



## Media Release

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### Battery storage set to strengthen South Australian grid

The world's largest battery storage 'virtual power plant' is set to land in South Australia, boosting grid stability, reducing power price volatility and supporting renewable energy.

The Australian Renewable Energy Agency (ARENA) has conditionally committed up to \$5 million funding for AGL to install 1,000 centrally controlled batteries in South Australian homes and businesses with a combined 5 MW / 7 MWh storage capacity.

ARENA CEO Ivor Frischknecht joined AGL CEO Andy Vesey and South Australian Treasurer and Minister for Mineral Resources and Energy Tom Koutsantonis in Adelaide to launch the project.

Mr Frischknecht said the \$20 million project could point to solutions to South Australia's grid challenges and reduce the risk of power price shocks in the state.

"Australia is on the cusp of a battery storage revolution as technology costs continue to fall. ARENA is at the forefront of figuring out how batteries can best support renewable energy to provide affordable, reliable and sustainable power," Mr Frischknecht said

"When small-scale batteries work together they become more than the sum of their parts.

"AGL plans to operate the batteries as a kind of virtual power plant, installing them alongside solar PV and linking all 1,000 systems with centralised monitoring and management software.

"The result is like adding a 5 MW power station that can quickly deliver enough energy to power 1,000 South Australian homes where and when it's needed most. This approach can ease local network constraints, displace gas power and complement the Victorian interconnector, especially during times of peak demand.

AGL has selected Sunverge batteries and control systems for phase one of the project. Sunverge received an [ARENA-backed investment boost](#) and its batteries are also being trialled in Queensland by Ergon Energy in another [ARENA-supported project](#).

Mr Frischknecht said ARENA expects virtual power plants to play a significant role in the future as more renewable energy is connected to our power networks.

"The approach also offers more value to customers, retailers and network companies from both the batteries and solar panels, making renewable energy more competitive.

"This project is set to be the largest demonstration of a virtual power plant in the country. South Australia is home to some of the highest levels of solar and wind in the world, making it an ideal proving ground.

“It could also act as a catalyst and provide evidence for regulatory change to enable more Australian virtual power plants. ARENA funding support depends on the negotiation of a funding agreement, which will include comprehensive knowledge sharing outcomes.

“The knowledge would show a path to commercialisation and present lessons that regulators and other energy companies can learn from.”

AGL Managing Director and CEO Andy Vesey said AGL is pleased to be partnering with ARENA on this innovative project, which we hope can demonstrate future options for our energy generation and supply mix.

“The energy landscape is rapidly changing and distributed energy services through projects like this, involving batteries, solar and the grid, can help customers manage their energy bills and provide grid stability,” Mr Vesey said.

### **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).

### **About AGL**

AGL is one of Australia’s leading integrated renewable energy companies and is taking action to gradually reduce its greenhouse gas emissions while providing secure and affordable energy to its customers. Drawing on over 175 years of experience, AGL serves its customers throughout eastern Australia with their energy requirements, including gas, electricity, solar PV and related products and services. AGL has a diverse power generation portfolio including base, peaking and intermediate generation plants, spread across traditional thermal generation as well as renewable sources including hydro, wind, solar, landfill gas and biomass.