



THE HON JOSH FRYDENBERG MP
Minister for the Environment and Energy

MEDIA RELEASE

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**STRENGTHENING SOUTH AUSTRALIA'S SYSTEM
THROUGH STORAGE**

The Turnbull Government, through the Australian Renewable Energy Agency (ARENA), is providing \$1 million to conduct two feasibility studies into two pumped hydro energy storage (PHES) projects, designed to strengthen the South Australian system and deliver more affordable and reliable power for South Australian families and businesses.

The first \$500,000 will be provided to EnergyAustralia for the next stage feasibility study into the Cultana seawater PHES project – a project that would be the first of its kind in Australia and have a capacity equivalent to more than 126,000 home batteries at a third of the cost.

In February 2017, the Turnbull Government, through ARENA, provided \$453,000 to conduct an initial feasibility study into the project which found it could generate 225MW/1770MWh of electricity. Including engineering assessments, planning approvals and financial modelling, the first feasibility study determined the project could be constructed and fully operational by 2023.

This next stage feasibility study will complete the project design, including studies on environmental impacts and connection to the grid.

The second \$500,000 will be provided to Zen Energy and SIMEC Mining for phase one of a feasibility study into a PHES project at the former Iron Duchess North mine in the South Middleback Ranges near Whyalla.

Utilising an existing mine pit as a lower reservoir, the project has an estimated capacity of 90MW/390MWh. The technical and commercial feasibility study will include high level designs, engineering studies, network studies, geotechnical investigation, market modelling and commercial evaluation.

“The Turnbull Government put energy storage on the agenda to deliver a more affordable and reliable energy system for Australians,” Minister Frydenberg said.

“A 2017 report by the Australian Council of Learned Academies noted that no large-scale pumped hydro facilities have been built in Australia in the last 30 years – this is what the Turnbull Government is fixing.

“South Australia is facing a significant transition issue which is implicating both system security and electricity pricing.

“That’s why we’re investing in projects such as these, because the South Australian Government failed to take energy storage needs into account all the while pursuing a reckless 50 per cent renewable energy target.”

In his review of the National Electricity Market, Chief Scientist Dr Alan Finkel noted that pumped hydro storage systems are the most mature electrical energy storage systems available.

Whether it’s Snowy 2.0 in New South Wales and Victoria, the Battery of the Nation projects in Tasmania, the Kidston hybrid solar and PHES project in Queensland or these various projects in South Australia, the Turnbull Government is exploring, upgrading and expanding pumped hydro energy storage projects across Australia.

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