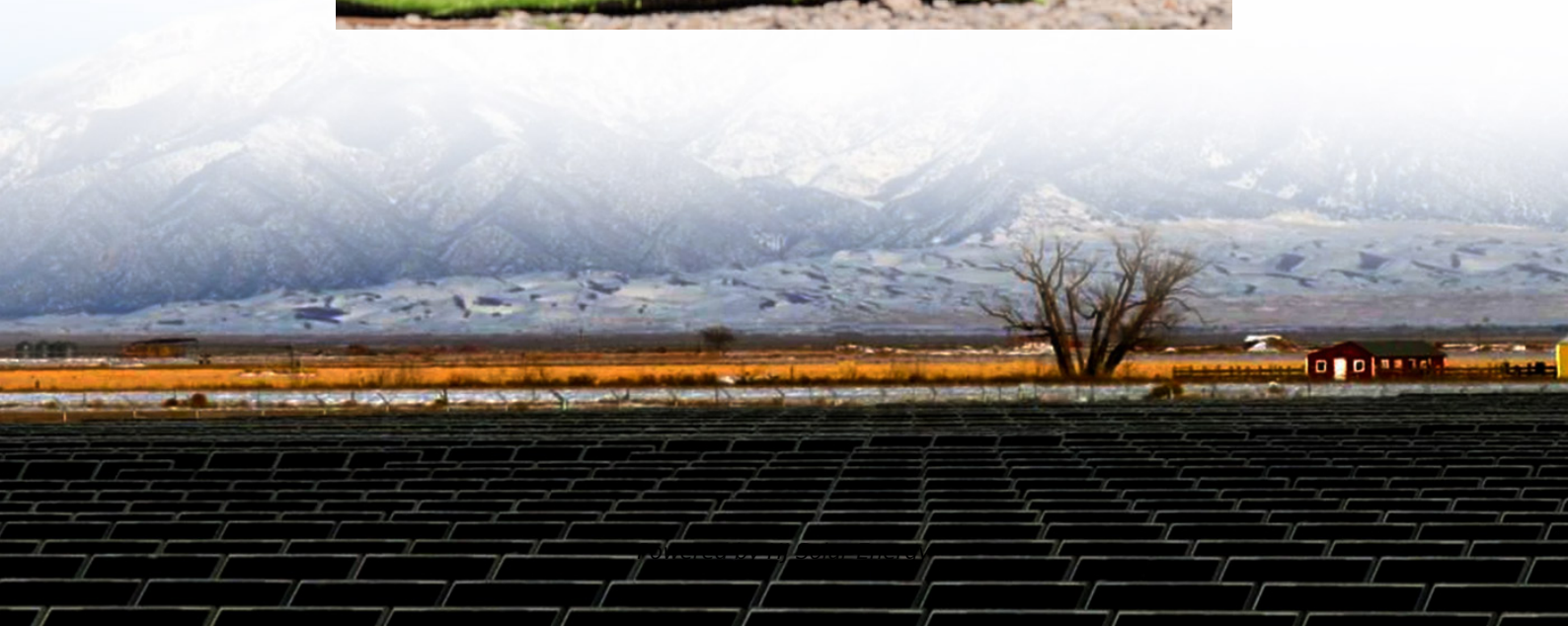


# Energy storage cap and process





## Overview

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On March 11, 2025, the Department of Energy Security and Net Zero and Ofgem published the much anticipated Technical Decision Document (TDD) to confirm details of the cap and floor scheme for LDES.<sup>1</sup> The scheme provides an attractive regime for developers seeking to invest in the.

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The joint government and Ofgem Technical Decision Document confirms details of the Long Duration Electricity Storage (LDES) cap and floor scheme and how it will operate. <https:// PDF, 3.93 MB, 60 pages In October 2024>.

On March 11, 2025, the Department of Energy Security and Net Zero and Ofgem published the much anticipated Technical Decision Document (TDD) to confirm details of the cap and floor scheme for LDES.<sup>1</sup> The scheme provides an attractive regime for developers seeking to invest in the LDES assets, and to.

To unlock investment and accelerate deployment of LDES, the UK government and Ofgem have launched a dedicated financial framework – the cap and floor scheme. Designed specifically for LDES, it offers developers the revenue certainty they need to bring these technologies to the energy system at.

This guidance is provided by Ofgem to assist developers who want to apply for the cap and floor scheme for Long Duration Electricity Storage (LDES) projects. It explains the application and eligibility assessment processes for application window one. Additionally, it provides further clarifications.

On 8 April 2025, Ofgem opened the first application window to long duration energy storage projects for the new cap and floor regime. 1. What is Long Duration Energy Storage?

Long Duration Energy Storage (LDES) includes different ways to store



electricity for a long time (typically over 4, 12, 24.

CEPA and ESP Consulting have been commissioned by the Department for Energy Security and Net Zero (DESNZ) to develop different options for setting the cap and the floor within the proposed cap and floor regime for Long Duration Energy Storage (LDES). The primary focus of this work package has been. What is the long duration electricity storage (LDEs) cap and floor scheme?

PDF, 3.93 MB, 60 pages In October 2024, the government decided to introduce a Long Duration Electricity Storage (LDES) cap and floor scheme that will be delivered by Ofgem. The cap and floor scheme was strongly supported through consultation responses and builds on the approach already used to successfully deliver more electricity interconnection.

Could a cap & floor investment scheme bolster UK energy security?

There must be evidence a grid connection application has been submitted. DESNZ previously said the cap and floor investment scheme “could see the first significant long duration energy storage (LDES) facilities in nearly four decades, helping to create back up renewable power and bolster the UK’s energy security”.

What is long duration energy storage (LDEs)?

On 8 April 2025, Ofgem opened the first application window to long duration energy storage projects for the new cap and floor regime. 1. What is Long Duration Energy Storage?

Long Duration Energy Storage (LDES) includes different ways to store electricity for a long time (typically over 4, 12, 24 hours). There are a number of ways to do this:.

What is a cap on revenue?

In addition, a cap on revenue provides returns to consumers for their support, where LDES assets operate above the cap. The scheme is similar to the electricity interconnector cap and floor regime, but will include modifications to ensure it works effectively for LDES deployment.

What is the cap and floor regime for electricity interconnectors?

HOW IS THE CAP AND FLOOR SET UNDER THE INTERCONNECTOR REGIME The



cap and floor regime for electricity interconnectors provides a 25-year 'contract' (ultimately given effect through an interconnector licence) where project revenues are subject to a cap and a floor, the levels of which are set using a 'building blocks' approach.

What is compressed energy storage & how does it work?

Compressed energy storage - this method stores excess energy by compressing air and storing it and then releasing it to drive a turbine and generate electricity during peak demand.



## Energy storage cap and process

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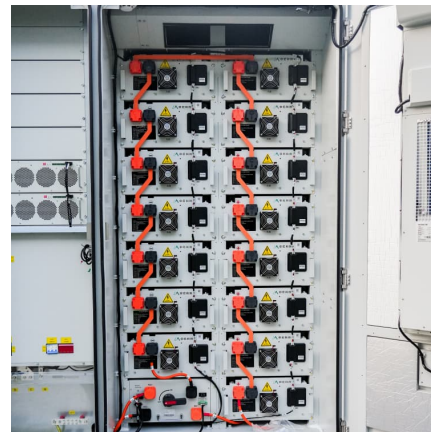


### Will proposed UK long duration storage cap and floor ...

The Association for Renewable Energy and Clean Technology said the proposals represented a "major win", while pumped hydro storage ...

### [Ofgem launches cap and floor scheme to support long...](#)

The UK's energy regulator Ofgem has launched a new cap and floor investment support scheme in an effort to unlock billions in funding for ...



### Long-duration energy storage cap and floor scheme: applications ...

On 8th April, Ofgem opened applications for window 1 of the long-duration energy storage cap and floor scheme. Further application guidance is included.

### GB long duration energy storage cap & floor applications kick off

On the 8 th April 2025, Ofgem published a decision to open the first application window for its cap and floor scheme in Long Duration



Electricity Storage (LDES). The scheme is designed to ...

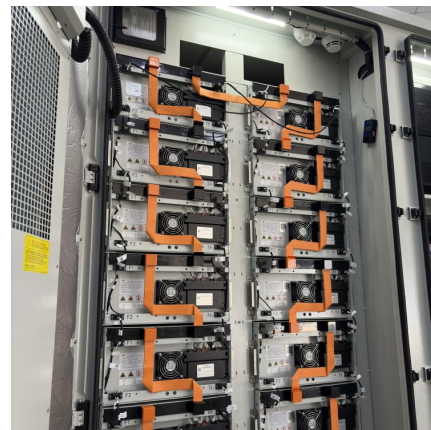


### **Ofgem launches cap and floor scheme to support long-duration energy**

The UK's energy regulator Ofgem has launched a new cap and floor investment support scheme in an effort to unlock billions in funding for new Long Duration Electricity ...

### **Long duration electricity storage consultation: Government ...**

Between January and March 2024, stakeholders were consulted on a proposed approach of using a cap and floor regime to enable investment in Long Duration Electricity Storage (LDES) ...



### **Guidance for the cap and floor scheme application: Long ...**

The TDD published in March 2025 outlines the LDES cap and floor regime. More information on the eligibility assessment process is provided in the Eligibility Criteria Assessment Framework ...





## Long Duration Energy Storage , LDES , Government Confirms Cap ...

Discover the UK government's new cap and floor scheme for long duration energy storage, ensuring investment stability and innovation in sustainable energy solutions. ...



## Long Duration Electricity Storage (LDES): Details of the cap and ...

LDES assets are based on technologies that store excess electricity that can be released when needed, therefore providing a consistent and secure supply of energy to ...

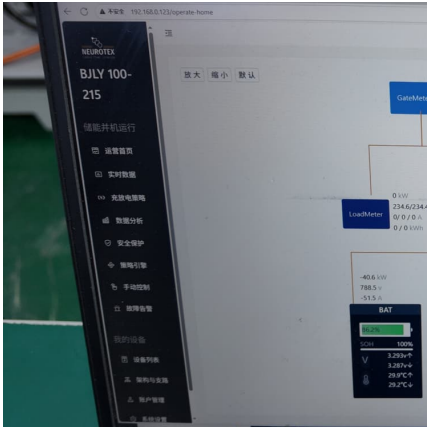
## Long Duration Electricity Storage: technical details of the scheme ...

The joint government and Ofgem Technical Decision Document confirms details of the Long Duration Electricity Storage (LDES) cap and floor scheme and how it will operate.



## Long Duration Electricity Storage: Significant Cap and Floor

As LDES assets are different to interconnector projects for a number of reasons however, the Government has recognised that whilst the interconnector cap and floor model provides a ...



### Price formation enhancements: rules for bidding above the ...

Problem Statement Energy storage and hydro resource bids and DEBs are limited to the \$1000 soft offer cap, which may not provide these resources with sufficient flexibility to reflect ...



### Clean Power 2030: First GB long duration electricity storage cap ...

Clean Power 2030: First GB long duration electricity storage cap and floor scheme application round set to launch Blog Energy Notes

### Ofgem ups duration to 8-hours for LDES cap-and-floor scheme

Ofgem ups duration to eight hours for LDES cap-and-floor scheme, targets up to 61GWh by 2035 The government has published its Technical Decision Document confirming ...



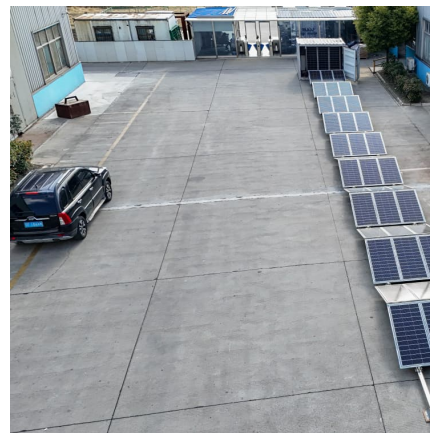


### Cap and Floor Regime for Long Duration Electricity Storage: ...

We detail the objectives of the cap and floor regime for LDES, the design of the cap and floor for interconnectors, and key questions and considerations in relation to the design of the cap

### [UK confirms cap-and-floor mechanism for LDES from 2025](#)

UK energy storage developer Field, to date focused on shorter-duration battery energy storage system (BESS) projects, has also welcomed news of the cap-and-floor ...



### Carbon capture and storage (CCS): How it works and why it matters

Learn what Carbon Capture and Storage (CCS) is, how it works, and why scaling this proven technology is vital for decarbonising hard-to-abate sectors.

### What You Should Know About the UK's Cap & Floor for LDES

The UK Government's "Cap & Floor" scheme is aimed at supporting the rollout of Long Duration Energy Storage ("LDES") projects across the UK by providing guaranteed revenues to ...



[Long Duration Electricity Storage: Window One ...](#)

Ofgem has opened the first application window for the Long Duration Electricity Storage (LDES) cap and floor scheme, running from 8 April ...



**Long Duration Electricity Storage: Cap and Floor Application ...**

The first application window for Long Duration Electricity Storage (LDES) projects under the cap and floor regulatory scheme (the "Scheme") opened on...



[Long Duration Electricity Storage technical document](#)

Ofgem and the Department for Energy Security and Net Zero (DESNZ) have released a joint technical decision document detailing the cap and floor regime specifics.





### **LDES cap and floor scheme: Ofgem launches first application ...**

LDES plays a key part in the Government's Clean Power 2030 Action Plan, which envisions a significant role for long duration storage in delivering a low-cost, low-carbon ...



### **The valuation of inertia in Pumped Storage Hydro schemes**

The valuation of inertia in Pumped Storage Hydro schemes under the Long Duration Energy Storage cap and floor mechanism Dentons United Kingdom May 15 2025

### **Super-batteries - a look at Ofgem's new cap and floor ...**

This cap and floor mechanism ensures that developers of LDES projects can recover their investment while protecting consumers from high energy costs in ...



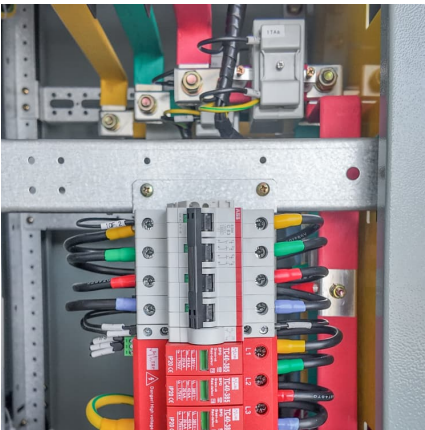
### [UK regulator launches 'cap and floor' scheme](#)

UK regulator Ofgem has launched a cap and floor investment support scheme to unlock funding for new Long Duration Electricity Storage (LDES).



### **Consultation on Long Duration Electricity Storage Project**

We are seeking views on our proposed approach for assessing which Long-Duration Energy Storage (LDES) projects should be awarded a cap and floor regime.



### **Will proposed UK long duration storage cap and floor regime work?**

The Association for Renewable Energy and Clean Technology said the proposals represented a "major win", while pumped hydro storage operator Drax said it ...

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