Standalone energy storage project financing options in New Zealand 2026

Does project finance apply to energy storage projects?
The general principles of project finance that apply to the financing of solar and wind projects also apply to energy storage projects. Since the majority of solar projects currently under construction include a storage system,lenders in the project finance markets are willing to finance the construction and cashflows of an energy storage project.

Why is fuel storage important in New Zealand?
The choice of fuel used for storage is critical for security,price stability and environmental impact. There is value in New Zealand having diversity for its storage solutions,as seen by the impact of the lack of gas in Winter 2024. Working with every facet of the energy industry,to help clients respond to business issues and trends.

Will a tax credit be available for energy storage projects?
However,with the passage of the Inflation Reduction Act of 2022,tax credits are now availablefor standalone energy storage systems,and thus lenders may be willing to provide bridge capital that is underwritten based on the receipt of proceeds from an anticipated tax equity investment,similar to renewable energy projects.

What is the Dannevirke solar & energy storage project?
The Dannevirke Solar &Energy Storage Project (DVK) is a 107 MW (DC) utility-scale renewable energy developmentlocated approximately 6 kilometres west of Dannevirke,in New Zealand's Tararua District. The project includes an optional Battery Energy Storage System (BESS) of up to 72 MW /150-300 MWh and is designed for a 40-year operational life.

Why does New Zealand need a 'flexible' electricity market?
As with other electricity markets around the world,the use of renewables means the market faces great exposure to climatic conditions and therefore New Zealand requires significant amounts of 'flexible' generation that can vary output to balance the variations in weather.

Will Huntly assets support New Zealand's energy security?
Off the back of its experience in Winter 2024, Genesis asked KPMG and Concept Consulting to assess the future requirement for Huntly assets to support New Zealand's energy security over the short, medium, and long term. Key takeaways from this report:

Energy storage: the technology that will cash the checks written by the renewable energy industry. Energy storage can transform intermittent clean energy--primarily derived from wind and solar--into a reliable source of ...

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After debt payments have been made, other investors (like equity investors) will be paid. In general, project"s assets are used as collateral to the loan. This type of financing is common in renewable energy projects because building solar, ...

. Energy storage encompasses an array of technologies that enable energy produced at one time, such as during daylight or windy hours, to be stored for later use. LPO can finance commercially ready projects across storage ...

This report has been prepared at the request of MBIE, as a contribution towards developing a comprehensive framework for understanding and assessing options for managing a large-scale ...

Following Erik, Deanne Barrow outlined both equity and debt financing models for energy storage projects as well as some particular financial models that she has seen in her work. Deanne discussed the particular challenges both equity ...

At a recent power finance conference in New York, experts discussed the growing opportunities for installing storage projects, as well as considerations for where the storage markets need to mature to make them ...

For commercial energy storage projects greater than 10 kilowatts in size, the rebate offered is 50¢ per watt-hour of energy produced (but only 36¢ for solar-plus-storage so ...

Standalone Energy Storage Systems (ESS) are rapidly emerging as a key market, with 6.1 gigawatts of tenders issued in the first quarter of 2025 alone, accounting for 64% of the total utility-scale energy storage ...

BSES Rajdhani Power"s new 20 MW/ 40 MWh project is India"s first utility-scale, standalone battery energy storage system to secure regulatory approval under Section 63 of the Indian ...

The main benefits of the Inflation Reduction Act (IRA) for standalone energy storage projects include: Standalone Investment Tax Credit (ITC) Eligibility: Before the IRA, tax ...

Key Findings Standalone Energy Storage Systems (ESS) are rapidly emerging as a key market, with 6.1 gigawatts of tenders issued in the first quarter of 2025 alone, accounting for 64% of the ...

When complete in 2026, this 220-megawatt battery energy storage center at the site of DTE"s retired Trenton Channel coal power plant is expected to be the largest standalone ...

Enhancing Project Viability: By lowering the overall cost, tax credits can make energy storage projects more attractive to investors, improving their financial feasibility. ...

US renewables developer-operator Cypress Creek Renewables has secured financing for a 200-MW battery

energy storage system (BESS) project in Harris County, Texas, ...

Since the majority of solar projects currently under construction include a storage system, lenders in the project finance markets are willing to finance the construction and cashflows of an energy storage project.

This feature of battery storage systems can also pose a challenge from a financing perspective as investors will need to pay close attention to the battery storage system"s revenue arrangements to ensure that they align with the ...

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