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Infigen enters agreement with TransGrid regarding the Wallgrove Grid Battery

Infigen (ASX: IFN) today announces that it has entered into an agreement with TransGrid relating to Infigen's dispatch of the 50MW/75MWh battery energy storage system that will be constructed at the Wallgrove substation in New South Wales (the 'Wallgrove Grid Battery').

The Wallgrove Grid Battery will be owned, constructed and maintained by TransGrid, with commercial operations expected to commence in H2-2021. Infigen's agreement with TransGrid is for a period of 10 years following the commissioning of the Wallgrove Grid Battery.

TransGrid's funding arrangements for the Wallgrove Grid Battery include funding from the Australian Renewable Energy Agency ('ARENA'), as part of ARENA's Advancing Renewables Program, and from the New South Wales Department of Planning, Industry and Environment ('DPIE'), as part of DPIE's NSW Emerging Energy Program.

Under the agreement, Infigen will have dispatch control of the Wallgrove Grid Battery and will receive all spot market revenue relating to its operations. This will include revenue from energy arbitrage and revenue from all eight Frequency Control Ancillary Services (FCAS) markets using Tesla's Autobidder platform. TransGrid will retain network services capabilities, including Fast Frequency Response (FFR) and Synthetic Inertia. Less than 5% of the Wallgrove Grid Battery's storage capacity will be reserved to deliver these network services.

Infigen will pay TransGrid a fee for use of the Wallgrove Grid Battery and will also be responsible for any costs relating to dispatch, including bought energy costs. Maintenance of the Wallgrove Grid Battery will be managed and paid for by TransGrid.

The Wallgrove Grid Battery is a complementary addition to Infigen's fast-start firming portfolio. This portfolio enables Infigen to significantly grow its renewable energy capacity by selling clean energy to customers under firm supply contracts.

Managing Director and Chief Executive Officer, Ross Rolfe, AO, said: "Our innovative agreement with TransGrid shows that Infigen continues to be at the forefront of the clean energy transition in Australia. Our arrangement allows Infigen to sell more clean energy to customers and allows TransGrid to improve the strength of the network in Australia. It is also pleasing to see Infigen continuing to grow rapidly, supported by the resources and expertise of our new controlling security holder, Iberdrola."

Independent Chairman, Len Gill, said:

“Today, Infigen is supporting investment in 50MW of dispatchable capacity. This will be an important addition to the NSW generation fleet and will contribute towards the goal of stabilising the energy supply system in that state as coal fired generation is expected to withdraw over the course of the next decade.”

“Infigen’s investment in batteries and other firming assets demonstrates that private capital will respond to the changing market dynamics that accompany Australia’s energy transition, including investment in dispatchable plant. However, investor confidence depends heavily upon the continued observance of the principle of competitive neutrality as the guiding principle behind a healthy market.”

“Our investments are guided by our long-term view of the needs of our customers and our conviction that renewable generation supported by flexible and agile firming assets will continue to shape the future of the Australian market. We are delighted that Iberdrola, supports this long-term approach to investment in new capacity.”

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This release was authorised by Managing Director and Chief Executive Officer, Ross Rolfe.¹

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About Infigen

Infigen is leading Australia to a clean future, today. Our strategy is to provide Australian businesses with firm supplies of reliable and competitively priced clean energy.

We generate renewable energy from our fleet of owned wind farms. We also source renewable energy from our portfolio of contracted assets. Our flexible, fast start firming portfolio enables us to manage the intermittency risk associated with selling renewable energy. This strategy enables us to provide our customers with clean energy at firm prices and volumes.

For more information, please visit: www.infigenenergy.com

¹ The views expressed herein are not necessarily the views of the Australian Government, and the Australian Government does not accept responsibility for any information or advice contained herein.