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GRAY AREA GRID CONNECTION CHARGES:

WHY GREEN-POWERED STORAGE CAN BE A STRATEGIC ANSWER

Tensions are rising: On July 15, the German Federal Court of Justice (BGH) will rule on whether battery storage systems can continue to be treated like regular end consumers when it comes to grid connection charges (Baukostenzuschuss, or BKZ)—or whether the previous practices of many grid operators have been unlawful. The outcome remains uncertain. But one thing is already clear: anyone planning storage projects must not ignore the current legal uncertainty.

In December 2023, the Higher Regional Court (OLG) of Düsseldorf clearly stated: storage systems are not conventional end consumers, and flat-rate BKZ demands based on the capacity-price model are legally indefensible. The Federal Network Agency (BNetzA) has filed a legal complaint, and now the BGH must decide.

Until then, developers must plan for both outcomes—and be ready. Anyone structuring a storage project today should address the BKZ issue early on. Even if the court sides with the storage sector, it will take time for grid operators and authorities to implement the decision.

The OLG ruling already opens up options for action:

- *Review BKZ charges instead of accepting them*, especially where the capacity-price model is applied without nuance
- *Use room for negotiation*, by citing the OLG ruling and the dual-function nature of storage
- *Adapt your project structure*, e.g. by separating charging and discharging technically or in energy accounting

Kumandra Energy GmbH & Co. KG
Herzog-Friedrich-Str. 8a – 83278 Traunstein
info@kumandra-energy.de
+49 861 230 835 20

- *Sign contracts with reservation clauses*, to preserve potential claims for repayment

The good news: Some grid operators are already open to discussion—particularly when projects are well-prepared for negotiations.

As part of the BKZ debate, green-powered storage systems are moving into the spotlight. The advantage: under certain conditions, those who charge their batteries exclusively with renewable energy from an on-site generation system may qualify as pure generators - and potentially avoid standard BKZ charges.

But caution is warranted: a green label alone is not enough. Technical, accounting, and regulatory conditions must be met. Otherwise, you may fall right back into the BKZ obligation you were trying to escape.

Common Pitfalls with Green-Powered Storage:

- Insufficient technical separation: e.g. no clear distinction between grid electricity and battery charging
- Overly flexible operations: e.g. if the system can also store grid electricity
- Energy accounting issues: such as shared metering between generation and consumption
- Tax risks: due to mixing self-consumption with third-party use

Conclusion: Green-powered storage systems can be a way out of the BKZ trap, but only with careful project design. A solution that appears “green” but is poorly implemented can actually lead to more problems. Whether the BGH ultimately backs the storage sector or not, those making decisions today shouldn’t wait for the ruling, they should proactively consider its possible impacts. Green-powered storage is one strategic component, but not a silver bullet. Those who assess both risks and opportunities realistically can not only safeguard their projects but also gain a competitive edge. July 15 will be a landmark date for the industry. But the time to act is now.

Note: *This article reflects our practical experience and is not a substitute for legal advice.*

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Kumandra Energy GmbH & Co. KG
Herzog-Friedrich-Str. 8a – 83278 Traunstein
info@kumandra-energy.de
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