

Expected ROI of industrial energy storage project in Australia 2026



Overview

Wood Mackenzie outlines that a 4-hour battery that starts operations in 2026 is projected to generate an average annual revenue of AU\$263,000/MW over its lifetime, with Queensland expected to lead at AU\$281,000/MW.

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Battery project IRR estimates for assets operating in the NEM 2026-45 Source: Wood Mackenzie Asia Pacific Power Service Battery costs falling even as revenues grow The capital expenditure (CAPEX) for 4-hour batteries is projected to decrease by 20% by 2030, which will further enhance the economic.

Australia is home to the world's first 'big' battery: the 100 MW Hornsdale Power Reserve, constructed in 2017. Since then, investment in grid-scale battery energy storage in Australia's National Electricity Market - or NEM - has continued. 25 projects are now commercially operational in the NEM.

In this paper we assess the financial framework surrounding utility-scale energy storage developments and identify the key obstacles to investment from the private sector. In particular, we analyse: A potential framework and solution for asset ownership. Private sector infrastructure investment.

The Energy Storage Summit Australia 2026, organized by Solar Media, is a leading two-day event dedicated to connecting and expanding Australia's renewable energy capacity through innovative energy storage solutions. Held at the Sofitel Sydney Wentworth in Sydney, Australia, this third edition.

ACCURE is the leading provider of predictive analytics solutions for battery

energy storage. We empower companies to reduce risk, enhance performance, and maximize the business value of their energy storage investments. Our advanced AI algorithms simplify the complexity of battery data, enabling. Why is battery storage a good investment in Australia?

However, the report finds that high daily price volatility in power markets makes battery investments appealing even without government guarantees. "Battery storage will be crucial in Australia's energy transition, influenced by the growth of renewable energy and market volatility.

Are 4 hour battery energy storage systems a viable investment?

Projected internal rates of return (IRRs) for 4-hour duration battery energy storage systems (BESS) vary between 13% and 15%, demonstrating their viability in a fluctuating energy market. "Our 30-minute price forecasts show daily price spreads consistently over AU\$100/MWh (US\$63/MWh), with increasing spikes up to AU\$400 or more.

Is commercial investment possible in energy storage assets?

In the absence of both of these, commercial investment becomes unfeasible. In the context of utility scale energy storage (energy storage)¹ assets, the current electricity market and regulatory framework does not support cash flows of this nature.

How much energy does a NEM use in 2024?

The deployment of two-hour systems in 2024 means the total energy capacity of battery energy storage in the NEM has reached 3 GWh, up from 2 GWh at the end of 2023. This has increased the fleet's average duration to 1.6 hours, up from 1.4 hours a year ago. Grid-scale BESS power (MW) and energy storage capacity (MWh).

Will energy storage transform Australia's energy generation mix?

Following the recent unprecedented renewable energy boom, 2019 is set to focus on how renewables can transform Australia's energy generation mix. This is not being driven by ideology, but by economics. Energy storage will play an important role in this transformation.

When are energy storage prices high?

Historically, the highest prices have been in the weekday 'shoulder' periods

between approximately 7am-8am and 6pm-9pm. This is typically when demand is high. Despite this pattern, demand and supply in the National Energy Market (NEM) Energy storage projects are able to engage in time-of-day trading strategies; buying low and selling high.

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Liddell Battery Project, New South Wales, Australia

The Liddell Battery Energy Storage System (BESS) Project involves the development of a 500MW battery in New South Wales (NSW), Australia.

Battery Energy Storage Systems (BESS): Market Growth and ...

Meanwhile, governments in other regions need to implement policies to encourage local energy storage development. 5. The U.S. BESS market is expected to reach \$10 billion by 2026, ...



Ace Power lands federal nod for 5.6 GWh of battery ...

With environmental approvals secured, Ace Power is now progressing toward connection agreements with Queensland network operator Powerlink, scheduled for negotiation later this year. Construction on both ...



Australia: Battery energy storage & the CIS and LTESA schemes

In this article, we look at both these schemes and the battery projects that have won contracts. Executive Summary The Capacity Investment Scheme (CIS) and Long-Term Energy Service ...



Australia's Major Infrastructure Projects to Keep an ...

Renewable Energy Zones (REZs) Aligned with Australia's energy transition objectives, the emergence of Renewable Energy Zones (REZs) in New South Wales, Queensland, and Victoria is gaining momentum as a strategic ...



Battery storage profitability looking up in Australia, ...

Investments in battery storage within Australia's National Electricity Market (NEM) are increasingly profitable due to higher power price volatility and changing market dynamics, according to the latest report by ...



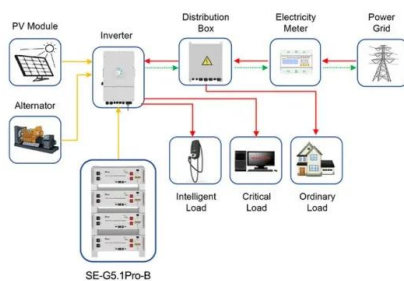
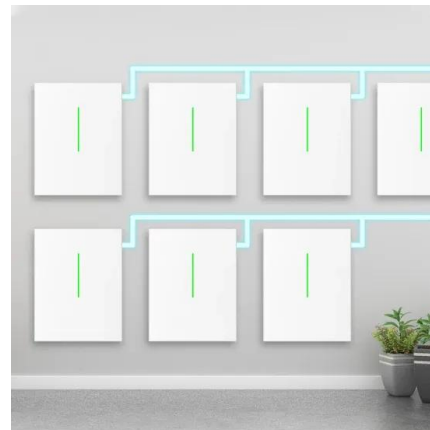
Clean energy to ignite \$36 billion construction boom ...

A new report predicts that electricity will become the country's largest infrastructure investment sector from 2026, driven by a boom in renewable energy construction, with solar construction projected to also peak around \$5.7 ...



4-hour duration BESS in Australia's NEM to be

4-hour BESS in 2026 to earn an average of AU\$263,000/MW It is important to highlight that the capital expenditure (CAPEX) for 4-hour batteries is expected to decrease by 20% by 2030, making investments in this ...



Application scenarios of energy storage battery products

Battery energy storage in Australia's net-zero ...

Battery energy storage has a critical role to play in managing the intermittency of renewables, balancing the grid, and ensuring reliable electricity. Australia's journey toward a net-zero future hinges on the ...

Plunging cost of big batteries: Latest gigawatt scale ...

The big mover in the CSIRO's GenCost report was the plunging cost of battery storage. One major battery project may already be doing much better.



Top 10 Energy Storage Trends & Innovations , StartUs Insights

Discover the Top 10 Energy Storage Trends plus 20 out of 3400+ startups in the field and learn how they impact your business.



Global Energy Storage Growth Upheld by New Markets

Globally, energy storage project development is increasingly driven by the utility-scale segment, with mandates and targeted auctions driving gigawatt-hour projects in markets ...



Zen seals deal to develop four new big battery and ...

Zen Energy will co-develop around 695 MW of multi-hour big batteries and 100 MW of solar across three Australian states with Taiwan partner.

Australia Industrial Battery Energy Storage System Market

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The Australia Industrial Battery Energy Storage System (BESS) market is undergoing rapid expansion, driven by growing demand for renewable energy integration, grid ...



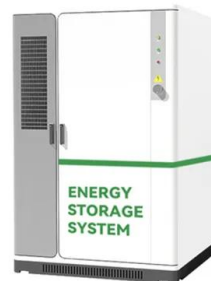


Unlocking the Potential of Long-Duration Energy Storage in ...

The Potential and Benefits of LDES Technologies Within the GCC Long-Duration Energy Storage (LDES) is a family of technologies covering four pathways: Mechanical, Thermal, Chemical, ...

BESS in North America_Whitepaper_Final Draft

Battery energy storage - a fast growing investment opportunity Cumulative battery energy storage system (BESS) capital expenditure (CAPEX) for front-of-the-meter (FTM) and behind-the-meter ...

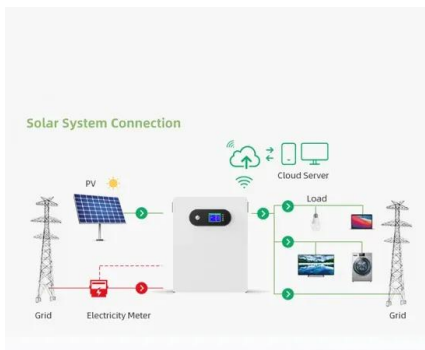


Homepage

The 2026 Summit will delve deeper into the themes driving Australia's energy transition, including the energy storage roadmap, exploring how much storage is needed to meet Australia's renewable energy targets and what must be done ...

[Energy storage batteries in 2026](#)

When complete in 2026, the energy storage center is expected to be the largest standalone battery energy storage project in the Great Lakes region. The new Trenton Channel Energy ...



Maximizing ROI: Commercial Energy Storage Strategies for ...

...

How smart Australian businesses are using energy storage to slash electricity costs by 30-50%, achieve energy independence, and generate new revenue streams. ...

Resources and energy quarterly: June 2025

The Resources and energy quarterly (REQ) contains the Office of the Chief Economist's forecasts for the value, volume and price of Australia's major resources and ...



Energy storage sector to attract Rs. 4,79,000 crore (US\$ 56.07

India's energy storage sector is set to attract US\$ 56.07 billion in investments by 2032, with a five-fold growth expected between 2026 and 2032, driven by rising demand for ...

Q1 2025 Buildout Report: How quickly is BESS coming online in ...

This article provides an update on the progress of battery energy storage projects in the NEM: what projects came online in the first quarter of 2025, how the remainder of the pipeline is ...



Industry News -- China Energy Storage Alliance

Actively Exploring Energy Storage Application Scenarios In the era when the industry is fully shifting toward marketization, the reform of the electricity spot market is accelerating, the mechanisms for energy storage ...

Energy Storage Australia 2026

The event aims to delve into key challenges such as grid connection hurdles, the transition to net zero, and optimal financing models, while highlighting state-level developments and policies ...



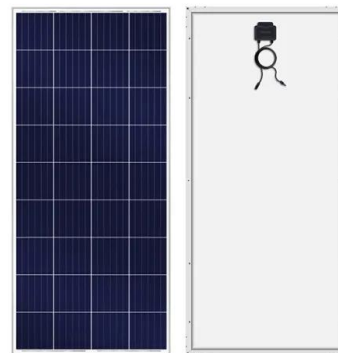
Global Energy Storage Growth Upheld by New Markets

Globally, energy storage project development is increasingly driven by the utility-scale segment, with mandates and targeted auctions driving gigawatt-hour projects in markets like China, Saudi Arabia, South Africa, ...



Trina Solar plans to develop Australia's largest energy storage project

Recently, Trina Solar has submitted a development application to relevant Australian authorities, planning to develop a large-scale energy storage project with a capacity ...



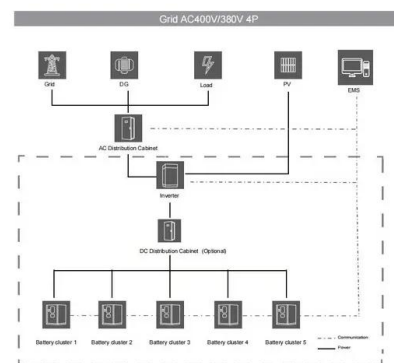
CIS Tender 6 results to be released "in the coming weeks"

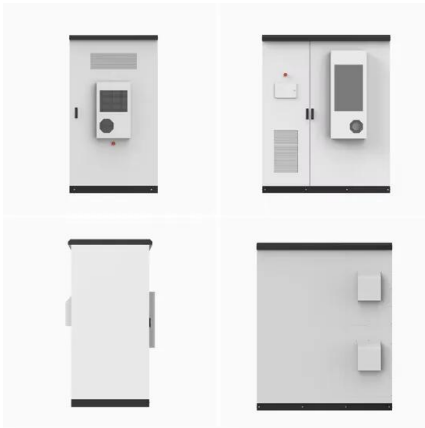
Thimo Mueller made the announcement during the opening keynote of the Battery Asset Management Summit Australia 2025. Image: Solar Media. "We're expecting the ...



Origin Energy approves 300MW battery storage ...

Australian utility Origin Energy has approved the construction of a 300MW BESS project at Mortlake power station in south-west Victoria. The battery storage system will be operational by late 2026 and entails an ...





Energy Storage Grand Challenge Energy Storage Market ...

Not all energy storage technologies and markets could be addressed in this report. Due to the wide array of energy technologies, market niches, and data availability issues, this market ...

Australia: Large-scale BESS capital costs fall 20

Image: Fluence. A new report published by Australia's Commonwealth Scientific and Industrial Research Organisation (CSIRO) has found that large-scale battery energy storage system (BESS) capital costs ...



Energy Storage Systems (ESS) Market Growth 2034

Energy Storage Systems (ESS) Market Size The Global Energy Storage Systems (ESS) Market size was USD 8.47 Billion in 2024 and is projected to touch USD 9.5 ...

Liddell Battery Project, New South Wales, Australia

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