

NEW BATTERY STORAGE PROJECTS TO CAPITALISE ON PRICING OPPORTUNITY

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- **Two hybrid power projects being developed in South Australia**
- **Projects to incorporate a combined 20MWh of DC-coupled battery storage from day one – designed to capitalise on negative daytime energy pricing**
- **Latest AEMC determination supports the case for greater investment in battery storage**
- **Build Own Operate portfolio rapidly advancing**
- **MPower continues to assess new project opportunities to expand its pipeline**

Sydney – 9 December 2021 – MPower Group Limited (ASX: MPR)

MPower, Australia's leading specialist renewable energy, battery storage and microgrid business, is pleased to advise that two solar battery hybrid projects are being developed in South Australia to capitalise on existing pricing opportunities brought about by negative daytime pricing across the state.

South Australia provides a unique opportunity for MPower within the National Electricity Market. Given the nature and characteristics of the South Australian market, the region experiences sustained periods of negative daytime energy pricing. However, hybrid power systems that incorporate battery storage have the ability to earn revenue when the battery is charged from the network during periods of negative pricing.

By leveraging the company's in-house technical expertise across solar and battery storage technologies and anticipating the latest Australian Energy Market Commission (AEMC) determination on integrating battery storage, MPower has put forward a market leading solution tailored to the opportunity.

As part of MPower's plans to establish a distributed portfolio of renewable energy projects, two project sites have been secured in South Australia and a hybrid 5MW solar farm with a DC-coupled 5MW/10MWh battery project is being developed at each site. SA Power Networks has confirmed that the network has capacity to accommodate the projects and formal connection applications have been lodged this week.

On 2 December 2021, the AEMC released its final rule determination on integrating battery storage systems into the National Electricity Market. The latest determination supports the use of battery storage technology on 5MW projects by simplifying the connection requirements and opening up additional revenue markets for asset owners.

Funding for the projects will be sought when the development process is further progressed and the viability of the projects can be fully assessed. MPower expects the two hybrid projects to be shovel-ready around the middle of CY2022 and construction to commence after that time once funding has been secured.

The planned hybrid power projects are located in Kadina, South Australia. Both projects will incorporate battery storage from day one and are part of MPower's pipeline of 10 project sites that the company has exclusivity over. MPower continues to assess additional project opportunities and is targeting a portfolio of 20 5MW projects across Australia, with an estimated value of more than \$150 million.

Chief Executive Officer Nathan Wise said: *"MPower continues to lead the way with innovative market offerings that utilise the latest technology to address network challenges. The two South Australian projects further validate our strategy of combining the advantages of a distributed portfolio with the benefits of scale, with no single point of failure and exposure to multiple revenue streams. These will directly benefit the company as it rapidly establishes its Build Own Operate portfolio."*

"We have now released details of five projects across NSW, Victoria and South Australia and we are well on our way to establishing our planned portfolio of 20 projects and 100MW of generating capacity."



Image: University of Queensland battery storage project designed and constructed by MPower

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Contact

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This announcement has been authorised by Nathan Wise, Chief Executive Officer.

About MPower

MPower Group Limited (ASX: MPR) is a technology-led company with a long history specialising in the delivery of reliable on-grid and off-grid power solutions for blue chip corporate and government customers. Headquartered in Sydney, MPower's team of professionals has successfully delivered turn-key solar, battery storage and micro grid projects across the region.

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