

Media Release

The Hon Lily D'Ambrosio MP

Minister for Energy, the Environment and Climate Change
Minister for Solar Homes



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VICTORIA TO BUILD SOUTHERN HEMISPHERE'S BIGGEST BATTERY

One of the world's largest lithium-ion batteries will be built in Victoria to boost reliability, drive down electricity prices and support the state's transition to renewable energy – as well as creating jobs as we take steps towards a COVID normal.

Minister for Energy, Environment and Climate Change Lily D'Ambrosio today announced that she has directed the Australian Energy Market Operator (AEMO) to sign a contract with renewable energy specialist Neoen to deliver a new Tesla battery to transform Victoria's energy system and improve reliability.

With climate change resulting in hotter summers, demand for electricity is rising at peak times. At the same time, Victoria's ageing coal-fired generators are becoming increasingly unreliable, creating a need for additional capacity to safeguard the state's power supply.

To address these issues, the Andrews Labor Government has secured the *Victorian Big Battery*. The 300 megawatt battery will be installed near the Moorabool Terminal Station, just outside Geelong, and will be ready by the 2021-22 summer. Construction of the battery will create more than 85 jobs.

It will help reduce wholesale prices – and people's power bills – by storing cheap renewable energy when the weather makes it plentiful and discharging it into the grid when it is needed most.

Neoen will pay for construction of the battery, as well its ongoing operation and maintenance.

Consumers will pay for use of the battery through their power bills, but the reduction in wholesale energy prices delivered by the battery will mean that Victorians pay less for their power – with independent analysis showing that every \$1 invested in the battery will deliver more than \$2 in benefits to Victorian households and businesses.

To reduce the chances of unscheduled power outages over the peak summer months, the Victorian Big Battery will reserve a portion of its capacity to increase the power flow through the Victoria-New South Wales Interconnector by up to 250 MW.

The battery will also help lower electricity prices for all Victorians by storing cheap renewable energy, support solar and wind projects and help to deliver a more secure and modern energy system.

Victoria is on track to meet its renewable energy target of 25 per cent by the end of 2020 and the battery will make an important contribution to its targets of 40 per cent by 2025 and 50 per cent by 2030.

Quotes attributable to Minister for Energy, Environment and Climate Change Lily D'Ambrosio

"The big battery will help protect our network in summer, create jobs and drive down energy prices – as well as supporting our recovery from the coronavirus pandemic."

"Victoria is embracing new technologies that will unlock more renewable energy projects than ever before – delivering clean, cheap, reliable power to all Victorians."