

## Energy storage investment trends singapore

Although Singapore has one of the most reliable electricity grids in the world, However, as Singapore looks to renewable energy and power imports to transition to a low-carbon energy system, and moves towards the electrification of its transport system, it is increasingly vital to ensure that its grid infrastructure remains stable and resilient. The Singapore government has implemented a good number of initiatives to ensure the resilience of the energy grid, including the use of energy storage systems ("ESS").

The Electricity Act 2001 regulates the licensing requirements and market participation and settlement for ESS. The ESS acts as a generator and depending on its name-plate capacity, it may be required to be licensed as a wholesaler or a generator. An electrical installation licence will also be required for all non-domestic electrical installation with approved load exceeding 45kVA.

In its policy paper, EMA helpfully considered the potential role of ESS in the Singapore power system. ESS can be used to (i) integrate higher levels of solar PV and manage variable output as solar adoption increases; (ii) shift peak load and arbitrage electricity prices; (iii) provide ancillary services to the market for frequency regulation and backup reserves; (iv) serve as an alternative to enable deferment of traditional grid investments to meet periodic peaks in demand, thus driving efficient grid investments; and (v) provide voltage regulation services.

It may be that regulations will be put up in due course, for ESS to fulfil their designated role/s in the Singapore power system. This would likely deal with metering and billing arrangements, compensation structures or mechanisms, and controls to safeguard consumers' interest.

This article is produced by our Singapore office, Bird & Bird ATMD LLP. It does not constitute legal advice and is intended to provide general information only. Information in this article is accurate as of 21 January 2024.

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