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# Contracted revenue carries the debt, while Shandong's capacity-payment draft tests standalone storage cash flows

The clearest financing signals this week came from assets with long-dated revenue: Williamsdale's 15-year revenue share, Glenrowan's extended 10-year PPA and Hams Hall's 10-year floor. By contrast, Shandong's capacity-payment draft and 3–4% realised returns at many Chinese standalone plants show that policy-dependent cash flows need re-testing. Tight battery supply and rising PCS prices push fixed-price contracts up the lender checklist.

Period **2026/11/02 – 11/08** Published **2026/11/09 (Mon)** Sources **22 published daily briefs**

KEY JUDGEMENTS

# Conclusions

1. **Long-dated revenue remains the entry ticket to debt.** Williamsdale (250 MW/500 MWh) starts a 15-year revenue share with the ACT government, which helped underwrite construction and receives 50% of revenue. Victoria's SEC extended Glenrowan's 10-year PPA to a 102 MW battery, with financial close expected next year. Hams Hall phase 1 (350 MW/1,243 MWh) has a 10-year floor and optimisation agreement with EDF and debt from OCBC, Rabobank and Société Générale. Debt amounts for all three are not publicly disclosed. View: the longer the revenue term and the clearer the counterparty, the more room to negotiate debt size and tenor.[1,13,15]
2. **Capacity payments are the key variable in Chinese standalone storage cash flows.** Shandong's draft would scrap 2x capacity payments for standalone demonstration and long-duration pilot projects and states that leased capacity no longer earns compensation; the effective date is not publicly disclosed. A republished feature says standalone storage made up 64.02% of January–July procurement (216.51 GWh), while the chair of Xingchen Xinneng said only a few of the 28 provinces with continuous spot markets reach a normal 8% IRR and many plants earn just 3–4%. View: lenders should re-run DSCR for projects relying on capacity payments and leasing income, and include rule changes in downside cases.[18,5]
3. **Equipment supply is tightening, so fixed-price terms matter more.** LG Energy Solution held an ESS backlog of about 160 GWh at end-Q3 with 2028 volumes mostly secured; Samsung SDI won more than 60 GWh of ESS orders in January–October. SNE Research puts global ESS battery shipments at 779.9 GWh in Q1–Q3, up 73%. Huawei Digital Power plans 5–10% increases on grid-forming utility-scale storage solutions including PCS, and detailed US rules restricting BESS and inverter purchases from designated foreign entities are due in December. View: projects without locked equipment prices face margin pressure, and lenders may focus more on fixed-price terms in EPC and supply contracts.[7,4,8]
4. **Portfolio and platform finance keeps growing, with Japanese and Australian capital in cross-border platforms.** Return secured €835m of portfolio financing from Deutsche Bank and Rabobank, covering three German projects totalling 117 MW, and plans at least 1 GW a year in Germany from 2027; ENGIE expanded its contracted flexibility with Return to 400 MW and Centrica signed a separate 100 MW. Lightyears raised NZ$174m: NZ$74m of planned investment from Obayashi and a NZ$100m facility from Infradebt. View: portfolio frameworks backed by contracted flexibility, and milestone-gated equity paired with infrastructure debt, are templates for APAC aggregator-style platforms.[6,11]
5. **Who owns grid-side storage is worth tracking.** NGCP's Project Airbag in the Philippines envisages up to 10,000 MW at around ₱700 billion (not an approved budget), but a DOE rule reportedly bars NGCP from owning batteries and whether the ERC would allow it is unclear. KEPCO's research institute says market rules limit ESS as an alternative to grid reinforcement and urges revision; transmission-side ESS in operation totals 426 MW for frequency regulation and 978 MW for grid stabilisation. View: if grid operators can own storage, costs could enter regulated returns and compete with merchant storage revenue.[17,14]

KEY NUMBERS

# This week in numbers

Australia H1 financial close

**1.6 GW/6.5 GWh**

13 projects; lenders not publicly disclosed

Return German portfolio financing

**€835m**

Deutsche Bank, Rabobank

China new-type storage installed

**167 GW/435 GWh**

End-September, up 63% YoY

China standalone realised returns

**3–4%**

Interviewee's figure for many plants; normal IRR 8%

Global ESS battery shipments

**779.9 GWh**

Q1–Q3 2026, up 73% YoY

LG Energy Solution ESS backlog

**~160 GWh**

End-Q3

TIMELINE

# What happened

| Date | Market | Event | Why it matters for finance |
|---|---|---|---|
| 10/30 | CN | NEA: new-type storage 167 GW/435 GWh at end-September, up 63%[19] | Utilisation up only about 10 hours; returns still hinge on provincial rules |
| 10/30 | AU | ESS News: 13 projects, 1.6 GW/6.5 GWh, reached financial close in H1[20] | Financed pipeline averages roughly 4 hours |
| 11/01 | CN | Shandong consults on capacity compensation, proposing to end 2x payments for standalone storage[18] | Cash flows relying on capacity payments and leasing need rechecking |
| 11/01 | PH | Gulf News reports NGCP's Project Airbag of up to 10,000 MW[17] | Whether the grid operator can own storage is unresolved |
| 11/02 | AU | Victoria's SEC extends Glenrowan 10-year PPA to a 102 MW battery[13] | Adds long-dated revenue to the battery; financial close expected next year |
| 11/02 | GL | Hams Hall phase 1, 350 MW/1,243 MWh, enters operation[15] | 10-year floor, debt from three banks |
| 11/02 | GL | Return Energy closes €50m for 55 MW/220 MWh in the Basque Country[16] | Lender not publicly disclosed |
| 11/03 | GL | India's NPCL tenders 80 MW/320 MWh standalone BESS on a 12-year BOOT[12] | Utility contracting directly creates contracted revenue |
| 11/03 | GL | Lightyears raises NZ$174m (Obayashi, Infradebt)[11] | Milestone-gated equity paired with infrastructure debt |
| 11/04 | KR | LG Energy Solution ESS backlog about 160 GWh, 2028 volumes mostly secured[7] | Procurement windows narrow for non-Chinese supply chains |
| 11/04 | CN | Huawei Digital Power plans 5–10% rise on grid-forming storage including PCS[8] | Cost pressure for projects without locked prices |
| 11/05 | AU | Williamsdale 250 MW/500 MWh officially switched on, 15-year revenue share begins[1] | Government takes 50% of revenue in exchange for underwriting |
| 11/05 | JP | Tokyo Gas capacity planned for operation about 1.1 GW, targeting 2 GW in early 2030s[2] | Financing structure and lenders not publicly disclosed |
| 11/05 | GL | Return secures €835m portfolio financing[6] | Portfolio framework backed by contracted flexibility |

JAPAN

## Operating scale grows, financing stays opaque

VERIFIED FACTS

- Tokyo Gas's 5 November deck shows grid-scale battery capacity planned for operation of about 1.1 GW, with a target of 2 GW in the early 2030s; on 4 November it launched a service buying grid discharge from home batteries at up to 70 yen/kWh. Financing structure and lenders: not publicly disclosed.
- Digital Grid said grid-scale battery volume it handles exceeded 250 MW as of 4 November, up from 200 MW in about a month and spanning all nine power areas outside Okinawa; individual projects, clients and contract terms: not publicly disclosed.
- Denki no Eki GK, set up by JR Kyushu, Sumitomo Corporation and Sumitomo Corporation Kyushu, will build a 16 MW/70 MWh battery in Isahaya, Nagasaki; preparatory work began in October and operation is planned for December 2028. Investment, revenue streams and financing: not publicly disclosed.

ANALYSIS

- View: Japan had no verifiable financing deal this week; news centred on operating scale and early-stage projects.
- View: a gas utility and aggregators scaling up add route-to-market capacity for third-party sites, but lenders still need to see specific contract terms.

AUSTRALIA

## Long-dated revenue keeps backing large batteries

VERIFIED FACTS

- ESS News reported nine large-scale projects totalling 2.3 GW/7.1 GWh switched on in H1 2026, surpassing the 2 GW/5.1 GWh added during all of 2025; 13 projects totalling 1.6 GW/6.5 GWh reached financial close, with lenders and amounts not publicly disclosed.
- Eku Energy's Williamsdale (250 MW/500 MWh) was officially switched on on 5 November, starting a 15-year revenue share with the ACT government, which helped underwrite construction and receives 50% of revenue; lenders not publicly disclosed.
- Victoria's SEC extended its 10-year PPA for the 130 MW Glenrowan solar farm (from the VRET auction) to a 102 MW, up to four-hour battery; the asset is owned by Cimic's Pacific Partnerships, financial close is expected next year, and lenders and debt amount are not publicly disclosed.

ANALYSIS

- View: the H1 financed pipeline averages roughly 4 hours (6.5 GWh/1.6 GW), suggesting longer-duration assets are becoming more bankable.
- View: a government revenue share trades upside for underwriting and improves revenue certainty; adding a battery to an existing 10-year PPA follows the same logic.

SINGAPORE

## Singapore

VERIFIED FACTS

- No verifiable news this week.

SOUTH KOREA

## Order books into 2028, grid-side rules under review

VERIFIED FACTS

- LG Energy Solution's ESS backlog stood at about 160 GWh at end-Q3 with 2028 volumes mostly secured; Samsung SDI won more than 60 GWh of ESS orders in January–October; SK On agreed about 9 GWh of LFP ESS batteries over five years from 2027 with NeoVolta.
- SNE Research: global lithium-ion ESS battery shipments of 779.9 GWh in Q1–Q3 2026 (up 73%), with a record 286.8 GWh in Q3; LG Energy Solution and Samsung SDI's combined North America share rose from 13.4% to 20.9%.
- KEPCO's research institute says transmission takes over eight years to build while ESS can usually be installed within two to three years, yet rules limit ESS as an alternative to grid reinforcement; transmission-side ESS in operation is 426 MW for frequency regulation and 978 MW for grid stabilisation, and a second-phase grid-stabilisation programme of about KRW 70 billion is under way.

ANALYSIS

- View: full order books reduce bargaining power for US projects that need non-Chinese supply.
- View: allowing ESS as a transmission asset would create a regulated-return model distinct from central contract market revenues.

TAIWAN

## Taiwan

VERIFIED FACTS

- No verifiable news this week.

PHILIPPINES

## Project Airbag: large scale, ownership unresolved

VERIFIED FACTS

- Gulf News reports NGCP's Project Airbag envisages up to 10,000 MW of batteries nationwide at around ₱700 billion (about $11 billion), which is not an approved budget; 850 MW is under way at six sites and 1,000 MW across 12 sites is under assessment.
- Unit cost is at least ₱7 billion per 100 MW, putting the first 850 MW at about ₱59.5 billion; full build-out would take five years.
- A DOE rule reportedly bars NGCP from owning batteries because EPIRA treats them as generation; whether the ERC would allow it is unclear. Funding structure: not publicly disclosed.

ANALYSIS

- View: if owned by the regulated grid operator, costs would sit in the transmission rate base and compete with merchant BESS reserve revenues.

CHINA

## Volumes keep rising; returns depend on provincial rules

VERIFIED FACTS

- NEA: new-type storage reached 167 GW/435 GWh at end-September, up 63% year on year, with average duration of 2.61 hours; equivalent utilisation was about 915 hours, up about 10 hours.
- Shandong's DRC is consulting on generation-side reliable capacity compensation rules that would scrap 2x payments for standalone demonstration and long-duration pilot projects; leased capacity would no longer earn compensation, projects must bid both quantity and price, and penalties of 10%, 50% or 100% of the month's payment apply for 2, 3, or 4+ failures. Effective date: not publicly disclosed.
- A feature says standalone storage made up 64.02% of January–July procurement (216.51 GWh). Shandong's Lingcheng Fengyi 300 MW/1,200 MWh plant earned 52% of April 2026 revenue from capacity fees, 33% from spot arbitrage and 15% from AGC regulation, with overall IRR of 9–10%. In June 2026 Canadian Solar's Jiuquan 200 MW/800 MWh plant issued China's first standalone-storage REIT, raising 451 million yuan.

- Huawei Digital Power told customers on 20 October of planned rises of 5–15%, with grid-forming utility-scale storage including PCS up 5–10%; Sungrow, Kehua and others announced similar increases earlier. Implementation date: not publicly disclosed.

ANALYSIS

- View: with capacity fees above half of revenue at Lingcheng, Shandong projects look highly sensitive to capacity rules; whether a given project is affected by the 2x removal must be checked case by case.
- View: lenders are likely to stay conservative on projects in provinces without capacity prices.

GLOBAL

## Active UK and German finance; UK LDES scheme contested

VERIFIED FACTS

- BW ESS's Hams Hall phase 1 (350 MW/1,243 MWh) reached commercial operation 20 days after energisation and will expand to 400 MW/1,424 MWh; OCBC, Rabobank and Société Générale provided debt (amount not publicly disclosed), with a 10-year floor and optimisation agreement with EDF.
- OnPath Energy closed financing for Common Farm (49 MW solar plus 50 MW/100 MWh BESS), with a NatWest term loan and ancillary facilities and completion targeted for mid-2027; solar has a long-term PPA and the battery trades under a third-party optimisation agreement. Debt amount, tenor and pricing: not publicly disclosed.
- Return secured €835m of portfolio financing from Deutsche Bank and Rabobank, covering three German projects totalling 117 MW. Return Energy closed €50m for a 55 MW/220 MWh Basque portfolio; lender not publicly disclosed.
- Lightyears raised NZ$174m, comprising NZ$74m of planned investment from Obayashi and a NZ$100m facility from Infradebt, for more than 300 MW of solar and battery projects over five years; battery MW/MWh: not publicly disclosed.
- CDAES-commissioned Baringa analysis claims Ofgem's proposed 7.6 GW LDES cap-and-floor could add GBP 1.6 billion to consumer costs, and two-hour BESS revenues could fall 13%; Ofgem has not yet made final awards.
- India's NPCL issued a Request for Selection on 3 November for an 80 MW/320 MWh standalone BESS on a 12-year BOOT; earnest money is INR 7.40 lakh per MW, and tariff and total project cost are not publicly disclosed. Italy's MASE authorised another 480 MW on 2 November after nearly 7 GW over the previous two months.

ANALYSIS

- View: pairing a contracted solar PPA with merchant-optimised storage at Common Farm is one route to bank debt for co-located sites without contracted storage revenue.

- View: the cap-and-floor supports LDES debt sizing but could compress merchant revenues lenders model for short-duration batteries; the analysis was commissioned by short-duration developers and should be read accordingly.

COMING UP

## Calendar

| Date | Market | Item |
|---|---|---|
| 11/18 | GL | India NPCL 80 MW/320 MWh tender pre-bid meeting |
| 12/09 | GL | NPCL tender online bids due (16:00) |
| 12/11 | GL | NPCL offline documents due (16:00); techno-commercial bids opened (17:00) |
| Dec | GL | Detailed US rules restricting BESS and inverter purchases from designated foreign entities due |
| TBD | CN | Final Shandong capacity compensation rules and effective date (not publicly disclosed) |
| TBD | GL | Ofgem final awards under LDES cap-and-floor round one |
| 2027 | AU | Glenrowan 102 MW battery: construction after expected financial close |
| Mid-2027 | GL | Common Farm targeted completion |
| 2028/12 | JP | Isahaya, Nagasaki 16 MW/70 MWh battery planned operation |

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