

Global PV Storage Insights

Expected ROI of MW scale storage system project in Australia 2026



Overview

According to Wood Mackenzie, a 4-hour battery that begins operations in 2026 is expected to generate an average of AU\$263,000 per megawatt (MW) annually over its lifetime, with Queensland leading the way at AU\$281,000 per MW. Planned coal retirements create more opportunities for.

According to Wood Mackenzie, a 4-hour battery that begins operations in 2026 is expected to generate an average of AU\$263,000 per megawatt (MW) annually over its lifetime, with Queensland leading the way at AU\$281,000 per MW. Planned coal retirements create more opportunities for.

Over 60 GW of battery storage projects under development in Australia
Source: Wood Mackenzie
Lens Power Service Daily price volatility from renewables is supporting a stronger battery revenue outlook “Our analysis of both the base case and scenarios with increased price volatility indicates that.

Wood Mackenzie outlines that a 4-hour battery that starts operations in 2026 is projected to generate an average annual revenue of AU\$263,000/MW over its lifetime, with Queensland expected to lead at AU\$281,000/MW. This research follows a report from Australia’s Commonwealth Scientific and

Australia is home to the world’s first ‘big’ battery: the 100 MW Hornsdale Power Reserve, constructed in 2017. Since then, investment in grid-scale battery energy storage in Australia’s National Electricity Market - or NEM - has continued. 25 projects are now commercially operational in the NEM.

In a speech in March this year, AEMC Commissioner Tim Jordan stated: “. by AEMO’s current calculations, outlined in the ISP, 61 GW of storage capacity is needed by 2050 under the Step Change scenario. That’s 17 times current levels.” Federal and state governments have announced various policies to.

The 300MW/650 megawatt-hour (MWh) battery energy storage system (BESS) project is expected to be operational in late 2026. Credit: Origin Energy.
Australian utility Origin Energy has approved the construction of a 300MW BESS project at Mortlake power station in south-west Victoria. The battery.

EnergyAustralia has committed to building a four-hour utility-scale battery of 350 MW capacity, which is scheduled to be in operation before the end of 2026. The project will provide an economic boost for the Gippsland region, helping to secure Victoria's energy supply, enable more renewable energy. Will Australia's NEM see a massive increase in battery energy storage capacity?

Australia's NEM will see a massive increase in grid-scale battery energy storage capacity in the next three years. There are 16.8 GW of battery projects that could come online in the National Electricity Market (NEM) by the end of 2027.

Which energy storage project will be fully operational in August 2025?

Alongside the Eraring BESS, the 850MW/1,680MWh Waratah Super Battery in New South Wales is also set to be fully operational in August 2025. Akaysha Energy, a developer backed by asset manager BlackRock, is behind the energy storage project, which was previously deemed a 'giant shock absorber' for the grid.

How many MW of new battery capacity are there in 2024?

So far in 2024, 591 MW of new battery capacity has begun trading in the NEM - just behind the 610 MW deployed in 2023. Half of this has come in Queensland, tripling battery energy storage capacity in the state. Grid-scale BESS power capacity (MW) Source: AEMO Generation Information, Modo Energy.

How much energy does a NEM use in 2024?

The deployment of two-hour systems in 2024 means the total energy capacity of battery energy storage in the NEM has reached 3 GWh, up from 2 GWh at the end of 2023. This has increased the fleet's average duration to 1.6 hours, up from 1.4 hours a year ago. Grid-scale BESS power (MW) and energy storage capacity (MWh).

How many GW of battery projects are there in 2027?

There are 16.8 GW of battery projects that could come online in the National Electricity Market (NEM) by the end of 2027. This would result in a ninefold increase in battery energy storage capacity in just three years - with 2 GW operational today. So what is driving this battery build?

Which private developers are deploying a new battery energy storage capacity?

Alongside Neoen, other private developers have deployed a further 1.1 GW of battery energy storage capacity. This is led by Eku Energy (through its two joint ventures with Shell and Engie), Edify Energy, and Vena Energy. Private developers account for three-quarters of BESS capacity operational today.

Expected ROI of MW scale storage system project in Australia 2026

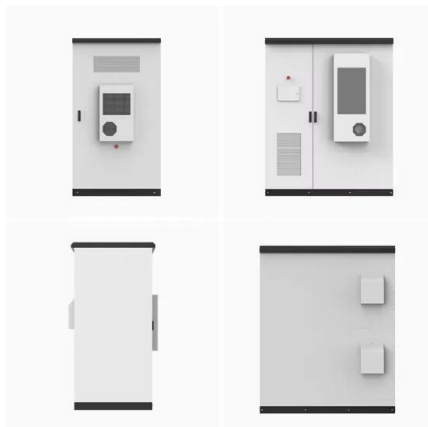


Storage across the NEM

As part of the consultation process, DCCEEW is seeking feedback on the evaluation criteria it should implement to assess a project's contribution to system reliability - that is, the project's potential contribution to ...

Acen secures approval for 1.2 GW solar-plus-battery ...

Acen Australia's plan to develop a 600 MW solar farm and 600 MW/1,200 MWh battery energy storage system in Australia has received a major boost, with the New South Wales Independent Planning



ACE Power Secures Key Environmental Approvals for ...

April 2025 ACE Power is proud to announce that two of its flagship Battery Energy Storage System (BESS) projects in Queensland--the 900 MW / 3600 MWh Nebo BESS and the 500 MW / 2000 MWh Raglan BESS-- have both ...

Cost Projections for Utility-Scale Battery Storage: 2023 Update

Executive Summary In this work we describe the development of cost and performance

projections for utility-scale lithium-ion battery systems, with a focus on 4-hour duration ...



Cost Projections for Utility-Scale Battery Storage: 2021 ...

Executive Summary In this work we describe the development of cost and performance projections for utility-scale lithium-ion battery systems, with a focus on 4-hour duration ...

The Economics of Battery Storage: Costs, Savings, ...

For instance, a residential solar-plus-storage system might have a different ROI compared to a large-scale utility battery storage project. Impact of Incentives and Subsidies



Grid Scale Battery Energy Storage System: An Investor's Guide to ROI

Conclusion - Is Grid-Scale Battery Storage Worth the Investment? From an investor's perspective, the grid scale battery energy storage system represents one of the most ...

AGL to begin construction of Australia's biggest

The gentailer says construction on the roughly \$750 million project is expected to begin in early 2024, with commencement of operations targeted for mid-2026.



Modo: 16.8GW of large-scale battery storage to come ...

As such, Wood Mackenzie's research outlined that a 4-hour battery that starts operations in 2026 is projected to generate an average annual revenue of AU\$263,000/MW (US\$165,000/MW) over its lifetime. Batteries in ...

China solar giant Trina seeks approval for biggest battery project ...

Chinese solar giant Trina seeks planning approval for what would be the biggest battery project in Australia, as W.A. becomes centre stage for lithium-ion storage projects.



Fluence Chosen for 300 MW / 600 MWh Wellington Battery Energy Storage

AMPYR's energy solutions empower Australia's future industries like hyperscale datacentres to decarbonise reliably and cost-effectively. AMPYR is on track to deliver 6,000 MWh of grid ...

Origin Energy approves 300MW battery storage ...

The 300MW/650 megawatt-hour (MWh) battery energy storage system (BESS) project is expected to be operational in late 2026. Credit: Origin Energy. Australian utility Origin Energy has approved the construction of a ...



U.S. battery storage capacity expected to nearly double in 2024

Developers expect to bring more than 300 utility-scale battery storage projects on line in the United States by 2025, and around 50% of the planned capacity installations will be ...

GRIDSTOR ANNOUNCES ACQUISITION OF TEXAS ...

GridStor's project will be built in Hidalgo County, Texas, and is expected to come online by the summer of 2026. At its height of construction, the project is expected to sustain over 100 jobs including skilled tradespersons ...



Fluence Chosen for 300 MW / 600 MWh Wellington Battery Energy Storage

The Wellington Stage 1 BESS is AMPYR's first grid-scale battery energy storage system to reach financial close in Australia. This project is scheduled to be energised in 2026, ...

Quinbrook closes first 250 MW stage of the 'Supernode' Storage Project

Global investment manager Quinbrook Infrastructure Partners has announced financial close and the start of construction for the first stage of the 'Supernode' project, a 250 ...

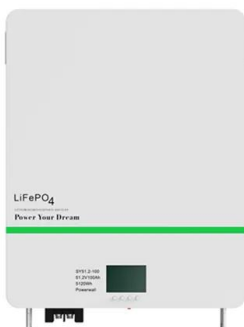


Ace Power Secures Federal Approval for 5.6 GWh ...

Ace Power has received federal approval for two major battery storage projects in Queensland, totaling over 5.6 GWh of capacity. These projects will enhance grid stability, support renewable energy integration, and contribute to Australia's ...

Liddell Battery Project, New South Wales, Australia

The Liddell Battery Energy Storage System (BESS) Project involves the development of a 500MW battery in New South Wales (NSW), Australia.

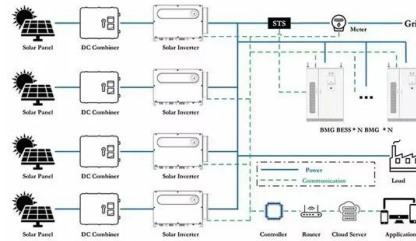


AGL presses go on Australia's largest grid-forming ...

ARENA said the Liddell battery, originally planned at half the size at 250 MW/500 MWh, is one of eight energy storage projects selected for support through the Large Scale Battery Funding Round. Together, these ...

EnergyAustralia reveals plan for new 500 MW big battery

Australian electricity gen-tailer EnergyAustralia will investigate the feasibility of installing a 500 MW/2000 MWh big battery energy storage system adjacent to its 1.4 GW Mount Piper coal-fired power station in New ...



Australian authorities approve 600 MW/1,200 MWh of solar-plus-storage

The Australian federal government has approved a 600 MW/1,200 MWh solar farm and battery energy storage system in the state of New South Wales.

How much does it cost to build a battery energy ...

1) Total battery energy storage project costs average £580k/MW 68% of battery project costs range between £400k/MW and £700k/MW. When exclusively considering two-hour sites the median of battery project costs are £650k/MW.



Battery Storage Unlocked: Lessons Learned From Emerging ...

Lessons Learned from Emerging Economies The Supercharging Battery Storage Initiative would like to thank all authors and organizations for their submissions to support this publication. This ...

4-hour duration BESS in Australia's NEM to be

Wood Mackenzie outlines that a 4-hour battery that starts operations in 2026 is projected to generate an average annual revenue of AU\$263,000/MW over its lifetime, with Queensland expected to lead at ...



Energy Vault Deploying Two BESS Totaling 400 MWh ...

Energy Vault Holdings, a developer of sustainable, grid-scale energy storage solutions, and ACEN Australia have entered into contractual agreements for two battery energy storage system (BESS) deployments ...

Australia: The 2025 NEM Battery Energy Storage Pipeline Report

Australia has a massive pipeline of grid-scale battery energy storage projects. 16.5 GW of new battery projects could arrive in the NEM in the next 3 years.

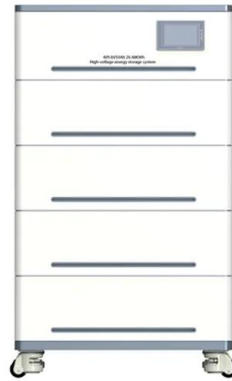


EDPR expands presence into Australia, edp

The portfolio also includes a 480MWp solar photovoltaic system and 200 MW BESS project, which is at an advanced stage of development in Queensland and is expected to enter into ...

ACE Power's Nebo and Raglan BESS Projects Clear Hurdle

ACE Power has announced that two of its flagship Battery Energy Storage System (BESS) projects in Queensland--the 900 MW / 3600 MWh Nebo BESS and the 500 ...



AGL Energy

AGL has received NSW planning approval for a battery energy storage system of up to 500 MW / 2000 MWh at the proposed location. The project will demonstrate large-scale provision of inertia, voltage stability, ...

250MW Utility Scale Battery Storage Powers South ...

Revolutionizing Australia's Energy Future: Massive Battery Storage Project Boosts Grid Stability in South Australia "Australia's new battery project boasts a 250MW / 500MWh capacity, part of a massive 10GWh energy storage ...



Battery storage profitability looking up in Australia, ...

According to Wood Mackenzie, a 4-hour battery that begins operations in 2026 is expected to generate an average of AU\$263,000 per megawatt (MW) annually over its lifetime, with Queensland leading the way at ...

AGL reaches battery milestone at retired coal site - pv ...

AGL's 500 MW / 1,000 MWh Liddell battery energy storage system is taking shape with the recent installation of the first of more than of 1,500 battery units planned for the project site in the New South Wales Hunter Valley.



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