantee installation into the network.

- Time frame: depends on the competent electricity operator.
- **Building permit:** please see Section 4 above.
- **Energy Permit:** Pursuant the Electricity Supply Act, in cases where an electricity production facility with a rated electrical output greater than 10 MW is connected to the public grid, the investor must obtain a energy permit issued by the Ministry of the Environment, Climate and Energy.
 - Time frame: one or two months from receipt of a complete application.
- **The Connection Consent and Assessment:** The connection consent is issued on behalf of SODO by the competent electricity distribution companies. In this respect please also see QV above (Securing access to the grid).
 - Time frame: between 30 and 60 days upon receipt of a complete application.
- **Construction of the Project**
- **Operating Permit:** the completed installation must undergo a final technical inspection by the competent administration authority.
 - Time frame: 15 days from receipt of a complete application.
- **Conclusion of Power Purchasing Agreement and System Usage Agreement:** the investor shall conclude an agreement for the sale of its energy and on that basis an agreement for use of the system with the competent electricity distributor. At this point the electricity storage project may start its operations.

7. Fast Track Schemes

Regarding this matter please see Section 5 above (Fast-track Framework or Streamlined Licensing Process Specifically for Storage Projects).

8. State Aid/Investment Aid Frameworks

There are several support schemes foreseen by the Rules on the financial incentives for energy efficiency, district heating and use of renewable energy sources.

Supports can be granted in the form of state aid, *de minimis*, or grants, based on a public call which shall determine the conditions for the financial support in each individual call.

A governmental decree which has been adopted just recently foresees grants for acceleration of, inter alia, implementation of renewable energy storage and provides the framework for grants for electricity storage in combination with production of electricity or heat from renewable sources with installed power of less than 1MW and less than 6 MW if the installation is owned by small or medium enterprises.

Based on currently published information, in June 2024 the Ministry of Environment, Climate and Energy plans to open a public call for financial support of, inter alia, electricity storage projects in the amount of EUR 24 million.

9. Off-Take Schemes

In Slovenia, energy storage projects can be either connected to the distribution system or directly to the transmission system network.

Storage projects can trade on the wholesale electricity market. Typically, energy storage devices are part of a balancing group (*bilančna skupina*) or balancing sub-group (*bilančna podskupina*). An entity must be a part of the balancing scheme in order to be able to register a closed electricity purchase or sale contract and the operational off-take and production forecasts of the associated off-take and production points with the market operator BORZEN.

Members of the balancing scheme can participate in the electricity market as:

- traders, who buy and sell electricity at quantities known in advance (closed contracts), or
- as electricity suppliers who, in addition to trading electricity, also supply electricity to customers or buy electricity from manufacturers (open contracts).

Market participants can join the balancing scheme in two ways:

- by concluding a balancing contract with the market operator; or
- by concluding a balancing contract with a legal or natural person already included in the balancing scheme.

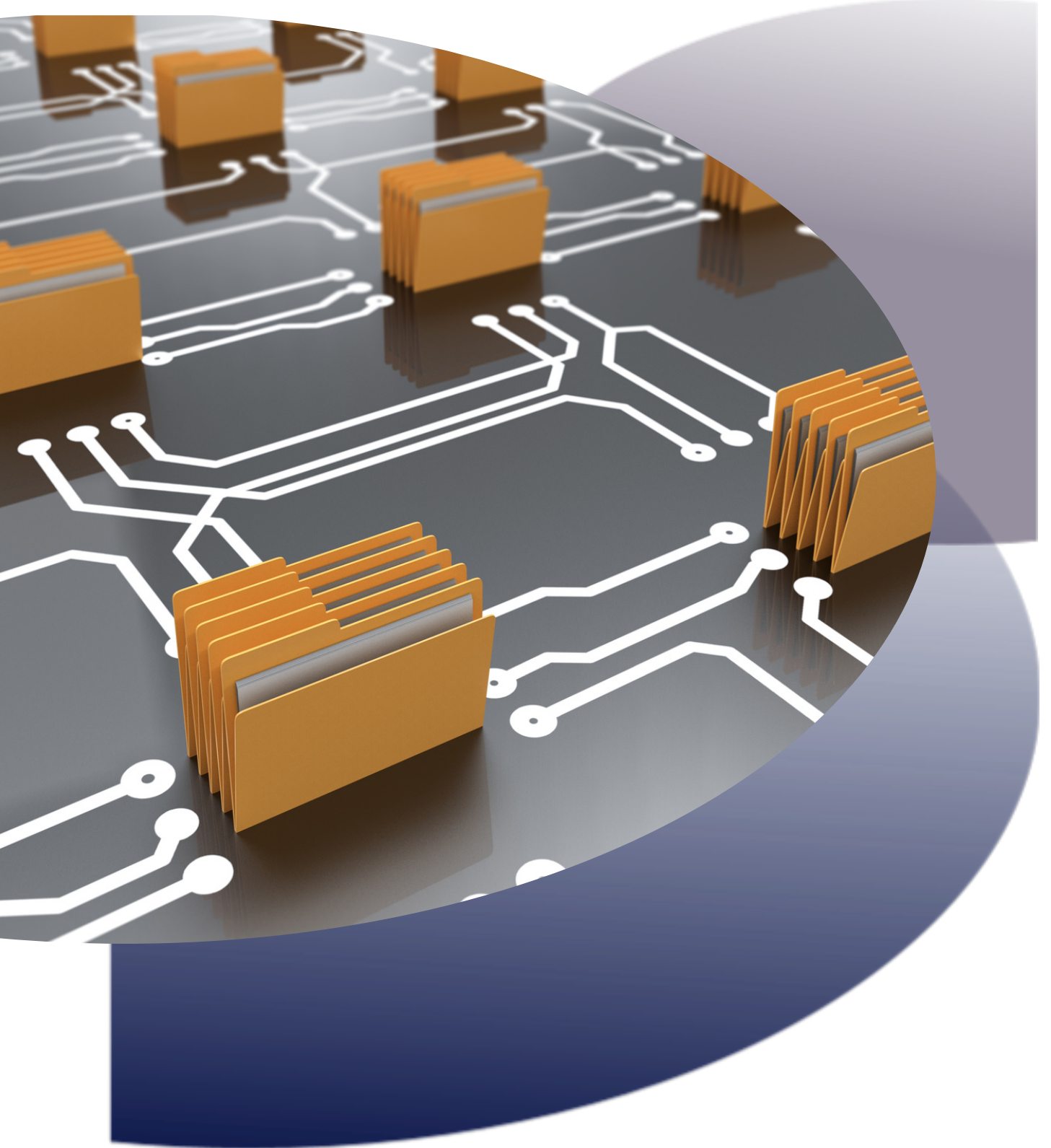
10. Anticipated Regulatory Initiatives

The Government recently introduced a draft for the new Act on the Positioning of Installations for the Production of Electricity from Renewable Energy Sources. The purpose of this new law will be to facilitate spatial planning and permitting procedures related to, inter alia, energy storage projects. The Act is in the final stages of legislative process as of end of June 2023.

Slovenia is also one of the nine countries who signed the Malta Statement, a joint declaration “launching the vision for the Mediterranean Region as a Hub of Green Energy, to accelerate the EU’s drive for a decarbonised, energy-independent future”. The idea behind is to make the Mediterranean a centre for renewable energy.

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TURKEY

1. Legal Status and Key Authorities

Activities in the Turkish electricity market are regulated under, among others, the Electricity Market Law numbered 6446, published in the Official Gazette dated 30 March 2013 and numbered 28603 ("**Law No. 6446**") and the Electricity Market License Regulation ("**License Regulation**").

The electricity market activities listed under the License Regulation are:

- generation,
- transmission,
- distribution,
- wholesale,
- retail,
- trade,
- import,
- export,
- energy exchange, and
- aggregation.

Conducting any of these activities requires a license from the Energy Market Regulatory Authority ("**EMRA**"). Energy storage is not defined as a separate electricity market activity.

That said, stand-alone storage facilities were recently regulated. A stand-alone storage facility is defined as a storage facility directly connected to the grid without connection to any generation or consumption facility. The Regulation on Storage Activities in the Electricity Market ("**Storage Regulation**") states that in order to operate a stand-alone storage facility, it is necessary to hold a supply license and the installed capacity of the facility cannot be less than 2 MW. Accordingly, supply license holders have the right to establish stand-alone storage facilities, provided that the installed capacity exceeds 2 MW. If a new supply license application is made to establish a stand-alone storage facility, an affirmative opinion in relation to compliance with the necessary technical criteria is required from the Turkish Electricity Transmission Company ("**TEİAŞ**"). In addition, if supply license holders intend to establish a stand-alone storage facility, they are required apply to EMRA for an amendment to their existing licenses, to include one or more than one storage facility into their existing license. TEİAŞ's affirmative opinion is required in case of an amendment to existing supply licenses as well.

The minimum share capital as well as guarantee-related obligations do not apply to stand-alone storage facilities.

2. Credit Support Requirements

Only supply license holders are entitled to establish stand-alone storage facilities. The License Regulation provides for minimum share capital requirements for supply license holders. However, there is no additional minimum share capital or guarantee-related obligation specific to stand-alone storage facilities.

3. Third Party Access

Non-domestic entities are allowed to incorporate companies in Turkey and then apply to EMRA to obtain supply licenses, under which they are entitled to establish stand-alone storage facilities. Alternatively, they may acquire shares of companies holding supply licenses. Such acquisition would not be subject to EMRA's approval.

4. Environmental Requirements

Establishment of a stand-alone storage facility requires environmental impact assessment under the Environmental Impact Assessment Regulation. The environmental impact assessment decision must be obtained and submitted to EMRA, within the time limit to be determined by EMRA. The Ministry of Environment, Urbanization and Climate Change is in charge of environmental impact assessment. EMRA generally tends to grant a one-year time limit to obtain the required Environmental Impact Assessment.

5. Securing Access to the Grid

Access of stand-alone storage facilities to the grid is regulated under the License Regulation. For stand-alone storage facilities' connection to and use of the system, EMRA applies to TEİAŞ and/or the electricity distribution company within the relevant region to obtain their opinion. TEİAŞ and/or the relevant electricity distribution company are required to provide their opinion to EMRA within 45 days. EMRA then shares TEİAŞ's and/or the relevant electricity distribution company's opinion with the supply license holder. The supply license holder is entitled to object to TEİAŞ and/or the relevant electricity distribution company's opinion. There may be, however, delays in obtaining opinions from TEİAŞ and/or the relevant electricity distribution company.

6. Electrification

If TEİİAŞ's opinion in relation to the connection to and use of the system is affirmative, EMRA grants 18 months for the construction of the stand-alone storage facility. The supply license holder is then required to obtain an approval from the Ministry of Energy and Natural Resources (the "Ministry") for the storage project. Once the construction is completed, the supply license holder applies to the Ministry for the acceptance of the storage facility. The storage facility can be electrified only after the Ministry's acceptance.

7. Fast Track Schemes

The applicable law does not provide any fast-track framework. However, if a company is already holding a supply license, this company can apply to EMRA for a license amendment, which would allow the license holder to establish a stand-alone storage facility.

8. State Aid/Investment Aid Frameworks

Storage facilities connected to renewable power plants commissioned after 30 June 2021 benefit from a feed-in tariff based on Turkish lira for ten years. This tariff is adjusted on a monthly basis, based on the inflation and FX rates, and subject to pre-determined monetary caps in terms of USD as well as incentives for use of domestically manufactured equipment, based on TRY for five years. However, stand-alone storage projects do not benefit from the same mechanism.

9. Off-Take Schemes

Under the current legal framework, only supply license holders are able to establish stand-alone storage projects. Through their supply licenses, license holders can trade electricity through bilateral negotiated agreements on an over-the-counter (OTC) basis or in organized electricity markets.

10. Anticipated Regulatory Initiatives

None at this time.



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