

Lend Lease, Carnegie unit in green energy venture



AFL chairman Mike Fitzpatrick.

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Lend Lease has taken a major step into the growing multi-billion-dollar, off-the-grid, battery storage electricity market by striking a joint venture with a renewable energy company backed by Australian Football League chairman Mike Fitzpatrick.

The initial three-year deal, to be announced this morning, will see Lend Lease team with Carnegie Clean Energy's (formerly known as Carnegie Wave Energy) subsidiary Energy Made Clean (EMC) to deliver battery, solar, and storage microgrids across Australia.

Microgrids are larger power systems that can be tapped by communities when the power grid goes down.

The agreement will let Lend Lease and EMC identify, pursue and bid for contracts for solar and battery energy storage systems in Australia. It will link EMC's expertise in the design, construction and operation of microgrids, commercial scale solar projects and energy storage systems with Lend Lease's skills and experience in the construction and maintenance of power distribution and generation assets.

"We're excited to commence working closely with a company of the scale and expertise of Lend Lease's Services business," Carnegie Clean Energy managing director Michael Ottaviano will say in a statement to be released this morning. "Combined with EMC's significant experience in designing and delivering first of a kind microgrid projects, the JVA represents a compelling value proposition to solar and solar microgrid projects across the country. This partnership will bring each parties' respective strengths together to reach a broader range of blue-chip clients including network providers, utilities, large-scale residential developments and defence.

“The size of the target market within Australia, across off-grid; fringe-of-grid; commercial and industrial is estimated to be in excess of \$1.6 billion over the next five years, and \$5bn over the next 10 years, as the costs of solar and battery energy storage systems continue to fall and renewable energy penetration continues to grow. This partnership will enable us to seize this significant opportunity and cement our position as market leader.”

There is an increasing focus on microgrids as a possible alternative to Australia’s electricity network infrastructure, which has become vulnerable to storm and bushfire damage and outages such as the one that crippled South Australia in September.

Electricity retailers Origin Energy, Simply Energy and Sydney-based solar installer Natural Solar have been selling the much-vaunted Tesla Powerwall residential battery unit in Australia.

AGL Energy is also conducting a big trial of homes that will have their solar and battery storage linked as a “virtual power plant” while West Australian utility Horizon Power has launched a project to deliver what it claims will be Australia’s largest solar and storage-based microgrid in the northwest town of Onslow.

Analysts around the world claim that battery systems capable of storing power at utility scale will be as widespread in 12 years as rooftop solar panels are now, revolutionising the way consumers use energy. Carnegie, which counts among its shareholders Mr Fitzpatrick's 88 Green Ventures, said last month it was building its first commercial wave energy plant in Cornwall to capitalise on the strong policy support for renewable energy in the British market. A national transmission network development plan for the Australian electricity market recommended last week that almost \$3bn would need to be spent upgrading crucial electricity connections between states to bolster the national grid’s reliability as coal power is turned off and the use of renewables increased.

The Australian Energy Market Operator said a lift in battery storage and increased “demand management” — turning devices off during peaks or shifting load to off-peak times — would be needed to cope with increased use of renewables, which have less predictable output than coal-fired power stations.