



## Media Release

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### **ARENA to help fund \$30 million 30MW SA battery**

A new large-scale battery, designed to demonstrate how energy storage can strengthen the grid and potentially lower energy prices, will be built in South Australia with support from the Australian Renewable Energy Agency (ARENA).

The Minister for the Environment and Energy, the Hon Josh Frydenberg, today announced that the Agency would provide up to \$12 million in funding toward a 30MW, 8MWh battery at the Dalrymple substation on the Yorke Peninsula.

ARENA CEO Ivor Frischknecht said the battery - the second phase of the Energy Storage for Commercial Renewable Integration (ESCRI) project – was expected to cost around \$30 million.

ESCRI Phase 1 consisted of a study into the potential for energy storage to benefit the South Australian network. It has allowed key aspects of a utility scale battery, such as revenue generation, to be thoroughly planned ahead of today's announcement.

Mr Frischknecht said the ESCRI battery would make an important contribution to security and reliability of supply in the context of high renewable energy generation in South Australia.

"This is also the first large-scale grid-connected battery to be designed, built and commercially operated in Australia largely with private investment from energy providers," said Mr Frischknecht.

"It may not be the biggest battery in the world, but pound-for-pound it will pack a big punch in demonstrating how utility scale storage can contribute to a stronger South Australian energy network."

Mr Frischknecht said the ESCRI project would demonstrate how utility scale battery storage could help contribute to a more secure, reliable and affordable electricity system.

He said specific benefits included:

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- **Supplying Fast Frequency Response (FFR)**, which helps balance the electricity network, particularly in the context of increased levels of renewable energy generation. This capability will also be used to help reduce operating constraints on the Heywood interconnector with Victoria which, in turn, has the potential to place downward pressure on wholesale energy prices in SA.
- **Providing contingency power for the Dalrymple service area during a loss of supply.** The islanded battery will work together with the existing 90MW Wattle Point wind farm and rooftop solar PV in a microgrid to provide backup local supply until connection to the grid is restored.
- **Demonstrating that utility scale batteries can aggregate and “value stack” multiple revenue streams** and deliver both regulated network services and competitive market services, thereby encouraging other energy developers to enter the market with battery projects.

Mr Frischknecht said ESCRI will be one of the largest batteries in the world, in terms of MW capacity, behind the Tesla/Neoen battery. It is expected it will be constructed and operational by February 2018.

“Battery storage is a key enabler as we transition to an energy system powered by variable renewable energy like wind and solar,” said Mr Frischknecht.

Mr Frischknecht said ESCRI would complement the 100MW State-funded battery to be built at Hornsdale by Telsa and Neoen, recently announced by the South Australian Government.

“Australia is now a leader in demonstrating the potential of large-scale battery technology to facilitate high levels of renewable energy penetration. This project will complement the Hornsdale battery and other ARENA-funded grid support projects to help deliver reliable and secure electricity in South Australia,” Mr Frischknecht said.

The project will be procured and maintained by transmission provider ElectraNet, which is in discussions with potential energy retail operators to provide market services. Consulting firm Advisian has supported the development of the project from its inception and will play a key role in delivering the knowledge sharing plan to maximise industry learning.

ElectraNet Chief Executive, Steve Masters, welcomed the Australian Government’s support of the project, through ARENA.

“We thank the Government and ARENA for their funding commitment to this important demonstration project on the Yorke Peninsula,” he said. “The learnings and expertise that we will gain from this project will greatly assist to support the shift in energy mix and landscape that South Australia is experiencing.”

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