



# Transcript

## ARENA CEO Ivor Frischknecht addressing press conference at Alkimos Beach

13 April 2016

A groundbreaking residential battery storage trial is now up and running in the Western Australia suburb of Alkimos, supported by \$3.3 million funding from the Australian Renewable Energy Agency (ARENA).

ARENA CEO Ivor Frischknecht joined the Federal Minister for Environment Greg Hunt, WA Minister for Energy Mike Nahan and Synergy CEO Jason Waters on site to mark the occasion.

### Mr Frischknecht addresses media

We are very excited about this particular project, because as you have said 'the costs are coming down'. We expect that the cost of batteries will half over the next couple of years and will keep going beyond that.

The most basic benefit that this kind of system offers is that you can take sun from the middle of the day when people generally aren't home and use the electricity that is generated by solar panels in the evening, when people are home.

However, as others have touched on there are many other benefits. One is that a new development like this might actually need less of a connection, a smaller connection. That means lower costs for those people that are buying new lots and less investment into poles, wires and transformers.

It also means that you could potentially on a peak day, when it is really hot and everybody is running their air conditioners, it means that you might be able to rely on the energy that it stored in the batteries. Instead of building more poles and wires and power stations elsewhere.

### Media question: What does this battery cost?

The whole development here is on the order of \$6.7 Million and that's the battery and the infrastructure around it. Now, this has some extra costs that wouldn't normally be incurred if it were unit 10 or 20, instead of unit 1. For example, it's specially instrumented so that you can get a lot of information out of it. It has its own connection to the network, instead of being simply a part of the broader grid so that they could be a part of the connection that the development has.

### Media question: So would it be fair to say at this stage with where the technology is at is not financially feasible for rollout in the main stream sector at the moment?

Well the first unit of anything costs a lot more, you need to figure out to do these things and learn so that the next one can be cheaper.

So for example, the next Lendlease development won't have to spend as much on their infrastructure costs and connections to the network because it will have a battery. Right now, this development didn't benefit from that reduced connection cost, because nobody really knew exactly how well the battery would perform.

**Media question: Is this a first in Australia?**

This is the first large scale community battery. We have a number of other trials underway that are looking at different aspects of this.

For example, people are buying batteries for their homes. There is not good data yet to say which model is better or which circumstances which model works in. You could have the same sort of impact on both the Network and people's home energy costs by having lots of little batteries spread around all of these houses.

**Media question: How quickly does this field of technology move – computers started off as being in a big room and now we have little laptops – is it going to move that fast?**

It's very rapid, we don't see Moore's Law happening, so it's not like the cost is going to half every other year. But what we do see is Chinese manufacturers ramping up quickly so there is going to be a lot of capacity over the next two or three years to fill, that will force the price down. It will enable the cost for consumers to come down.

Also, all of the surrounding infrastructure, all of the people who install batteries, for example, are doing it for the first time. What permits do you need to do this? What safety standards apply? What sort of tariff will the energy companies offer? All of those kinds of questions have yet to be answered and through doing these projects you can answer them.

**About ARENA**

ARENA was established by the Australian Government to make renewable energy technologies more affordable and increase the supply of renewable energy in Australia. Through the provision of funding coupled with deep commercial and technical expertise, ARENA provides the support needed to accelerate the development of promising new solutions towards commercialisation. ARENA invests in renewable energy projects across the innovation chain and is committed to sharing knowledge and lessons learned from its portfolio of projects and information about renewable energy. ARENA always looks for at least matched funding from the projects it supports and to date has committed \$1.1 billion in funding to more than 250 projects. For more information, visit [www.arena.gov.au](http://www.arena.gov.au).