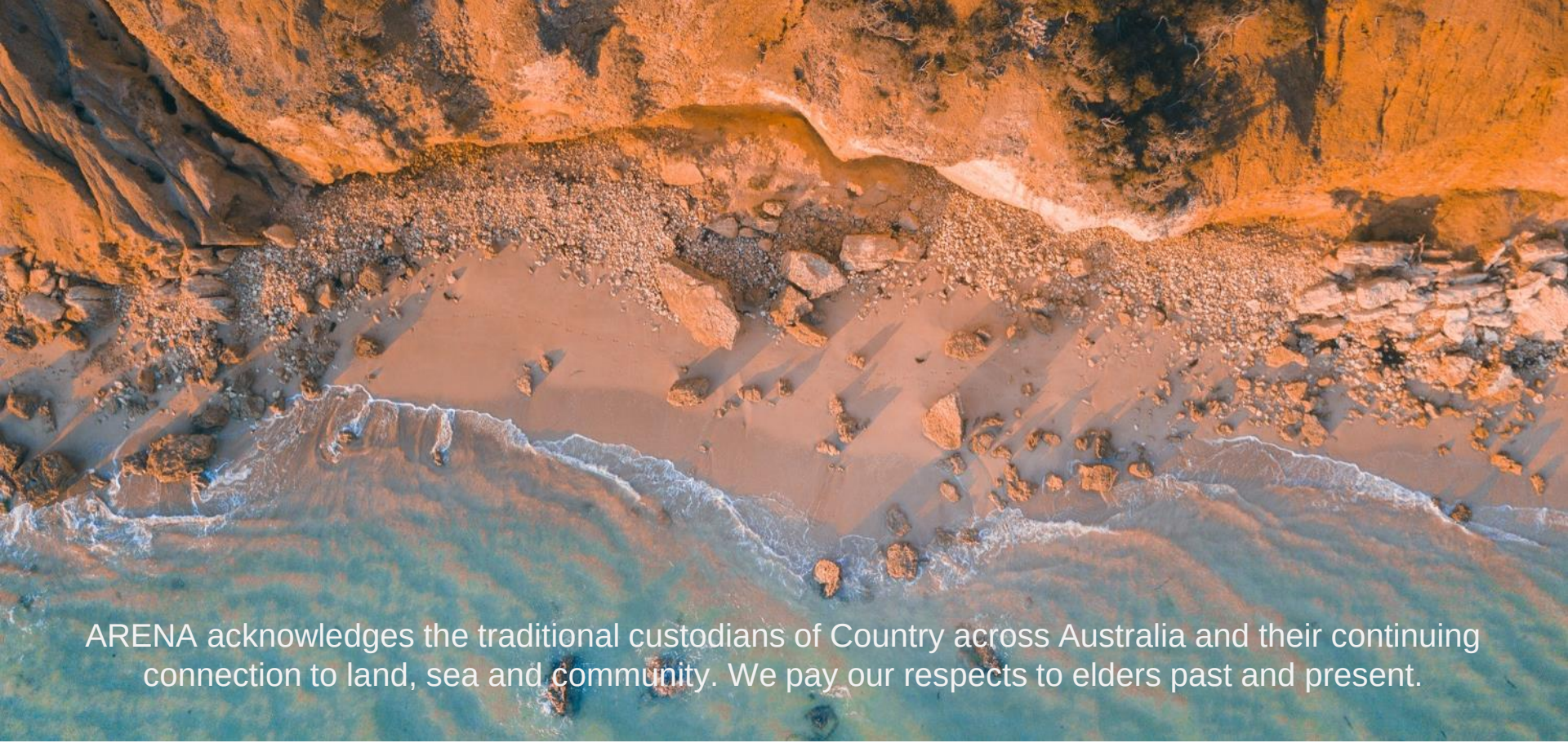


ARENA acknowledges the traditional custodians of Country across Australia and their continuing connection to land, sea and community. We pay our respects to elders past and present.

Australian Government
Australian Renewable Energy Agency

ARENA 10 YEARS

Community Batteries Funding Round

Information Session
13th & 15th December 2022

Australian Government
Australian Renewable Energy Agency

ARENA

Agenda

1. Welcome and Introduction to ARENA
2. Overview
3. Key links and dates

1. Welcome and Introduction to ARENA

ARENA's Purpose

ARENA is the Australian Renewable Energy Agency.

The Agency was established by the Australian Government in July 2012 .

Our objectives are to:

- improve the competitiveness of renewable energy technologies, and
- increase the supply of renewable energy in Australia.

AUSTRALIAN RENEWABLE ENERGY AGENCY

KEY STATISTICS 2012-2022

ARENA

Australian Government
Australian Renewable Energy Agency

INVESTED $1.86B

PROJECTS 628

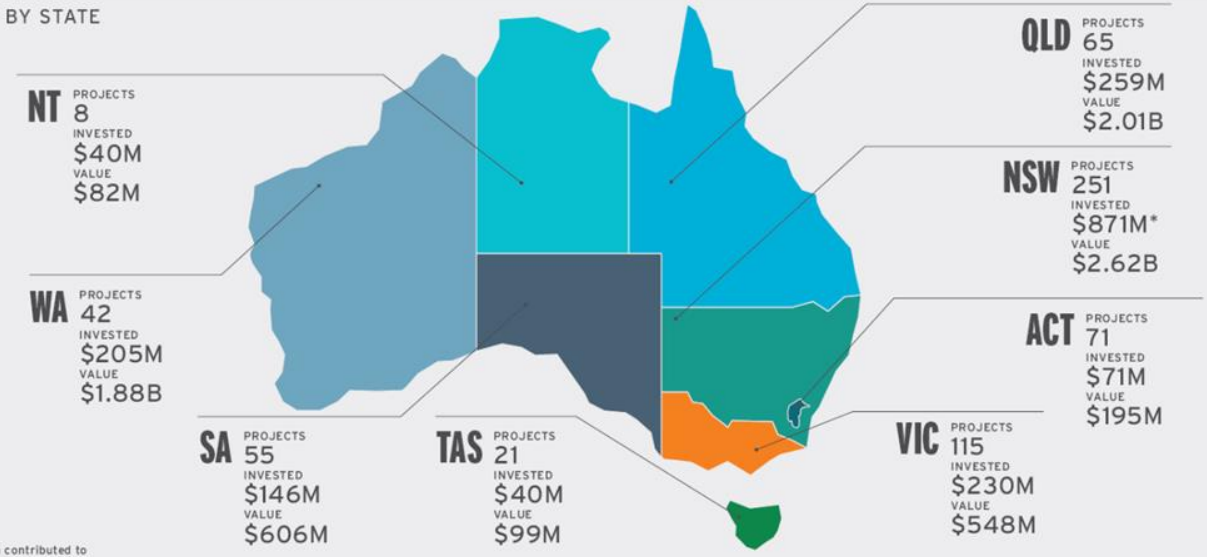
VALUE $8.05B

INVESTMENT LEVERAGE $1:$3.32

INVESTMENT BY TECHNOLOGY

BIOENERGY	GEOTHERMAL	GRID INTEGRATION	HYBRID	HYDROGEN	OCEAN	SOLAR PV	SOLAR THERMAL	STORAGE - BATTERIES/PHES
$131M	$42M	$348M	$112M	$88M	$44M	$732M	$177M	$188M

INVESTMENT BY STATE



NT
PROJECTS 8
INVESTED $40M
VALUE $82M

WA
PROJECTS 42
INVESTED $205M
VALUE $1.88B

SA
PROJECTS 55
INVESTED $146M
VALUE $606M

TAS
PROJECTS 21
INVESTED $40M
VALUE $99M

VIC
PROJECTS 115
INVESTED $230M
VALUE $548M

QLD
PROJECTS 65
INVESTED $259M
VALUE $2.01B

NSW
PROJECTS 251
INVESTED $871M*
VALUE $2.62B

ACT
PROJECTS 71
INVESTED $71M
VALUE $195M

* Includes $567 million contributed to projects inherited by ARENA in 2012.

INVESTMENT LEVERAGE ALONG THE INNOVATION CHAIN

STUDY	R&D	DEMONSTRATION	DEPLOYMENT
$1:$1.71	$1:$1.64	$1:$1.85	$1:$6.25

30 JUNE 2022

OUR STRATEGIC PRIORITIES

OPTIMISE THE TRANSITION TO RENEWABLE ELECTRICITY

COMMERCIALISE CLEAN HYDROGEN

SUPPORT THE TRANSITION TO LOW EMISSIONS METALS

DECARBONISING LAND TRANSPORT

Deliver the Budget programs

Future Fuels Program | Industry Energy Transformation Studies Program | Regional Australia Microgrid Pilots Program | First Nations Community Microgrids Program | Community Batteries for Household Solar

2. Overview

Overview of the Community Battery Budget Measure

The Community Batteries for Household Solar Budget Measure was announced in the October 2022 Commonwealth Budget. Funding of up to **$171 million** to be administered by ARENA over 4 years (until 2025-26).

"*Deploy 400 community batteries across Australia to lower bills, cut emissions and reduce pressure on the electricity grid by allowing households to store and use excess power they produce.*"

When considering ARENA's objectives of improving technology competitiveness and increasing supply of renewable energy, potential enablers may include:

- Efficient and effective delivery of the target volumes of community batteries;
- Development of sustainable and scalable business models;
- How to overcome barriers (technical, commercial, regulatory, and social) that prevent large-scale deployment of community batteries without grant funding; and
- Building industry capacity to deploy community batteries at scale.

Note: 58 batteries with announced locations will not be administered by ARENA

Challenge: Applicants

ARENA wishes to understand the ambition and readiness of the market to deploy community batteries, including what categories of organisations (legal entities) could seek grant funding.

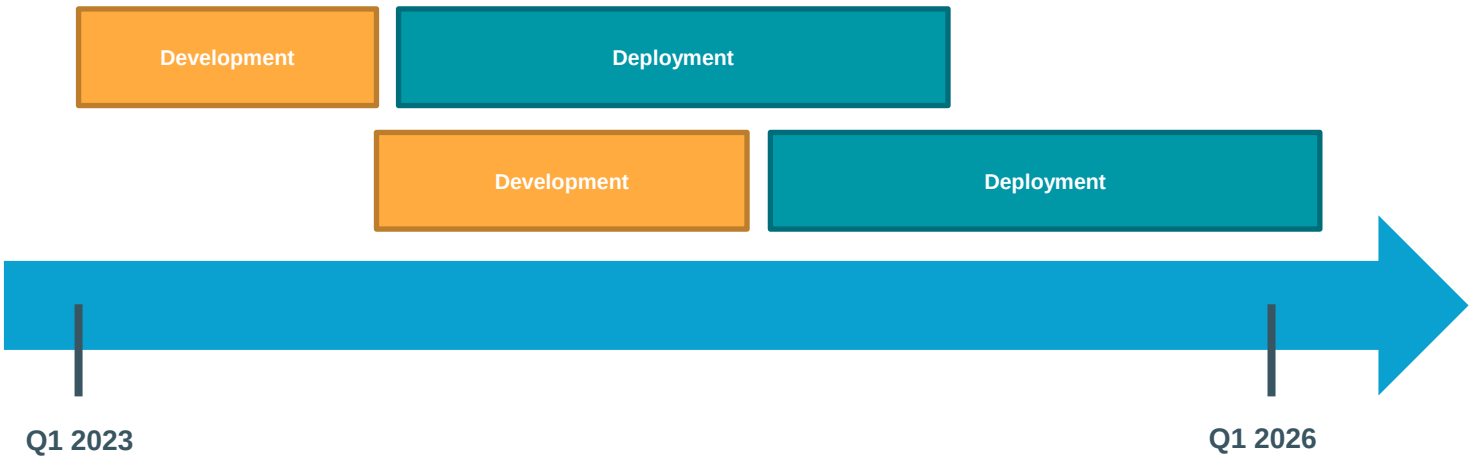
- Distribution Network Service Providers (DNSPs)
- Businesses (developers, retailers, community-oriented organisations)
- Local Government
- Government Owned Corporations
- Others?

Challenge: Market Readiness

Some stakeholders and business models are more suited to rapid deployment.

Challenge: accommodate early movers and projects with longer development times.

Noting the budget funding profile to 2025-26, ARENA wishes to understand the time required to develop, install and achieve operation of community battery projects.



Challenge: Front of Meter vs Behind the Meter

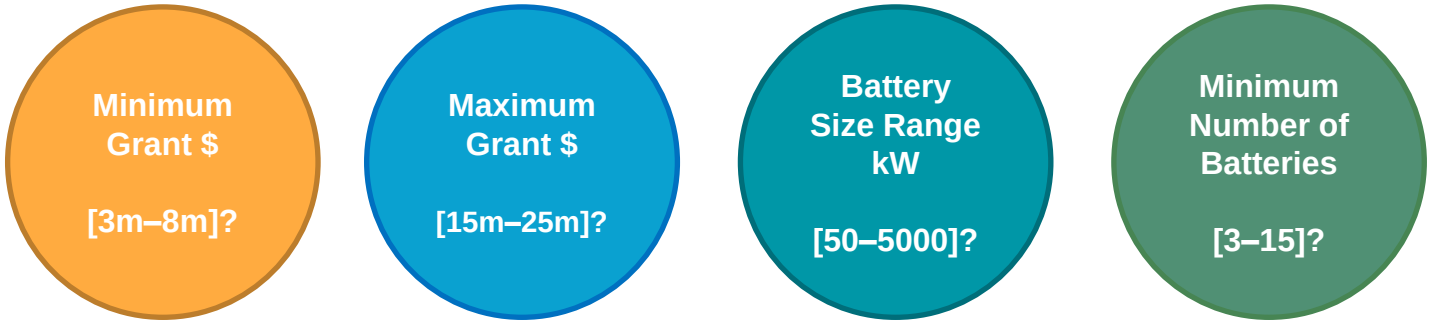
Many community battery trials to date have been deployed in a front of meter configuration in the distribution network. ARENA wishes to understand the potential size of the market for behind the meter batteries, and how they could achieve the objectives of the Budget Measure.

Front of Meter	Behind the Meter
• Pole-top • Distribution kiosk • Zone substation • LV and MV?	• Community facilities • VPPs • Other configurations?

Challenge: Efficient Delivery

Barriers to the efficient delivery of community battery trials include challenging business cases, high cost of development on a single battery basis, requirement for ringfencing waivers, lack of procurement scale, and bespoke control and communication schemes.

ARENA wishes to understand the potential to drive economies of scale in community batteries.



Challenge: Competition and/or collaboration with DNSPs

ARENA wishes to understand how to manage and support both DNSP and non-DSNP led community batteries, given the potential for asymmetric access to network information.

- What information (and in what form) do non-DNSP organisations require access to.
- How could DNSPs be encouraged to provide this information and are there any barriers to providing?
- What are the risks associated with DNSPs and non-DNSPs developing community batteries on the same network, how can these risks be managed?
- Other suggestions?

Challenge: Public Infrastructure

ARENA understands that a range of potential hazards and nuisance issues specific to community batteries. These include noise, vehicle impacts, fire, public safety, end of life management, and local amenity. Inadequate community engagement on these matters could lead to local opposition and delays to development.

ARENA would like to understand what requirements can be put in place to ensure appropriate management of public infrastructure risks, such as requirements for Risk Management and Community Consultation Plans.

Other Challenges?

ARENA would like to understand if there are additional barriers to community batteries, whether they be technical, commercial, regulatory, or social.

We encourage all attendees today to complete the survey form to help ARENA understand the challenges and risks of community battery deployment.

3. Key links and Contacts

Key links and contact

Community Batteries for Household Solar webpage
arena.gov.au/funding/community-batteries-for-household-solar/

Survey Form
https://forms.office.com/r/FSh426P3rP

Advancing Renewables Program Guidelines
arena.gov.au/funding/advancing-renewables-program/

Further questions?
Email: batteryround@arena.gov.au