APAC BESS FINANCE INTELLIGENCE Free to read

WEEKLY RESEARCH · W42 · APAC

Long-term contracts still anchor battery finance; price spikes are a bonus

NSW prices hit A$23,107/MWh this week, but what actually moved projects forward was contracts: Summerfield entered commissioning with a 10-year Origin offtake, NSW designed LTESA contracts for a 1.5 GW firming tender, the Philippine regulator approved a 5-year battery reserve contract, and Japan's Nozu project locked in equipment supply on the back of its LTDA contract.

Period **2026/10/12 – 10/18** Published **2026/10/19 (Mon)** Markets **Australia · Japan · Philippines · South Korea · Singapore · Taiwan**

Data checked **2026/10/27**

KEY JUDGEMENTS

Four conclusions

1. **NSW: spike revenue is real, but it can't service debt.** On the afternoon of 10/12 a heatwave lifted demand by nearly 2,000 MW within an hour while about 2,400 MW of coal was unavailable, and the spot price briefly reached A$23,107/MWh. Revenue like this is hard to forecast, and lenders usually exclude it from debt-service cash flow.[1]
2. **Australia: large batteries keep reaching construction on long-term contracts.** Summerfield (240 MW/960 MWh) entered commissioning with a 10-year Origin Energy offtake; the Lower Wonga solar-plus-storage project (281 MW/843 MWh battery) has both CIS support and a Rio Tinto hybrid offtake.[3]
3. **NSW: an 8-hour threshold changes the competitive field.** ASL is consulting on a 1,500 MW firming tender requiring at least 8 hours of sustained output under LTESA contracts. Two- to four-hour batteries are disadvantaged in such tenders; gas and long-duration storage are more competitive.[4]
4. **Philippines and Japan: regulated contracts make revenue predictable.** The ERC provisionally approved a 5-year battery reserve contract at PHP 5.28/kWh; Japan's Nozu project locked in Trina Storage supply after its 20-year LTDA contract and Aozora non-recourse financing.[2,6]

KEY NUMBERS

Six numbers this week

NSW spot price peak (10/12)

A$23,107/MWh

11 five-minute intervals above A$5,000

Summerfield battery

240 MW / 960 MWh

10-year Origin offtake · commissioning

NSW ASL firming tender

1,500 MW

Sustained output ≥ 8 hours · LTESA

Philippines Visayas battery reserve contract

PHP 5.28/kWh

5 years · reserve spot average about PHP 21

AGL Abermain battery (Queensland)

500 MWh

Referred for federal EPBC approval

Japan Nozu project

50 MW / 196 MWh

Completion Q3 2028

TIMELINE

What happened

Date	Market	Event	Why it matters for finance
10/12	AU	NSW spot price peaked at A$23,107/MWh; about 2,400 MW of coal unavailable, technical curtailment peaked at 2,800 MW; about 30,000 home batteries earned A$2m in two hours.[1]	Spike revenue exists but is unpredictable and should not count toward debt capacity.
10/12	PH	ERC announced its 10/9 provisional approval: NGCP–EAUC 44.72 MW battery reserve contract, 5 years, PHP 5.28/kWh.[2]	The first regulator-approved example of capacity-style battery revenue.
10/14	JP	Trina Storage will supply Elementa 2 Pro systems to the 50 MW/196 MWh Nozu project.[6]	Equipment and completion risk for an LTDA project is further settled.
10/15	AU	ASL consults on a 1,500 MW NSW firming tender (10/13–11/4) requiring ≥ 8 hours under LTESA contracts; the tender is expected to open in early 2027.[4]	Longer-duration requirements will shape battery sizing and bidding strategy.
10/15	AU	Summerfield 240 MW/960 MWh entered commissioning (10-year Origin offtake); Gotion supplies Lower Wonga (281 MW/843 MWh).[3]	Long-term offtake remains the mainstream structure for financing large batteries.
10/16	AU	Victoria declared Hazelwood BESS Line Co a transmission system operator, letting ENGIE's 150 MW/300 MWh expansion reuse on-site transmission assets.[5]	Grid access at retired coal sites is becoming a scarce asset.
10/16	AU	AGL referred its 500 MWh Abermain battery in Queensland for federal EPBC environmental approval.[7]	Large retailers keep expanding their own battery fleets.

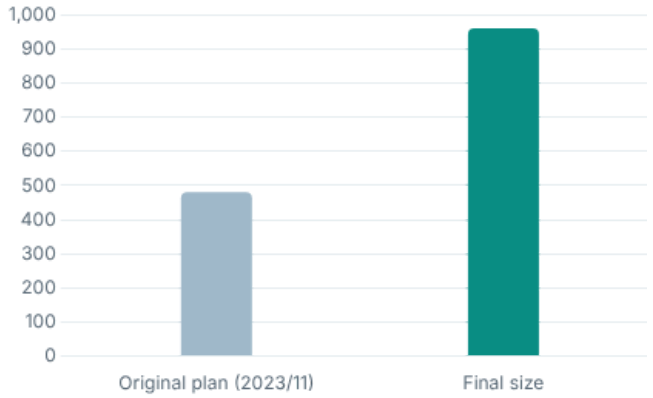
AUSTRALIA

Contracts land, spikes are a supplement

VERIFIED FACTS

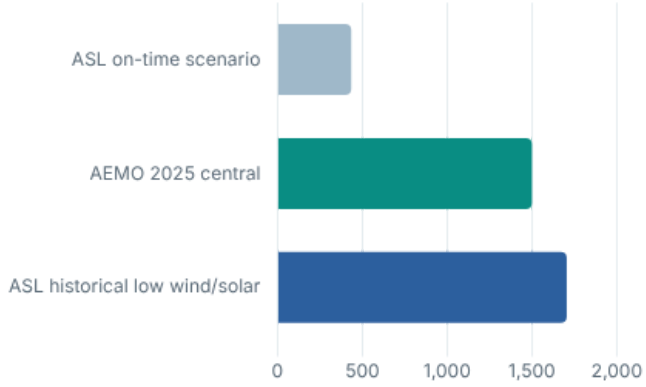
- At about 15:30 (AEDT) on 10/12 the NSW spot price reached A$23,107/MWh, close to the market cap; a heatwave took Sydney to 34.7°C and lifted demand by nearly 2,000 MW within an hour; 4 of 12 coal units were offline and 2 derated.[1]
- Summerfield: near Mannum, South Australia, 240 MW/960 MWh (doubled from the originally planned 480 MWh); EPC e-STORAGE; 10-year Origin Energy offtake; in April 2026 Palisade agreed to buy 100% from CIP, price undisclosed.[3]
- Lower Wonga: near Gympie, Queensland, 380 MWdc solar + 281 MW/843 MWh battery, CIS support, Rio Tinto hybrid offtake, commercial operation end-2028.[3]
- ASL 1,500 MW firming tender: at least 8 hours required; AEMO's 2025 Energy Security Target Monitor central scenario shows a gap of about 1,500 MW in 2033–34; consultation closes 11/4.[4]
- Hazelwood: existing 150 MW/150 MWh (operating since June 2023), expansion 150 MW/300 MWh, expected completion 2028.[5]

Summerfield storage resizing (MWh)



Original plan announced 2023/11; source: Energy-Storage.News[3]

NSW 2033–34 reliability gap estimates (MW)



Different agencies and scenarios; source: Energy-Storage.News[4]

ANALYSIS

- Summerfield extended duration from 2 to 4 hours before construction and paired it with a 10-year offtake, a textbook "contract + longer duration" approach consistent with narrowing NEM arbitrage spreads.
- If the NSW 8-hour firming requirement survives, 4-hour batteries will need support from other revenue (CIS, tolling, ancillary services), while long-duration storage developers may gain a new contract opportunity.
- Home batteries discharging together during spikes, outside AEMO dispatch, amplify price volatility. For grid-scale arbitrage that is both an opportunity and a source of uncertainty.

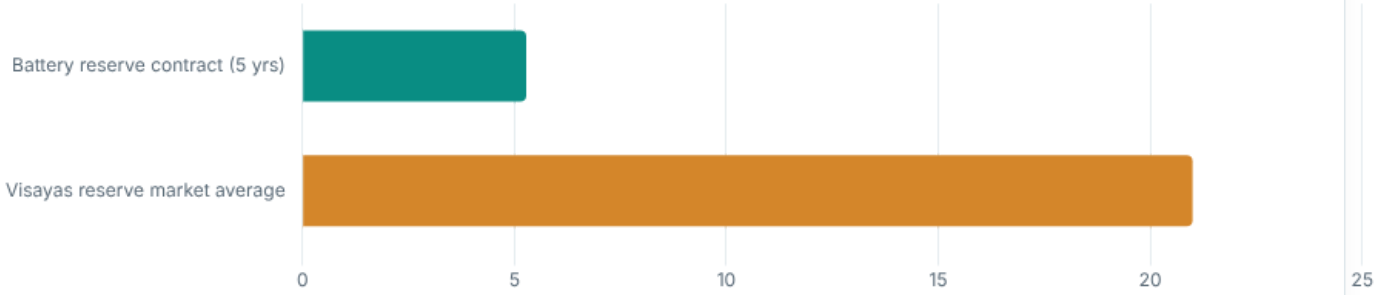
PHILIPPINES

Buying reliability with a 5-year contract

VERIFIED FACTS

- ERC provisionally approved on 10/9, announced 10/12: battery reserve contract between NGCP and East Asia Utilities Corp. (an AboitizPower subsidiary), Mactan, Cebu, 44.72 MW, up to 13 MW regulating reserve + 13 MW contingency reserve, 5 years, provisional rate PHP 5.28/kWh.[2]
- The Visayas reserve market average is about PHP 21/kWh.[2]

Visayas reserves: contract price vs market average (PHP/kWh)



Market average is "about PHP 21/kWh", plotted as 21. Source: Daily Tribune[2]

ANALYSIS

- The contract price is only about a quarter of the market average, showing the regulator using long-term contracts to cut consumer costs. Investors gain revenue certainty in exchange for giving up upside from high spot prices.

JAPAN

The sequence for LTDA projects

VERIFIED FACTS

- The Nozu project (Usuki, Oita; 50 MW/196 MWh) won in the FY2023 LTDA and holds a 20-year CPI-linked capacity contract; it reached financial close on 9/14 with non-recourse finance from Aozora Bank, amount undisclosed; on 10/14 Trina Storage was announced as supplier, with completion in Q3 2028.[6]

ANALYSIS

- "Award → financial close → equipment locked in" is the standard path for Japanese LTDA projects. Lenders will now focus on construction progress and LTDA performance requirements, especially the COD deadline.

SOUTH KOREA · SINGAPORE · TAIWAN

Other markets

SOUTH KOREA

- The Round 3 central-contract ESS tender (1,180 MW / 7.08 GWh) is still in its bidding period, closing 11/11. No new verifiable public developments this week.[8]

SINGAPORE · TAIWAN

- No major verifiable public grid-scale storage developments this week.

COMING UP

Calendar

Date	Market	Item
11/03, 11/10	PH	ERC hearings on the NGCP–EAUC battery reserve contract
11/04	AU	NSW ASL 1,500 MW firming tender consultation closes
11/11	KR	Round 3 ESS central-contract tender closes
Early 2027	AU	ASL firming tender formally opens (expected)

SOURCES

Sources

1. ABC News, "Spring heatwave and coal outages deliver $2m payday for home battery owners", 2026/10/17. abc.net.au
2. Daily Tribune, "ERC clears Cebu battery deal to ease Visayas power risks", 2026/10/12. tribune.net.ph
3. Energy-Storage.News, "e-STORAGE commissions 960MWh BESS in South Australia for CIP; Gotion delivers for Lightsource hybrid in Queensland", 2026/10/15. energy-storage.news
4. Energy-Storage.News, "Australia's ASL opens consultation on 1.5GW firming tender", 2026/10/15. energy-storage.news
5. Energy-Storage.News, "Hazelwood BESS expansion in Australia set to double storage capacity at former coal site", 2026/10/20. energy-storage.news
6. ESS News, "Trina Storage to supply 196 MWh battery in Japan", 2026/10/14. ess-news.com
7. Energy-Storage.News, "AGL refers 500MWh Abermain BESS in Queensland to Australia's EPBC Act", 2026/10/16 (headline information only). energy-storage.news
8. Jodal Economy (조달경제신문), "ESS 3차 입찰 1,180MW 확정", 2026/09. jodaleconomy.com

---

This report is compiled from public sources, with "verified facts" and "analysis" labelled separately; analysis reflects the author's view and is not investment, credit or legal advice. Undisclosed amounts, rates and contract terms are marked as undisclosed and not estimated.