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Strong demand for community batteries across Australia

The Australian Renewable Energy Agency (ARENA) received an overwhelming response under Round 1 of the Community Batteries Funding Program, with more than \$3.5 billion of battery deployment projects seeking funding.

In April, ARENA opened Round 1 of the Community Batteries Funding Program which aims to lower energy bills, cut emissions and reduce pressure on the electricity grid through community battery projects.

With the expression of interest stage now complete, ARENA announced today that it received 140 eligible applications across all states and territories, with a total grant request of \$1.3 billion. This represents more than 10 times the \$120 million funding available under Round 1.

ARENA has shortlisted 31 applications to be invited to submit full applications with projects covering every state and territory. These projects represent a total grant request of \$231 million and total project value of \$530 million. 14 applications were invited under Stream A and 17 applications under Stream B, requesting \$93 million and \$138 million, respectively.

Round 1 will support applications across a diverse range of use cases and business models. Shortlisted applicants must install a minimum of five community batteries, between 50 kW and 5 MW in size each, and be connected to the distribution network.

Community batteries provide energy storage in the distribution network that can store excess solar energy for later use, putting downward pressure on household electricity costs, and easing pressure on the local electricity grid.

ARENA CEO Darren Miller said the unprecedented demand highlights the significant opportunities for shared local energy storage.

“In Round 1 of our Community Batteries Funding Program, we experienced tenfold demand in potential requests against the available \$120 million. We are pleased to invite 31 applications to the Full Application stage.

“Through these initial projects we hope to see community batteries enable cheaper, cleaner energy storage to communities and provide valuable knowledge that can be shared across Australia to fast track the implementation of these local batteries.”

As part of the 2022-23 Federal Budget, the Australian Government allocated \$200 million for the Household Solar budget measure to deploy 400 community batteries across Australia.

ARENA was allocated \$171 million of this funding to deliver at least 342 batteries.

The Department of Climate Change, Energy, the Environment and Water (DCCEEW) will deliver an initial 58 community batteries through the [Business Grants Hub](#). Batteries have already been commissioned in Cabarita and Narara as part of this program.

ARENA has issued invitations to successful applicants to submit a full application, with submissions closing in March 2024.

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