

# Government procurement price of lithium ion storage in Australia





## Overview

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In Western Australia's Wholesale Electricity Market (WEM), the reserve capacity mechanism (RCM) provides price signals to encourage investment in capacity to ensure that supply can meet consumer electricity demand, and to retire capacity when there is an excessive surplus. Capacity suppliers.

16 GW of battery energy storage capacity is in the NEM pipeline to the end of 2027, a quarter of which has a long-term government-backed revenue guarantee. This is through either the Capacity Investment Scheme (CIS) or a Long-term Energy Supply Agreement (LTESA). These schemes were established to.

The clean energy development arm of German utility company RWE has been awarded a long-term contract for a 50MW/400+MWh battery storage project in New South Wales, Australia. RWE won with its bid in a competitive solicitation, the results of which were announced today (2 May). Tendered for by AEMO.

Another two eight hour lithium batteries have won contracts under the NSW government's long duration storage tender, including one that will compete to be the biggest battery project in the country, in terms of megawatt hours of storage. Ark Energy, part of the Korea Zinc group, is to build a 275.

More than 1 GW of firmed storage capacity is set to be delivered by the six winning projects from the New South Wales (NSW) tender combining state and federal schemes. Akaysha Energy's 415 MW / 1660 MWh battery in Wellington and AGL's 500 MW / 1000 MWh Liddell battery are the round's two biggest.



Industry revenue across the global lithium-ion value chain is projected to increase five-fold by 2030 (McKinsey 2023), with 96% of the total revenue opportunity expected to occur downstream of the mining stage (Accenture 2023). Australian battery active materials can integrate into the supply.

What's going on with NSW's lithium battery project?

A 50 MW, 400 MWh eight hour lithium battery project at Limondale in the south-west of the state won the only contract in the first long duration storage tender held by the NSW government earlier this year, and will be built near an existing solar project by German energy giant RWE.

What is NSW's next Li-ion battery storage tender?

While, as RWE pointed out, the project will be Australia's first-ever 8-hour duration Li-ion battery storage project, NSW has just launched its next tender for LDES. Tender Round 5 under the NSW Electricity Infrastructure Roadmap opened last week (22 May).

Where will a lithium battery be built in NSW?

Another eight hour lithium battery – the Goulburn River project sized at 49 MW and 392 MWh – will be built by Lightsource bp at Merriwa, in the Upper Hunter Valley next to a proposed solar farm, while the previously announced Silver City compressed air storage project at Broken Hill is also a winner of the NSW tender.

Are lithium-ion batteries regulated?

Lithium-ion batteries are regulated by the Department of Energy, Mines, Industry Regulation and Safety under the Dangerous Goods Safety Act 2004. Based on our experience working with the Department on recent BESS projects, we understand going forward BESS projects will no longer require a dangerous goods storage licence once installed.

What is the future of lithium-ion industry?

Industry revenue across the global lithium-ion value chain is projected to increase five-fold by 2030 (McKinsey 2023), with 96% of the total revenue opportunity expected to occur downstream of the mining stage (Accenture 2023). Australian battery active materials can integrate into the supply chains of automotive manufacturers.

Will long-duration lithium technology be used for long-term contracts?



What's perhaps interesting to note is that while these and a number of other projects Energy-Storage.news has reported on will use long-duration lithium technology to service long-term contracts, rather than providing merchant revenues for asset owners and developers.



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### Battery Energy Storage System Market Size, Trends & Regional ...

The global battery energy storage system market size was estimated at USD 10.16 billion in 2025 and is anticipated to grow from USD 12.61 billion in 2026 to USD 86.87 billion by 2034, growing ...

### [A 2025 Update on Utility-Scale Energy Storage ...](#)

While the energy storage market continues to rapidly expand, fueled by record-low battery costs and robust policy support, challenges still loom on the horizon--tariffs, shifting tax incentives, and supply chain uncertainties ...



### Australia adopts international product standard for battery storage

Following an industry roundtable where Standards Australia committed to fast track the development and adoption of appropriate product safety standards, a key ...

### Trump tariffs, orders rein in thriving battery storage ...

Tariffs and funding overhauls by the Trump administration are set to raise energy storage prices and hit short term deployment as



domestic manufacturing capacity falls short.



### Navigating The Battery Storage Boom

Source: BloombergNEF (via Energy-Storage.News, Dec 2024) - Lithium-ion battery price survey results. The content of this article is intended to provide a general guide to ...

### Lithium industry support program: financial assistance package ...

As part of the Lithium Industry Support Program, the State Government will provide fee waiver support to lithium miners in the ramp-up phase for a period of up to 24 ...



### Lithium-ion's long-duration dominance under threat in ...

Lithium-ion battery storage, such as the pictured project, is likely to dominate energy storage applications of up to 4-hours in durations. Image: Edify Energy. The Australian government's Department of Industry, Science ...



## 2025 Vanadium Liquid Flow Energy Storage Tender: What You ...

2025 Tender Breakdown: More Than Just Boring Paperwork The upcoming vanadium liquid flow energy storage tender isn't your typical government procurement process. ...



## [Addressing Tariffs and Trade in Energy Storage Projects](#)

Two major areas of international trade that will remain causes of concern for energy storage projects are the application of tariffs and supply chain integrity. While it remains to be seen what the US administration might impose ...

## Australian Energy Storage Market Analysis Full Report V10

Energy Renaissance has proposed to build a lithium-ion manufacturing plant in Darwin, which it says could produce 1 GW of lithium-ion battery cells each year. Boston Energy has proposed a ...



## [High value opportunities for Australia . National ...](#)

This integration would diversify global supply chains with lower cost, higher standard and higher value products. This industry can also use recycled materials from Australia's uptake of stationary storage batteries and EVs.



### [Australia makes moves to on-shore lithium operations](#)

With an abundance of critical resources, Australia could secure its place as an energy "superpower". Andrew Tunnicliffe looks at the steps the country is taking to on-shore lithium operations.



### **Lithium-ion's long-duration dominance under threat in Australia**

Lithium-ion battery storage, such as the pictured project, is likely to dominate energy storage applications of up to 4-hours in durations. Image: Edify Energy. The Australian ...



### [Long-duration energy storage poised to outcompete ...](#)

While most long-duration energy storage (LDES) technologies are still early stage and costly compared to lithium-ion batteries, some have already, or are, set to achieve lower costs for longer durations, finds ...



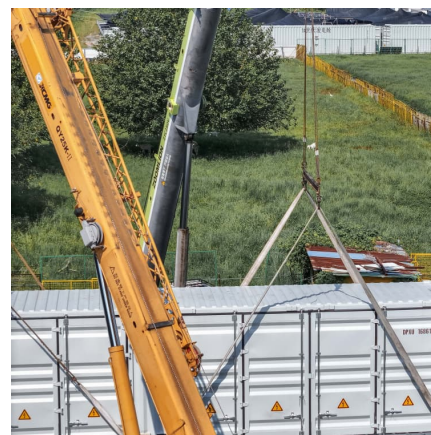


### [Navigating the Political and Economic Challenges of ...](#)

As lithium becomes more relevant in a global economy that increasingly relies on renewable energy sources, political and economic challenges that govern the status of its procurement have emerged. ...

### [Future Battery Industry Strategy Western Australia](#)

The Western Australian Future Battery Industry Strategy showcases the State's competitive advantages and provides a framework for Government leadership and clear, practical actions ...



### **NSW Introduces Nation-Leading Battery Safety Legislation**

The Minns Labor Government has introduced landmark legislation that will make suppliers more accountable for safe battery handling and disposal. NSW will be the first state ...

### [Winners of nation's largest storage tender](#)

The winners of Australia's biggest storage tender to date have been announced by the state and commonwealth governments, who opted to join the LTESA (Long-Term Energy Service Agreements) and Capacity Investment ...



### [Australia Energy Storage Systems Market](#)

Report Overview Rising energy demand and peak load management and the government's supportive policies are expected to boost the growth of Australia Energy Storage Systems ...



### [California's CPUC proposes 2GW LDES procurement](#)

The LDES portion is split between 1GW of multi-day energy storage, and another 1GW of energy storage with a discharge duration of 12 hours or more. The CPUC has ...



### **Is lithium poised for a resurgence?**

After a tough 2024, what can we expect from lithium in 2025, and what role does Australia have to play? The global lithium market is set for a recovery in 2025, as the supply-demand thematic





## 10 Top Lithium Battery Manufacturers in Australia For ...

Explore the top lithium battery manufacturers in Australia for 2025, including Tesla and MANLY Battery. Learn how they are shaping the future of energy storage.



## [RWE reaches FID on Australia's first long-duration ...](#)

The FID comes after RWE won out in the New South Wales government's first tender for long-duration energy storage (LDES) and was awarded a Long-Term Energy Service Agreement just over a year ago.

## [Australia Battery Market Size, Share, Growth Report](#)

Lithium Batteries Australia: Founded in 2015, Lithium Batteries Australia is a leading Australian supplier of lithium-based energy storage solutions. Headquartered in Melbourne, the company provides a range of high ...



## **Benchmark Reserve Capacity Price costs 2027/28 Capacity ...**

Cost of lithium-ion battery modules is informed by pricing information received from tier 1 lithium-ion containerised battery energy storage suppliers and benchmarked against the GHD internal ...



[Australian state sounds alarm on battery suppliers](#)

In a national first, the NSW government today announced new laws for handling and discarding lithium batteries, which can trigger fires.



[California's CPUC proposes 2GW LDES procurement](#)

The LDES portion is split between 1GW of multi-day energy storage, and another 1GW of energy storage with a discharge duration of 12 hours or more. The CPUC has said it wants resources that do not use lithium ...



[Lithium Metal Prices, News, Index, Chart and Forecast](#)

Q1 2024: The European lithium metal industry encountered substantial issues in Q1 2024, with prices declining due to low demand and excess. The lithium-ion battery sector's conservative stance, along with declining pricing, resulted in ...





### **Lithium Market Recovery in 2025: Australia's Key Role ...**

Global lithium demand is set to rise in 2025, with Australia leading production. Discover key trends, pricing forecasts, and industry advancements.

### **Does size matter? The economics of the grid-scale storage**

By 2018, the Gigafactory will reach full capacity and produce more lithium ion batteries annually than were produced worldwide in 2013 [10]. While Tesla's Nevada factory may capture the ...



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